

# Parliamentary

## COMMITTEE PRESENTATION

24 August 2021

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# History

## Prior to 1979

The conventional insurance market in South Africa offered cover for riots. (There was no differentiation between politically or non-politically motivated riot), strike and malicious damage.

## Mid 1970's Escalation in Violence

## 1976 Soweto Uprisings

# Formation of South African Special Risks Insurance Association (SASRIA) 1979



## Objectives

for Sasria were set out as the provision of insurance cover to protect assets against certain defined events, being primarily politically motivated acts, acts of terrorism and political riots

## SASRIA

- Was formed as a section 21 company
- Perils entrenched in the reinsurance of material damage and losses act
- Cover is non-refusable and non-cancellable and it is affordable



Legislated  
monopoly

# The Conversion of SASRIA

1989 SASRIA Perils extended to include:



Non-political elements



Conversion to a limited company



Wholly owned by the state



Retraction of unlimited Government Guarantee

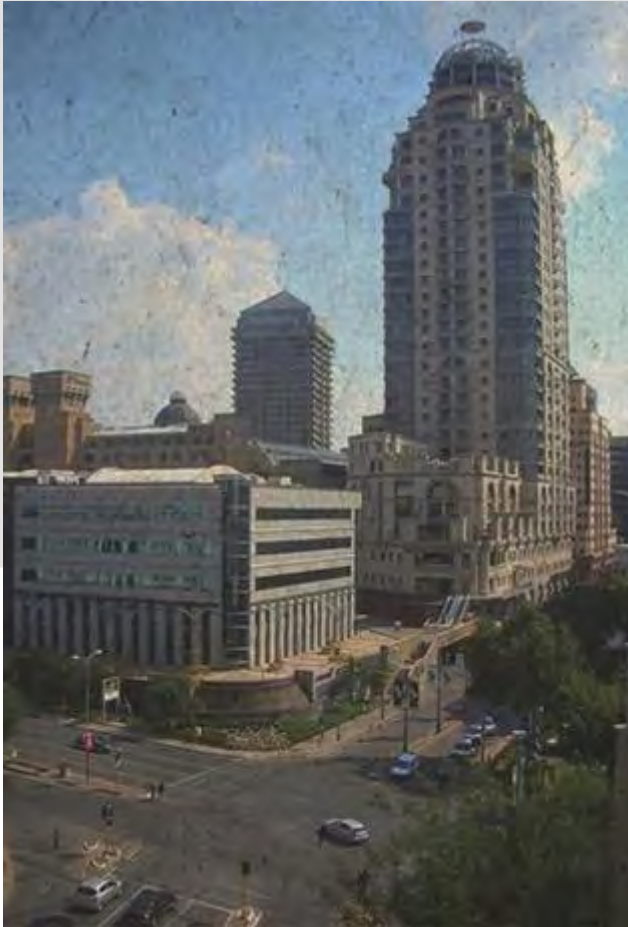


# **OUR** **Mandate**





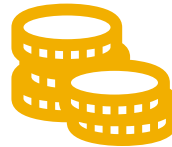
# Who we are!



Sandton City



**FINANCIALLY STABLE**  
**WELL GOVERNED AND SELF-FUNDED**  
**STATE-OWNED ENTITY**



**AFFORDABLE**  
Short-term  
Insurance



Stability, development  
and growth of the  
**ECONOMY**

# SASRIA Perils

Protect the assets of all in South Africa against special risk.

- Terrorism
- Political Violence
- Strikes
- Riots



Police vehicle (Nyala) burnt by protestors. 2015



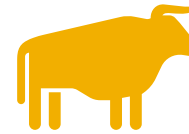
# Dual Mandate



ENSURING  
JOBS  
ARE NOT LOST



INSTILLING  
INVESTOR  
CONFIDENCE



DEVELOPING SKILLS IN  
THE FINANCIAL  
SECTOR



INVESTING PROFITS  
RESPONSIBLY AND DEVELOPING  
INFRASTRUCTURE



ECONOMIC DEVELOPMENT AND  
TRANSFORMATION

# Business Model



City Centre, 2015



Non-direct  
**SALES  
CHANNEL**



Reducing  
**COSTS**

## STRONG RELATIONSHIPS

# How we're different

TO TRADITIONAL INSURANCE COMPANIES



## Special Risk Cover

The cover for special risks provided by Sasria is non-refusable and non-cancelable

## Sole Provider in SA

Sasria is the only short-term insurer for special risks in SA

## Tariff Rates

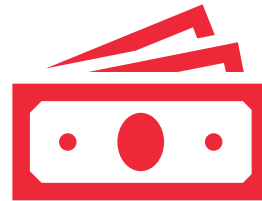
Sasria rates are on a 'tariff' basis



# Our Product Range



Material Damage



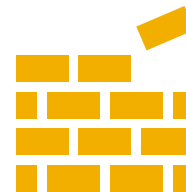
Money



Goods in Transit



Business  
Interruptions



Construction



Motor

# Industries include:



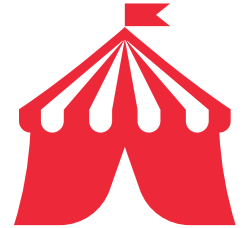
Farming



Mining



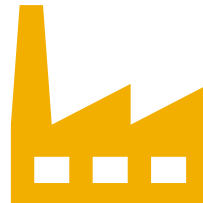
Transportation



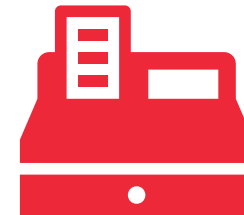
Events



Aviation



Manufacturing /  
Factories



Retail



Municipalities

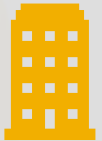
# Our Clients



Corporate



State-Owned Companies



Commercial



Municipalities



SMME



Tertiary Institutions



Private Individuals



**IMPACT OF THE**  
**July Riots**  
**AND REBUILDING PLAN**



# The Claim Event Background

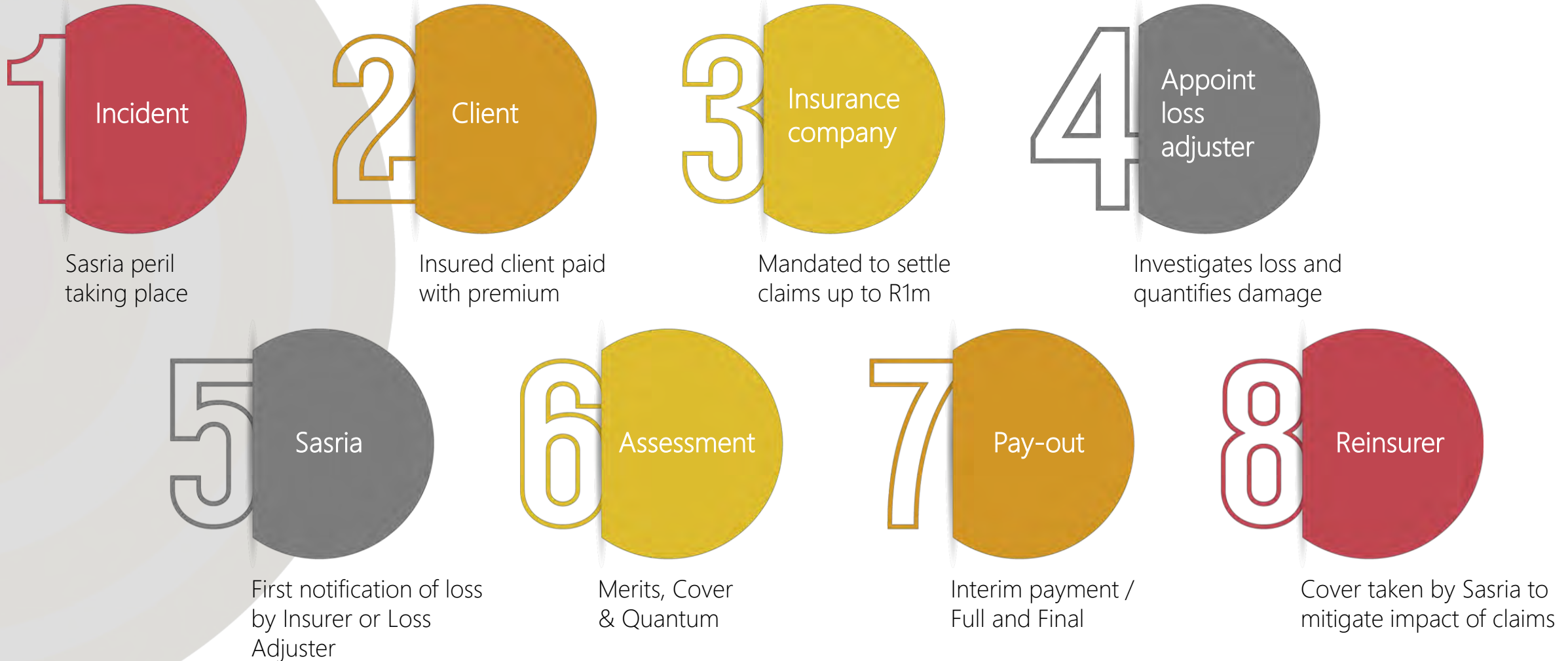
- South Africa experience an outbreak of violent and deadly civil unrest that began in the province of KwaZulu-Natal and Gauteng.
- The damages initiated with burning of Trucks at Mooiriver Toll Plaza on the 9<sup>th</sup> July 2021.
- The looting of bottle stores and shopping centres started on Sunday night 11 July 2021, however on Monday 12 and Tuesday 13 July 2021, the looting and torching of properties across KwaZulu Natal reached the point where numerous major shopping centres were completely looted, and in many cases set alight causing extensive damage to property.
- Initial estimates indicated that the damages could be between R15 billion and R20 billion for Sasria and the total property cost is estimated at more than R50 billion.
- Sasria has initiated a Claim with the Reinsurance companies.

# Path of Destruction



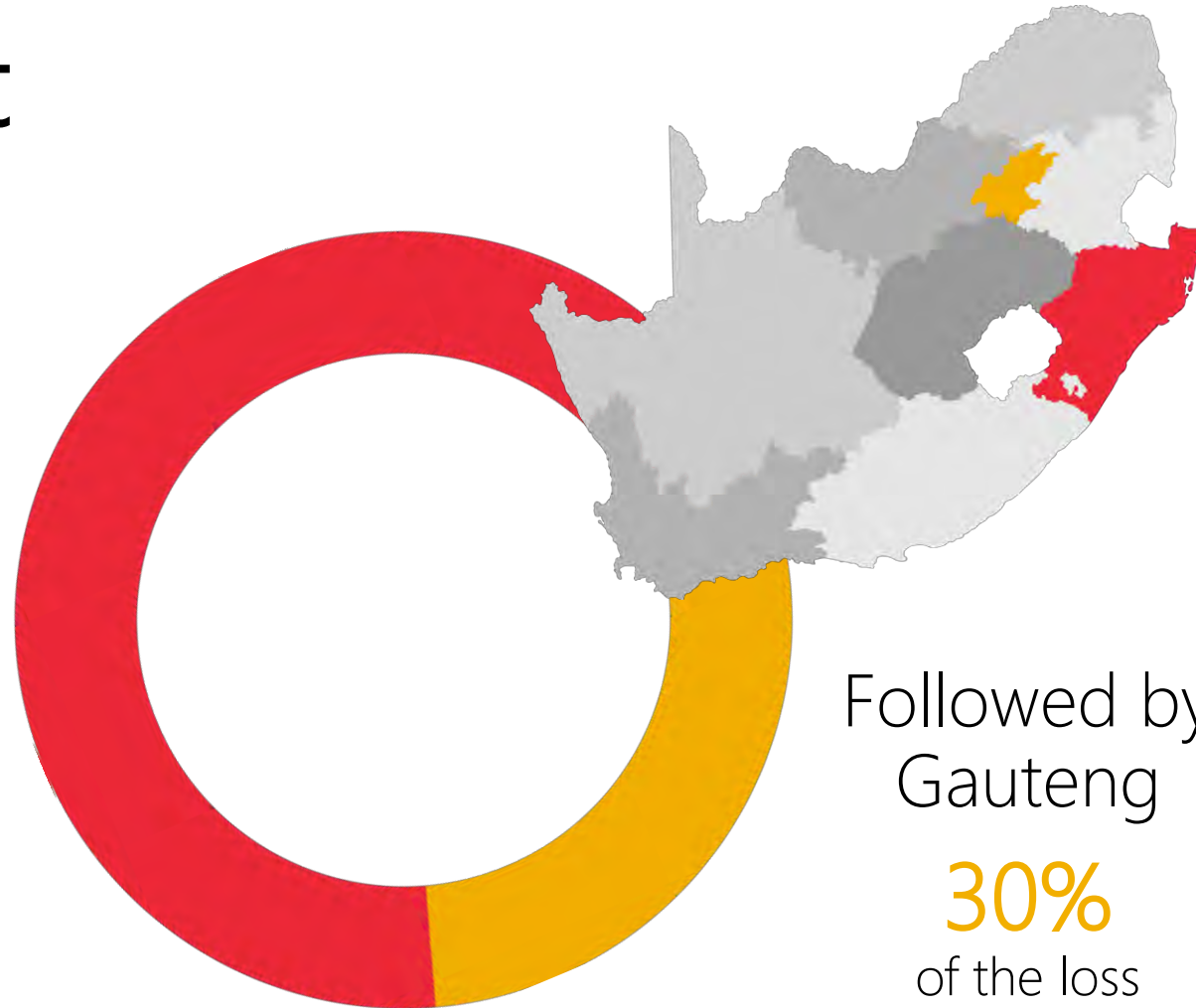


# Claims Process



# July 2021 Event

KZN protest  
**70%**  
of the loss



Followed by  
Gauteng  
**30%**  
of the loss

Expect severity: R15 – R20 billion

# Where are we?



Claims received to date

- 95% reported
- Estimated cost R18billionm



Reported claims

Breakdown of claims

- $\pm 50$  claims  
= **R10 billion**
- 7 800 claims accounting for the rest of claims



4 months target  
R4 billion <R50m



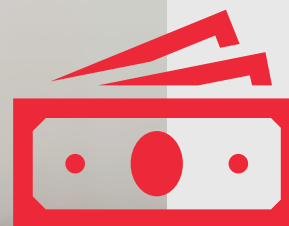
>R50m lag time  
12 - 18 months

- Release interim payment
- Project manage reinstatement





42 YEARS  
EXPERIENCE



1.5 BILLION  
LOSS LIMIT



WITHSTAND  
ANY ATTACK



# Thank you

