

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**



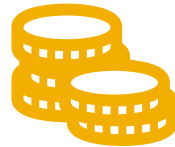
Who we are!



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

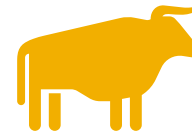
Dual Mandate



ENSURING
JOBS
ARE NOT LOST



INSTILLING
INVESTOR
CONFIDENCE



DEVELOPING SKILLS IN
THE FINANCIAL
SECTOR

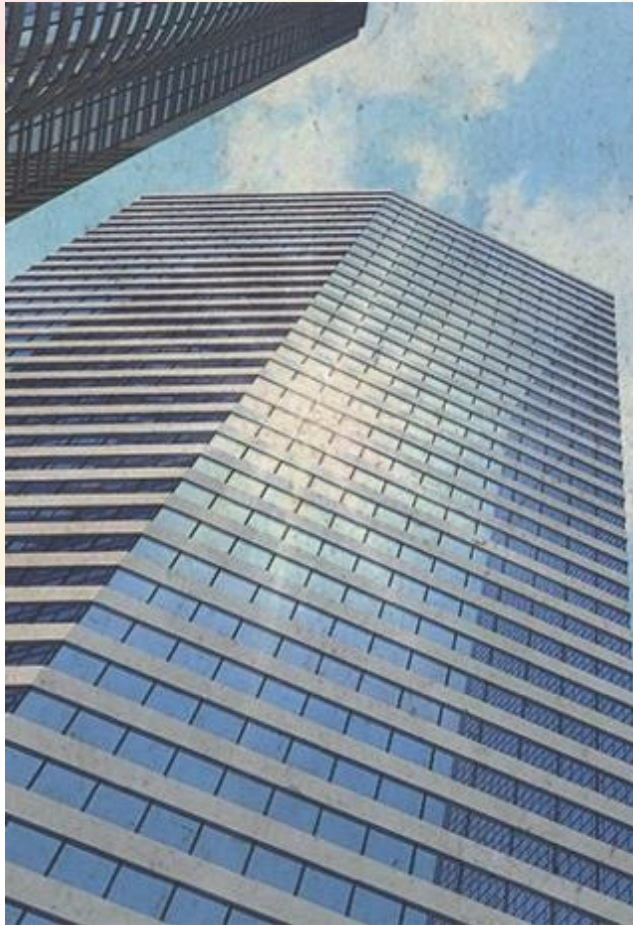


INVESTING PROFITS
RESPONSIBLY AND DEVELOPING
INFRASTRUCTURE



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

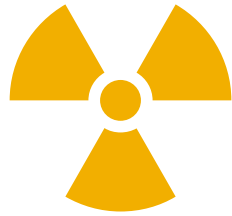
Sole Provider in SA

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

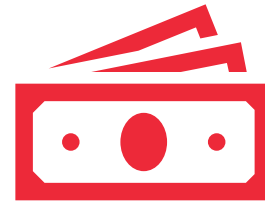
Tariff Rates

Sasria rates are on a 'tariff' basis

Our Product Range



Material Damage



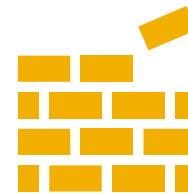
Money



Goods in Transit



Business
Interruptions



Construction



Motor

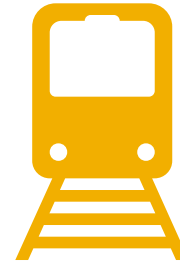
Industries include:



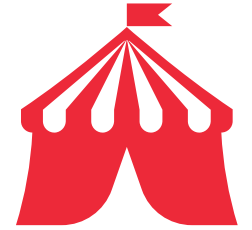
Farming



Mining



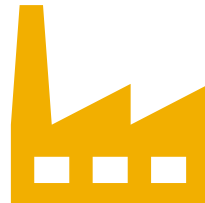
Transportation



Events



Aviation



Manufacturing /
Factories



Retail



Municipalities

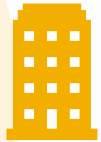
Our Clients



Corporate



State-Owned Companies



Commercial



Municipalities



SMME



Tertiary Institutions



Private Individuals

IMPACT OF THE
July Riots
AND REBUILDING PLAN

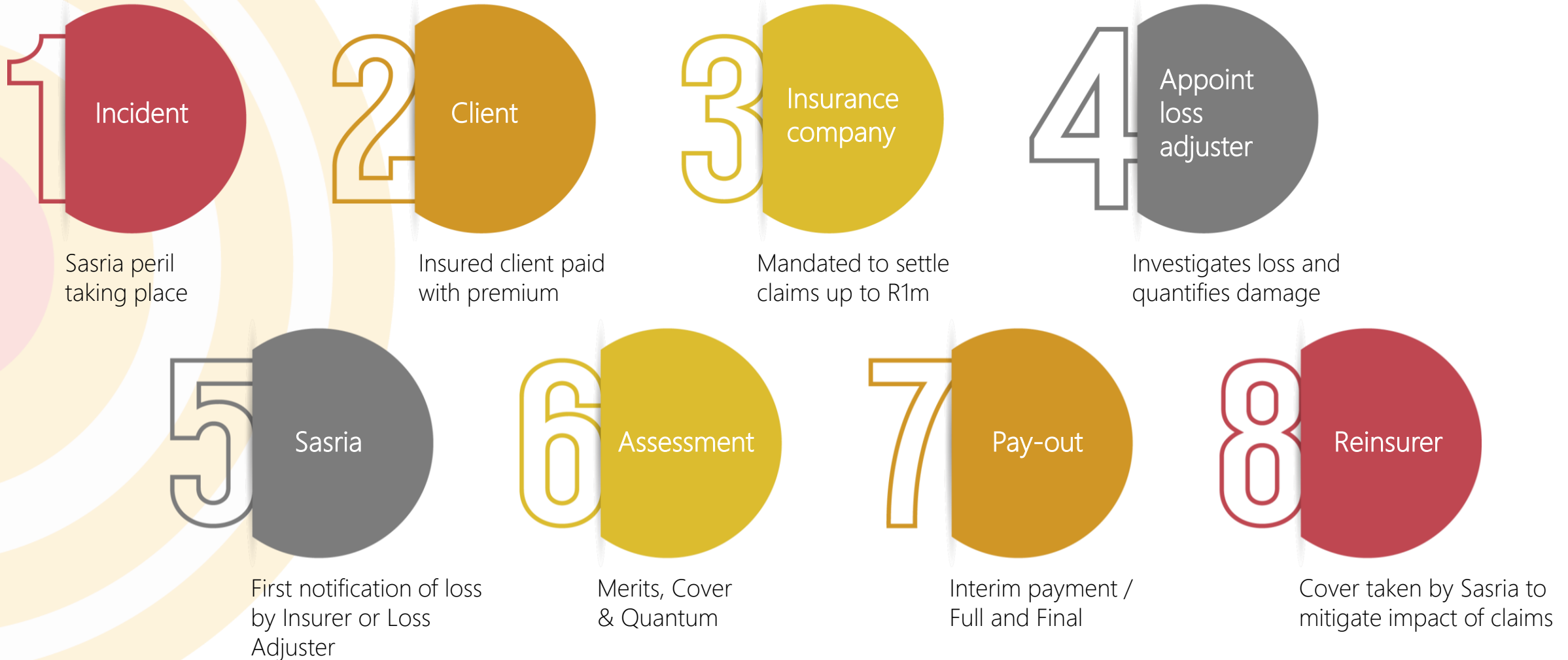
The Claim Event Background

- 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 9th 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

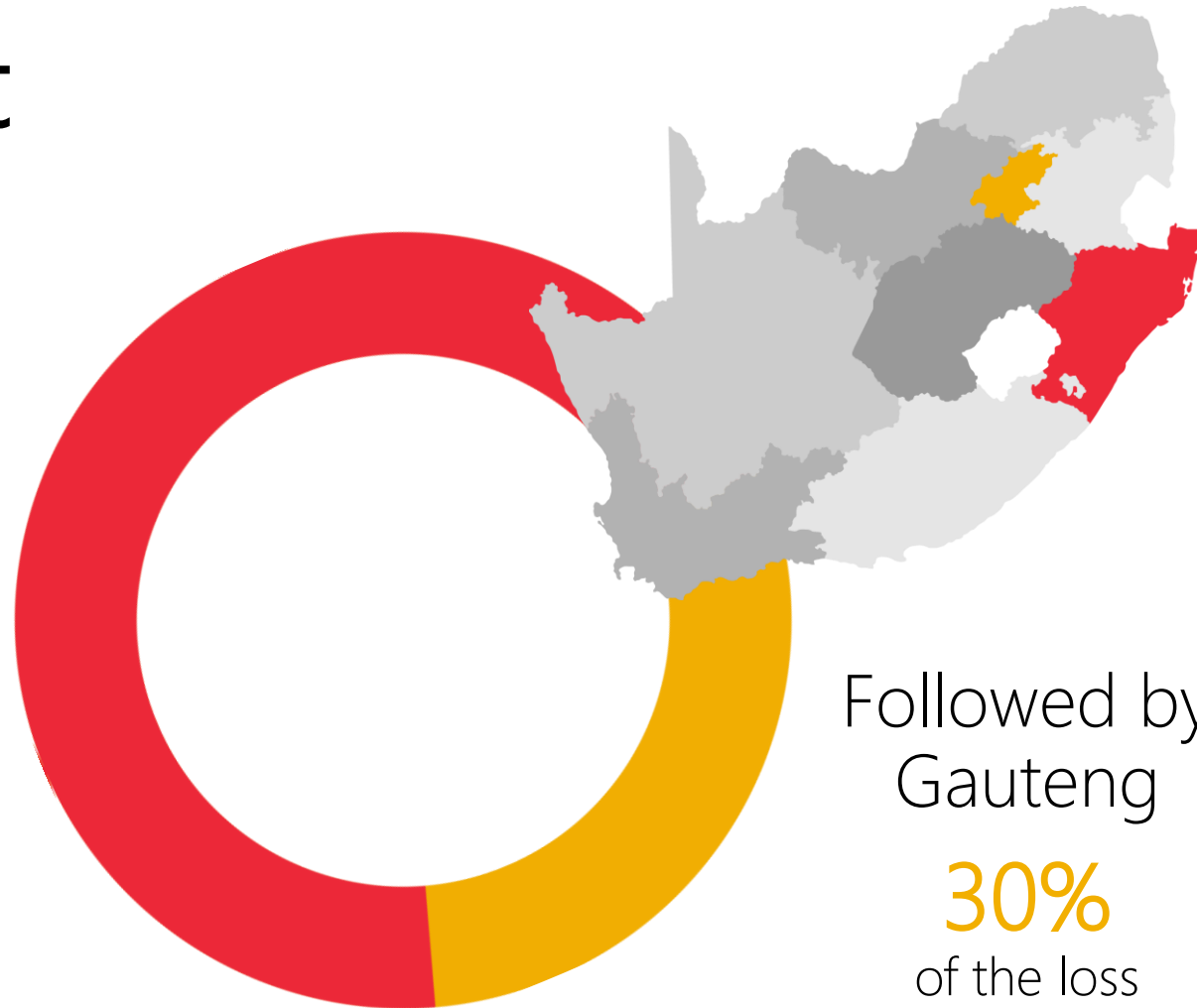


Claims Process



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

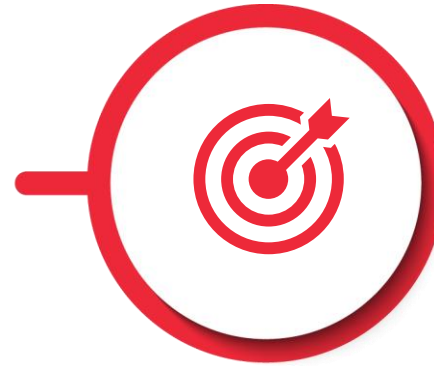
- 95% reported
- Estimated cost R18billionm



Reported claims

Breakdown of claims

- ± 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

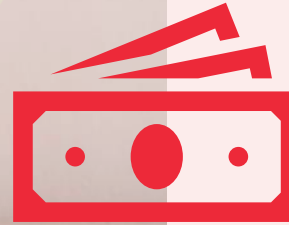
- Release interim payment
- Project manage reinstatement



sasria
covering the **extraordinary**



42 YEARS
EXPERIENCE



1.5 BILLION
LOSS LIMIT



WITHSTAND
ANY ATTACK

Thank you

