

SA riots: limitations on insurance claims

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Businesses seeking to recover losses from the damage caused by recent riots and looting need to act promptly in filing claims with the South African Special Risk Insurance Association (Sasria).



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All-risk property insurance policies protect the assets of a business against the risk of physical loss or damage from certain perils and the consequential financial loss to the business. But these policies do not cover damage caused by vandalism, riots, public disorder, and civil commotion. Nor do they cover damage caused through lawful attempts at controlling, suppressing or preventing these acts. Insurers simply do not underwrite these 'special risks'.

South Africa is one of few countries in the world in which cover for damage caused by special risks can be obtained. It is provided by Sasria.

If Sasria cover is in place, depending on the extent of the cover obtained, your business might be insured against the risk of loss or damage to its tangible assets, goods in transit, money, vehicles, construction works and construction plant and equipment, and specific consequential business interruption loss.

If you do have Sasria cover and intend to make a claim under your policy, here are a couple of important things you need to know:

- **Time is of the essence**

Your insurance broker must be notified of your claim, if not immediately, as soon as possible, so that he or she can notify your insurers. Your broker must then notify Sasria within 30 days.

- **Start gathering the evidence now**

The fact that the entire country has been affected by these acts of vandalism, riots, public disorder, and civil commotion does not mean that you can take your claim and loss as a given. You need to prove your claim and that it falls within the cover provided by your Sasria policy. Photographic and video footage evidence of the incidents, if available, must be obtained and preserved. Video footage from CCTV cameras is seldom stored for more than a few

days so it is important to get it now.

While some of the losses stemming from these events, such as trauma and lost confidence, are incalculable, it is important that businesses get back on their feet as soon as possible for the sake of their employees and suppliers.

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