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# Insurer unsettled as strikes lead to worst loss in history

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The past financial year, one mired in violent and prolonged strike action, has caused Sasria, a special risks insurer, to experience a loss ratio worse than that experienced in the most turbulent days of apartheid.

Sasria is a state-owned short-term insurance company that reports to the treasury. It was set up in 1979 by the apartheid government in response to the growing number of politically motivated riots. Its mandate has since been extended to cover damage caused by nonpolitical riots and public disorder.

Thokozile Ntshiq, executive manager for Sasria's stakeholder management division, said the loss ratio at the end of last month was 49.9%, and the forecast is that — after the closing of year-end financial figures — the ratio could be as high as 45%, compared with 21.3% and 26.3% in the past two comparative periods.

The claims incurred by Sasria in this financial year from April 2012 to March 2013 amount to R554.3-million and there has been a significant increase in the frequency (91%) and severity (135%) of the claims. "It is the first time in [Sasria's] history that we reach such high loss-ratio levels," Ntshiq said.

Until now, a loss ratio in the region of 20% was considered high when compared with figures of 6.3% in 2009, 3.2% in 2007 and -13.5% in 2004.

The latest figures reflect an extraordinarily tumultuous year for the country — strikes in the mining,

transport and agricultural sectors all contributed to the loss, as did a spate of service delivery protests.

The strikes in the mining sector began at Lonmin's Marikana mine on August 10 2012. The Marikana massacre, which resulted in 34 deaths on August 16, appeared to spur on the wildcat action.

Only on September 20 did striking Lonmin employees return to work. In the interim, and even after this, the whole sector appeared to erupt in protest. Gold miners across the country downed tools and coal, chrome and diamond mines were also affected.

A strike involving truck drivers

was also marred by violence, and it persisted for three weeks before parties came to an agreement in mid-October. In January, Western Cape farmworkers embarked on a strike to demand a minimum wage of R150 a day.

Sasria's main clients are major corporations, but it also insures individuals, commercial customers and the government.

Ntshiq said the company, though state-owned, was funded through premiums charged for each policy purchased.

She said the final audited loss-ratio figures would be available early next month.

**Unrest in the mining, transport and agricultural sectors all contributed to more claims**