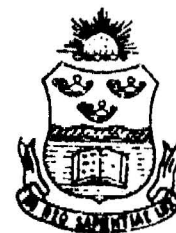


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## RIOT INSURANCE

### Well armed 581 eh.

Final details of the government-backed insurance scheme for political riot and strike cover may be announced by Minister of Finance Owen Horwood during the debate on the Part Appropriation Bill next week.

Cover will be available to all, for domestic as well as commercial and industrial property.

Asked whether agreement has been reached on the vital question of what constitutes a "political riot", a spokesman for the Registrar of Insurance's office tells the *FM* "the peril to be insured has been defined in the policy documents." Rates, of which there are a number of categories, are "in accordance with the extent of the risk". This means that they will take into account, among other things, the distance of the insured from a potential trouble spot, such as an African township.

SA Special Risks Insurance Association (Sasria) was registered in December 1978. Chairman is AA Mutual's MD Warren Plummer. Most short-term insurers are expected to become members.

The first layer of liability for risks covered will be the income and reserves of Sasria, a non-profit organisation, which will hopefully build up substantial reserves, given a few riot-free years. The second layer will be an amount of R5m, to be borne by member companies in proportion to their current share of fire premium income. The government will be the ultimate, and unlimited, reinsurer.

An agreement between the government and Sasria has been signed. The next step will be for members of the industry to conclude their own agreements with the company. It seems doubtful that Sasria will be ready to start operating in April, as planned.

## TREFWOORDE

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Horwood G.

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P.F.

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Parlement

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Wetgewing

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Opstande

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Versekering

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Moutskappye

8

SASRIA

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