## INSTITUUT VIR EIETYDSE GESKIEDENIS

Die Universiteit van die Oranje-Vrystaat		
Bron nr 0 18 1 2 4 5	Datum Onderwerp  Onder	
Financial Mail Jg/.0	01. Nr 10 P. 44 Dat	
SASRIA	of the homelands under Sasria cover for some months. Says Rodney Schneeberger,	TREFWOORDE
Homelands hope	CE of Saia: "We have made a submission to the Standing Committee on Finance in sup-	$\sim$
Companies operating in the homelands a alarmed at massive increases in premius charged for riot insurance by overseas makets. At the same time, covers available a being drastically reduced.  Says David Way, director of Willis Fat Enthoven: "As the Special Risks Insuran Association (Sasria) does not provide cover for the homelands, the matter has become	port of extending the scope of Sasria cover to include the TBVC states."  He points out that another reason for government's decision previously to steer clear of homelands business was that "it had no authority or influence over the security of another country" and could not take any measures that might reduce or control incidents of riot Schneeberger says he door	2 Kreherre
very serious."  As an example, one company obtain cover of R100m for operations in the Traikei-Bophuthatswana-Venda-Ciskei (TBV countries at a rate of 0,3% in 1984. By 198 the cover obtainable had been reduced to it R15m, for an astronomic rate of 7%.  When Sasria was set up in 1977 the arc	know of losses in the homelands but "they have never appeared serious."  Besides, says Way, "Sasria has become financially self-sufficient. With a premium exceeding R150m a year, reinsurance provided by government is now much further	3 Stry.gr.ing/
Extension of cover will also help the clude the "independent homelands." This was because the government provided nearly all the financial backing — as reinsurer of last resort — and the independence of the homelands had a high profile. It was argued, why should taxpayers face potential liability for losses in "foreign countries"?  The restriction was a reinsurer of driven back and forth across unmarked borders. Though, as Schneeberger says: "I don't recall any problems with claims relating to	Extension of cover will also help those insureds who, though they have Sasria cover, fail to obtain the necessary back-up insurance from another source when doing business in the homelands. There has been confusion when and where Sasria cover was operative as, for example, when trucks are driven back and forth across unmarked borders. Though, as Schneeberger says: "I don't recall any problems with claims relating to	5 U.S. Jetering
available from other markets, both loca and overseas, says Way. "But with rece changes in worldwide insurance markets, well as overseas perception of an increas riot exposure, this alternative cover has most totally dried up."	lly Way has submitted a report to David Dalling, PFP MP for Sandson, who will be urging the changes in parliament.	6 Cps/mete
Apart from the serious exposure to uni sured loss — often by South African corpanies — the absence of this essential coverage Way, "is viewed so seriously that it minhibit future investment in the TBVC terrories."	n- er, ay ri-	gonerthankine. Suryt. Steate.
This will become even more crucial who Sasria cover is widened from January 1 include "riot, strike and malicious damage (RSMD), that is, non-political riot cover formaterial damage and consequential loss, except theft (FM August 29).	to evi-	8
As a result, both the SA Insurance Association (Saia) and the SA Insurance Broker Association have been lobbying for inclusion	s'	9