

Spa, Beauty & Wellness Insurance FAQs

General

1) Is there a ready prepayment protection programme in place that fulfils the requirements set by CASE for the mandatory prepayment protection scheme?

Yes. The Spa, Beauty and Wellness Insurance plan for prepaid packages designed by AVA Insurance Brokers Pte Ltd meets the requirements set out in the CaseTrust Accreditation for Spa and Wellness Businesses.

2) Presently, have CaseTrust-accredited companies been informed about this programme and made aware of the mandatory prepayment protection scheme?

Yes. CASE has disseminated a circular, dated 14 June 2011, to all accredited Spa and Wellness companies informing them about the mandatory conformance prepayment protection scheme.

3) In case of doubts and queries, who can I approach?

You can contact AVA Insurance Brokers at 6535 1828.

Address: 91 Bencoolen Street #08-03, Sunshine Plaza Singapore 189652

Their office hours are as follows: Mon – Fri (9:00 am to 6:00 pm).

4) Under what circumstances can a client make a claim?

The generic purpose of this policy is to compensate customers in cash in the event of insolvency, compulsory liquidation and bankruptcy.

For practical purpose of the policy, claims may be instigated when it has been evidenced that all physical functions of organization has ceased for more than 30 working days.

5) In the event of an extended closure, who will monitor and enforce the 30 days no- claims period?

In such event, AVA Insurance Brokers will work closely with the panel of insurers, in close consultation with CaseTrust, to monitor the situation and enforce the claims should the closure exceeds 30 working days on a continual basis.

Operator

6) Is the prepayment protection scheme mandatory for all CaseTrust-accredited businesses?

The implementation of insurance is only mandatory for CaseTrust accredited Spa & Wellness scheme businesses which collect prepayment from customers, regardless of the value of each individual prepayment.

7) I do not collect prepayment from customers. Do I have to procure the policy?

If your business does not collect prepayment, it is not necessary for your business to procure the policy. However, your business have to declare as such by sending an original declaration letter of non-collection of prepayment to CASE. The template of the declaration form can be found on CaseTrust website at www.casetrust.org.sg.

8) How much would the annual insurance premium cost?

Annual premium is calculated based on the limit approved by the Insurer. Confirmation of premium rate is subjected to financial underwriting.

For approved limit under S\$500,000, the indicative premium rate is 2.25% flat payable up-front, subject to minimum premium of S\$2,250.00.

For approved limit of S\$500,000 and above, the indicative premium rate is 1.75% flat payable up-front.

Note that premiums are subjected to GST.

9) Should operator purchase all the approved limit / sum insured at one go?

Un-utilised portion of approved limit/ sum insured are non-refundable. Hence, we recommend that all operators exercise prudence when purchasing coverage and top up when necessary.

10) Will there be any administrative charges incurred per purchase? Is there a minimum sum of credit per purchase?

There will not be any administrative charges and the minimum sum of credit per purchase is \$2,250.00.

11) I have used up all the approved limit / sum insured, what should I do?

You can submit the request through AVA Insurance Brokers with all documents required by the underwriter. Additional limit / sum insured will be granted subject to underwriter's additional terms, conditions and premiums.

12) My approved credit limit is \$1 million but I wish to purchase \$500,000 credit, how do you calculate my annual insurance premium?

Insurance premium is calculated based on the approved credit limit. In this case, your annual premium is calculated at 1.75% of the approved credit limit. Note that premium is subjected to GST.

13) If 50% of all outlets are CaseTrust-accredited, can I simply purchase credit limit for the CaseTrust accredited outlets only?

Yes you can. This insurance scheme is mandatory for all CaseTrust accredited Spa & Wellness scheme businesses. For other outlets which are not CaseTrust accredited, it will be beneficial to purchase coverage for all outlets to instil greater assurance for your customers.

14) If a customer made prepayment on the Master Policy's last day of validity, what is the effective insurance cover?

The customer is insured for 12 months from the date of issue of the Cover Note.

15) In the event that a customer has not fully utilized the package within a year, am I required to buy additional cover for the customer the following year?

The customer should fully utilize all existing sessions within 1 year from the date of issue of the Cover Note.

16) Is there only 1 provider providing Protection Scheme for Spa and Wellness Businesses?

CASE is in talks with other potential providers for the Protection Scheme and welcomes other insurers who are keen to participate to approach CASE. Service Providers/ Operators will be informed once the details are confirmed.

17) When do I have to offer protection coverage to customers who made prepayment?

All applicants or accredited companies of the CaseTrust Accreditation for Spa and Wellness Businesses have to offer protection coverage for prepayment with effect from 1 October 2011.

18) If my customer is buying a S\$1,000 package, what is the sum insured?

The amount to be insured will be equivalent to the price paid for the package, subject to a deductible of 15% of aggregate value of prepaid packages, up to a cap of S\$150.00 per person.

19) A customer bought a discounted package, what is the sum insured?

The customer is to be insured based on the actual price he/ she had paid for the package.

20) Am I required to issue insurance for existing clients who purchased packages beforehand?

It is optional for Service Providers/ Operators to purchase coverage for existing customers.

For packages signed on and after 1 Oct 2011, it is mandatory for CaseTrust-accredited spa and wellness businesses to purchase insurance coverage for these clients.

Customer

21) How do I check on the validity of my Certificate of Insurance?

For customers who have bought pre-paid packages insured under the insurance scheme designed by AVA Insurance Brokers Pte Ltd, please visit www.ava-ins.com/spa. You would need to key in your Certificate number found on your Certificate of Insurance and your NRIC/ Passport number.

22) What if I made a prepayment which will span more than 1 year?

Customers are encouraged to purchase packages which can be fully utilized by them in 1 year.

23) Who will issue the Cover Note to customers?

Customers should be given a hardcopy or softcopy (via Email) of the Cover Note by the Service Provider/ Operator at the point of purchase.

24) Who will issue the Certificate of Insurance to customers?

A Certificate of Insurance shall be issued by AVA Insurance Brokers to customers who have bought pre-paid packages insured under the insurance scheme designed by AVA Insurance Brokers Pte Ltd, within 30 days of the issuance of Cover Note by the Service Provider/ Operator.