

# Strikes, protests hit Sasria profits

By LINDA ENSOR

STATE-owned special risks insurer Sasria suffered a sharp decline in profit last year because of the significant increase in the number of strike and service delivery protest-related claims it had to pay out.

The xenophobic violence, which gripped several communities in the year to end-March, also had a financial effect on the company, which provides short-term insurance against the loss or damage to property arising from civil commotion, public disorder, strikes, riots and terrorism. These risks are not covered by other short-term insurers.

But while there was a 54% increase in the overall number of claims to 2 349 from 1 525 the previous year, the R300-million paid out was less than the R507-million paid out in 2013-14.

Xenophobic attacks were responsible for 42 claims, valued at R29-million. The largest single claim paid was for R55-million for the disruption of a business due to a special risk event.

"The biggest driver in the increase in the number and severity of our claims is union-led actions, followed by service delivery protests," Sasria MD Cedric Masondo said in its annual report tabled in parliament on Tuesday.

The value of strike-related claims soared 82% to R396-million (R217-million) and frequency 63% to 1 496 incidents (919 previously).

A total of R113-million was paid out for claims related to 365 incidents of service delivery protest compared with R85-million (for 252) the previous year.

The result was that while the gross premiums written rose 9.5% to R1.5-billion, Sasria suffered a 9% decline in its underwriting profit to R468-million and an 11.6% decline in net profit before tax to R834-million (R944-million). It was, nevertheless, able to pay a dividend of R206-million to the state (R107-million previously). — *BDL*

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