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Ramaphosa notes surge in strikes, protest damage

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CAPE TOWN — Strike-related insurance claims worth more than R100m were lodged with the state-owned special risks insurance company Sasria last year, its chairman Cyril Ramaphosa has reported.

The extent of the claims has particular significance in the light of last week's ruling by the Supreme Court of Appeal that trade unions could be held responsible for

damages caused when their striking members go on the rampage.

The court decided in favour of the applicants — traders and motorists — who claimed R70 000 from the South African Transport and Allied Workers Union after a violent strike in Cape Town in May 2006.

Sasria is SA's only insurer for special risks such as riots, strikes, political unrest, terrorist attacks, civil commotion, public disorder and labour disturbances. Last year it wrote premiums of R1bn and paid

out claims of R250m — of which about R175m was for strike-related incidents. Historically more than 80% of Sasria's claims resulted from political and nonpolitical riots, but since 2008 such claims have steadily dropped, while strike-related claims have risen since 2006 and now account for 70%, up from 55% the year before and 34% in 2008-09.

"SA has experienced escalating protests and protracted wage negotiations which have a negative effect on the economy through extensive

damage caused to property and the cost of interruptions to business," Mr Ramaphosa said in the Sasria annual report tabled in Parliament. "Such protests reflect mounting discontent at the level of service delivery in certain areas coupled to the ever present rumblings about corruption and the perception of increasing rather than decreasing social inequality despite government's focus on job creation."

The run-up to last year's local government elections saw an

increase in service delivery riots. "Such riots always cause damage, leading to an increase in the number of claims although their value tends to be marginal," the report said.

Sasria increased gross premium income by 28,7% but underwriting profit declined by 10,4% and pretax profit by 12% last year, largely due to a big increase in claims and lower than expected investment income.

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