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Sasria blames terror for hike

By Shadi Rapitso

THE Government and the legislature have been taken by surprise by the shock decision of its special risk insurer, Sasria, to raise its premiums by about 20 percent because of the increase in terrorism around the world.

The rate hikes, which are likely to see insurance policy holders losing out, was also accompanied by an announcement that Sasria will not make payouts to victims of local or international terror attacks.

In adverts that appeared in newspapers yesterday, Sasria announced that it will not cover members who suffer any losses caused by an act of terrorism involving the use, release or threat from any nuclear weapon, device or chemical or biological agent.

Sasria also announced that it intends to increase rates on all its peril risk policies from January 1.

It says the increase in rates is the result of terror attacks worldwide, which have led to major reinsurers and underwriters raising their rates. The announcement comes in the wake of increasing fears that those who have dangerous weapons – such as biological and nuclear ones – might use them.

Contacted by *Sowetan* yesterday, Finance Minister Trevor Manuel's spokesman Logan Wort said his boss and the department were not aware of Sasria's decision.

Dorothy Mahlangu, chairperson of Parliament's committee on finance, was equally surprised.

She said it would only be fair to establish, through the Financial Services Board – which regulates insurance companies – whether Sasria's intended rates increase was justified and in line with regulations protecting policy holders.

"We'll need to ensure that the move does not violate or put pressure on the regulation which also relates to Government's inflation target of between three to six to three percent, or if there are no other inaccuracies," Mahlangu said. "Policy holders need to be informed accordingly because they have in the past been subjected to injustices."