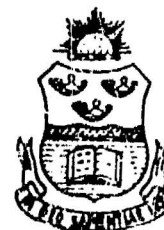


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Blacks will have to pay five times as much as Whites for riot cover

TREFWOORDE

INDIANS, Coloureds and Blacks will have to pay five times as much as Whites to protect their property when the new political riot insurance rates come into force on April 1.

And many big overseas companies with investments in South Africa may not even be able to get this cover at all.

Brokers believe this is a slap in the face for those companies which have fought drawn-out sharehold-

By TERRY MEYER

ers' battles to maintain business ties with South Africa — and it is a bitter blow for Blacks, especially as the Government is supposed to be encouraging Black home ownership.

Insurance brokers are furious that the Government has not bothered to consult them about this critical new form of insurance, which will cover riot damage to houses, cars and other property. They believe many of these problems may have been avoided had they been

consulted by the Government in the first place.

At a meeting this week — closed to the Press — a senior State official said the Government was "oblivious to concern over the protection of overseas interests" and added that there would be no reconsideration at all to give these multinational companies any local political riot protection.

The whole matter of protection started after the Soweto riots, when some insurance companies refused to pay certain claims because they said the riots were politically motivated.

Multinational companies cannot get the new form of riot insurance because this cover is only granted as a supplementary insurance to people or businesses which already hold a local policy.

Brokers point out that many multinational companies take out one policy at their head office to cover all risks, and these policies are therefore not taken out with a South African insurer. Because of this, these companies now won't qualify for the local political riot insurance cover.

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