

The have to haves of Insurance for a Bed and Breakfast or Guesthouse

Big Daddy of them all is obviously Liability. There is still a school of thought that R500,000 or R1m is enough for a B&B but with several claims outstanding from guesthouses in South Africa right it's clear that any B&B owner with R500,000 as a limit would be in serious trouble. And that is before we get to the question of Legal Defence costs that many insurers limit. A recent claim settled at R300,000 had legal expenses of over R150,000.

Many people ask how much cover they should have if running a guesthouse. The answer is "as much as you can get".

And never forget to tell insurers about all the activities and facilities offered by the establishment.

Number two big risk is probably Loss of Revenue and the B&B or guesthouse has some very specific risks. What would happen if a murder took place at the establishment? What impact would that have on reservations? What would happen if a B&B run by a husband and wife team saw the death of one of the partners? How would that affect the business? And so the list of "different" risks goes on.

Another risk sees many B&Bs with restrictions regarding "**forcible and violent entry**" as far as theft is concerned. Ask most owners of these establishments and they'll tell you that it's almost impossible to comply with this condition. Guests come and go and leave doors unlocked or even open.

Another implication of this condition is that theft by guests – and sadly this does happen – would also not be covered.

On top of that there are other risks that can certainly "hurt" the guesthouse owner. Bilking where the guest leaves without paying. Accidental damage where guests damage contents in some way are just two examples.

Then we get to **motor insurance**. The last thing a B&B owner needs to hear because he or she has "saved money" by opting for cheap personal motor insurance is that neither the car nor the passengers are covered as the vehicle was being used for business and not by the "retired person" insurers thought they were covering.

So to sum up the "Have to Haves". Running a B&B or guesthouse has some very specific risks and those risks need to be catered for by some very specific insurance.

Credit Dave Jack – MD of BnB Sure

Why BnB Sure