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Die Universiteit van die Oranje-Vrystaat



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Insurance Bill breaks new ground

Expanding risks cover

A BILL which substantially expands insurance risks covered by the SA Special Risks Insurance Association (Sasria) was published in Cape Town yesterday.

Risks covered by Sasria were initially limited to losses of, and damage to, property where those arose from "political" activities.

But, the Financial Institutions Second Amendment Bill amends the Finance Act of 1978 with the purpose of substantially expanding those insurance risks covered by Sasria and re-insured by the State.

The limitation created problems in the past when it came to the settlement of claims, and the cover has now been extended to include certain losses and damage of a non-political origin.

In terms of the Bill, this additional cover now includes damages and losses caused by:

- ☐ Any riot or civil commotion;
- ☐ Any insurrection, rebellion or revolution;
- ☐ Any labour unrest, strike or lock out;
- ☐ Any other act perpetrated with the inten-

tion to cause loss or damage to property, excluding loss or damage directly related to or caused by theft or attempted theft.

The Bill also transfers official supervision of the country's banks and building societies from the Registrar of Financial Institutions to the Reserve Bank (RB).

The proposal flows from certain recommendations made by the Jacobs Committee of Inquiry.

This committee was set up on the recommendations of the De Kock Commission to look specifically into the merits of providing separate administrative controls for banks and other financial institutions.

The Bill amends the SA Reserve Bank Act, enabling the RB to appoint inspectors to look into the affairs of those institutions, and further amends certain provisions of banking and building society legislation to provide for the appointment of separate registrars for each type of institution.

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TREFWOORDE

1 Cairncross
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2 Wetgewing

3 Uitbreidings

4 S.A.S.R.I.A.

5 Versekering

6 Risiko's

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