

INSTITUUT VIR EIETYDSE GESKIEDENIS

Die Universiteit van die Oranje-Vrystaat



Publikasie
nr.
01 81 24 5

Datum
8101019119121613

Onderwerp
nr.
01816

Dokument
nr.
191300

19 SEP 1960

FINANCIAL MAIL

Jg..... Nr..... P. 1388 Dat.....

RIOT INSURANCE Seeking alternatives

^{1388 SEA}
The limitations of SA Special Risks Insurance Association (Sasria) political riot cover are prompting local insurance brokers to seek alternative solutions on overseas markets.

One local company has negotiated a contract that provides cover for advance loss of profits and consequential loss arising out of political riot. The larger portion of the contract was negotiated locally but Glenvaal Transvaal Limited arranged for certain overseas markets to accept risks which could not be placed in SA.

Although the contract is probably the first of its kind in SA, the same option for obtaining loss of profits cover abroad is open to other local brokers, depending on the individual merits of each case.

The contract was tailored to suit the specific needs of National Acceptances, whose R12m Claremont Pick n Pay property development posed the problem of adequate insurance cover for consequential loss that might be caused by strikes and/or political riots. A *force majeure* (circumstances beyond the control of the contractor) clause in the fixed building contract gave the contractors the right to vary the price of their contract in the event of delays or damage caused by such unrest.

After negotiating abroad, this is the cover Glenvaal came up with:

- A contractors' all risks policy which insures certain *force majeure* risks and does away with many of the standard exclusions under such a policy;
- Cover for material damage arising out of political riot;
- Advance loss of profits cover in the event of delays in the building contract; and
- Advance consequential loss cover following political riot.

Glenvaal director John Russo says: "The overall concept of the package is unique." He describes the contract as a "breakthrough" but other local brokers disagree. "Although political riot loss of profits is not freely available, the SA broking fraternity has obtained an overseas market. Others may be able to arrange the same thing," says Dennis

Garnsey, MD of Alexander Howden.

Sasria cover, for the meanwhile, is restricted to material damage and makes no provision for consequential loss. But government has indicated its willingness to reconsider the case for extending Sasria cover. (FM June 27, July 25 and August 15).

TREFWOORDE

- 1 .. SASRIA ..
- 2 .. Verzekering ..
- 3 .. Opstande ..
- 4 .. Moontskape ..
- 5 .. Kontrakte ..
- 6 .. Buiteland ..
- 7 ..
- 8 ..
- 9 ..
- 10 ..