

14 051 CLAIMS RECEIVED

Sasria settles billions of rands after big cash boost

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With an injection of R14.9 billion since the July riots, the South African Special Risk Insurance Association (Sasria) has not only settled R12.6 billion as of yesterday out of the 14 051 claims received, but hopes to settle 80% of claims, up to R60 million's worth, by March next year.

Sasria's managing director Cedric Masondo said the association would pay claims under R1 million in partnerships with their agents.

"The goal was to settle 80% of all claims below R20 million by the end of the year and 80% of claims below R60 million by the end of March. The balance of the claims would consist of reinstatement and that would be settled on invoice as the rebuilding takes place," he said.

"In order to achieve these targets we encourage clients, brokers and loss adjusters to work together in formulating and finalising the claim submission. We will make interim payments on claims where we are advised that such payments are warranted by the loss adjuster, Masondo said.

Masondo said Sasria received 100% of its claims.

"The South African Special Risks Insurance Association so far received 100% of the 14 051 claims, valued at R32 billion. In terms of all claims received, the most in number and rand value came in the following order: fire commercial, heavy commercial vehicles, light commercial vehicles and business interruption, where most claims received were in the under-R1 million band, standing at 1 2050, with a total claim value of just over R2.259 billion," he added.

A figure of R11 billion was the latest to be allocated by Treasury this month, with the first being R3.9 billion in August.

Economist and trend analyst Bronwyn Williams said she did not think companies going through an insurance company, whether state or privately owned, was a good idea.

"The riots did happen and we have to deal with that and to a large extent it was a security failure on the part of government, which we pay taxes to in order to provide us with a degree of law and order.

"I am not sure the most effective way is to go through an insurance company because it creates a loop for money to escape through the system, which is money going through a channel, state or private enterprise, which will take some of those funds to make profits to pay salaries and overheads," she said.

Sasria executive manager Fareedah Benjamin said Sasria worked with agent companies which were engaged and mandated to facilitate the claims.

"The agent companies have been given a float of over R2.6 billion to settle claims within their mandate and to date have paid over R1.8 billion and are on track to settle the remaining claims by the end of December," she said.

She added an event of this magnitude does not come without challenges.

"The biggest challenge was the capacity. Between 2018 and 2019, Sasria received the highest number of individual claims and that was under 6 000 claims that were received over a 12-month period.

"We are looking at 1 451 claims and from that there could also claims with higher exposures or

additional exposures under one claim, so from a period between 9 and 14 July, over 14 000 compared to our highest number over the 12-month period of just over 6 000 was a challenge," she said.

Projects which included a budget worth R14 million include water infrastructure which dates back to 2011.

More recent mega infrastructure projects included: R16 billion for the Olifants River Water Resource Development Project in Limpopo, which includes over R3 billion to be spent on the De Hoop Dam and a further R13.1-billion on distribution systems.

Nine years later, Minister of Water and Sanitation Senzo Mchunu was yet to find answers from Lepelle Northern Water regarding the collapse of the R3 billion Giyani bulk water project meant to provide clean running water to 55 villages in Giyani in Mopani District of Limpopo.

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80%

of claims below R60 million is what Sasria wants settled by March.

