

July riots come with a R50 billion price tag for country's economy, says Sasria

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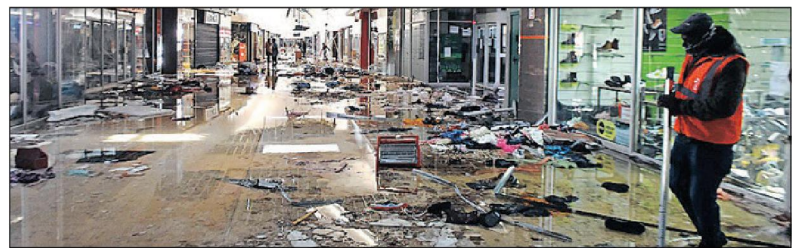
THE SOUTH African Special Risks Insurance Association (Sasria) estimates that damage in July's looting and mayhem, the most expensive riots in the world, they said, cost more than R50 billion, for which the agency has received claims of up to R32bn, which it intends to fully settle by March 2022.

Managing director Cedric Masondo and Fareedah Benjamin, the executive for operations, said this week that total claims for the looting and mayhem, confined to the KwaZulu-Natal (KZN) and Gauteng provinces amounted to R32bn, R10bn more had been paid out by other insurance companies while the estimate for uninsured losses added another R10bn.

"This was one of the most expensive riots in the whole world, surpassing Chile and US riots, the R32bn is not the final number, but the total of claims we have received are in that region, the final number will come with the last of the claims being paid," Masondo said.

Sasria has this far received 14 051 claims valued at R32bn, and has paid out R12.6bn as from last week Monday with a target of settling 80 percent of claims up to R60 million by March 2022.

He said about 80 percent of the claims were for damage in KZN,



while Gauteng accounted for the balance.

The riots, which started at the Mooi River Plaza in KZN with the burning of trucks extended to looting of shops, warehouses, malls, distilleries accompanied by structural damage to buildings.

The most in number and rand value came in the following order: fire commercial, heavy commercial vehicles, light commercial vehicles, and business interruption.

Most claims were received in the under R1m band, standing at 12 050, with a total claim value of just more than R2.259bn Masondo said.

Sasria, which now has a staff complement of 130 people, had to go into an employment overdrive to deal with the surge of claims from the July riots as it did not have enough competent personnel to handle claims in excess of R20m. The highest amounts it has had to pay on single claims was R1.5bn, mostly in the retail sector where companies had more sites looted

or damaged.

Masondo said part of the adjustments Sasria made included increasing its rates, getting reinsurance on claims as well as the subventions it has received from the State.

Finance Minister Enoch Godongwana, in his debut Medium-Term Budget Policy Statement announced a R11bn package for Sasria in addition to R3.9bn it was granted earlier on in the year.

Sasria has paid government dividends of R14bn over the past 20 years.

"We are well capitalised and our liquidity position is good. We will continue to trade in the long-term. Our plan is to be profitable in the 2022/23 financial year. We do expect riots in future, but we hope that they will be within our capabilities," Masondo said.

He said the organisation was also on a drive to get small and medium businesses, especially in the townships, to also take out insurance.

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