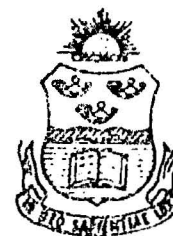


# INSTITUUT VIR EIETDSE GESKIEDENIS

Die Universiteit van die Oranje-Vrystaat



Publikasie  
nr.  
01 21 11 3

Datum  
1903.16075

Onderwerp  
nr.  
0816

Dokument  
nr.  
12807

THE STAR

Jg..... Nr..... P. 15 Dat. 16 MAR 1979

## Riot insurance problems loom

By Stephen Suckley

The meeting called by the South African Insurance Association for March 20 to discuss the Government's new political riot insurance scheme, is bound to cause fireworks for many of the anomalies that worry brokers are unlikely to be solved.

One of the main bones of contention is that SASRIA (South Africa Special Risks Insurance Association) will be unable to offer consequential loss cover other than rent.

This is considered a serious deprivation of cover because businesses can be affected as much if not more by financial loss from business interruption as from physical damage to assets.

Furthermore, the new riot cover will mean that most businessmen will be charged at a rate of 0,1 percent — with discounts after a R50 000 premium has been reached.

For some larger firms it will involve a substantial

cover premium, and it remains to be seen whether this will be partly offset by any reduction in existing rates for conventional cover.

Brokers also suggest any "mean" basis of rating business risks outside townships does create inequities, as it's difficult to justify the same rate for premises in the middle of Johannesburg compared to those bordering on a township.

Another anomaly concerns personal riot insurances where administrative costs in issuing separate policies as well restrictive clauses in his original policy make the package uneconomical

from the brokers' point of view.

Another serious point is that the homelands are not covered by the new scheme. This raises concern among brokers that businessmen who have been encouraged to invest in these lands are left without protection.

It is clear from preliminary discussions on the scheme that as far as companies and insurers are concerned, there are a lot of administrative points which have not been anticipated.

Some serious rethinking on aspects of the new scheme seems necessary before the matter is resolved to the satisfaction of all parties.

### TREFWOORDE

1. Vergaderings
2. SASRIA
3. Verlies
4. Sake
5. Opstande
6. Verzekering
7. Tansende
- 8.
- 9.
- 10.