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Die Universiteit van die Oranje-Vrystaat



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R26-m paid out in riot claims

By TONY STIRLING

THE South African Special Risks Insurance Association has paid out an estimated R26-million in claims arising out of the current riots in South Africa.

These figures, which because of the unabated nature of the problem, remain provisional, were given to The Citizen yesterday by SASRIA.

The managing director,

Mr Rodney Schneeberger, said the claims had been lower than anticipated because of a considerable saving in replacing damaged property, particularly Government-owned buildings, hit by the riots since last September.

Claims were still being processed and because of this and the unabating nature of the unrest it was not possible to estimate the eventual total.

Mr Schneeberger said the SASRIA figures were in respect only of properties and vehicles covered by special risk insurance.

The claims received to date included about 700 vehicles and 300 businesses and properties.

Revision

He indicated that because of the large number of claims arising out of the riots SASRIA was now considering a revision of its rates, terms and conditions.

SASRIA, which came

into operation in April 1979, was formed in response to the Soweto riots of 1976.

Government and the insurance industry then recognised that ordinary insurance was not intended to cover damage caused by "political terrorism".

Under the scheme, insurance companies act as agents to SASRIA, which operates as a business under a board, one of whose members represents the Government.

Although SASRIA has built up substantial funds of its own and separate reinsurance arrangements, the Government is its ultimate reinsurer.

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According to Mr Schneeberger, South Africa is one of the few countries able to offer relatively cheap insurance against material damage caused in riots.

It does not offer life insurance cover, which is covered under other types of policies.

Until the end of September 1984, when violence erupted in the Vaal Triangle before spreading to the rest of the country, SASRIA largely dealt with claims arising out of terrorist bombings in the urban areas.

However, since then the pattern has changed and to an ever-increasing

degree it is dealing with claims arising out of unrest in the townships, which have caused it to consider restructuring its rates.

Insurance offered by SASRIA includes cover to commerce, industry and the public, as well as the Government and local authorities.

All sectors are today reasonably well insured against riot risks, according to Mr Schneeberger.

The cover appears cheap: a vehicle can be insured at a cost of R10, cover for houses runs at R2,50 per R1 000 of value and industrial and commercial risks at R10,00 per R1 000 of value.

Storm damage

The S A Insurance Association released figures yesterday showing that the disastrous storms that hit parts of South Africa last year have proved a considerable factor in the increase in certain insurance rates.

A total of R110-million in claims had been met for storm damage last year.

The claims arose from the severe Vereeniging and Reef storms last November, Cyclones Domina and Imboa, hailstorms at Bethal, Pretoria and Kriel, and storms in the Cape last May.

Storms at Vereeniging and on the Reef alone led

to an estimated R17-million for vehicle damage alone.

Claims for damage to households and homes totalled nearly R24-million — almost three times that of the previous year.

Damage in the industrial, commercial and other sectors totalled R86-million, a more than sixfold increase over 1983.

In the fire, homeowners and combined policy sector, insurers paid out an average of R1,34 against each R1,00 received in premiums last year.

It is this which has given rise to announcements by major companies of considerable increases in insurance premiums for householders and combined policies, while vehicle insurance is also increasing.

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