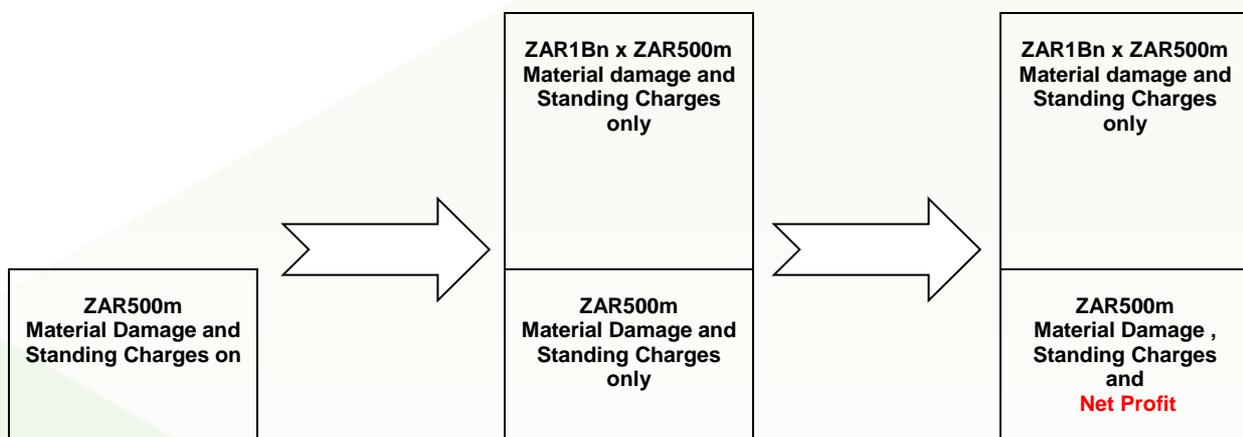




Riot Wrap Insurance and what you need to know

Riot wrap Insurance has been around for many years, and was introduced, as the name suggests to “Wrap around” the SASRIA coupon and Assets Policy and provide additional coverage’s in particular relating to Profits (Either gross or Net) , Contingent Business Interruption and Material Damage above the SASRIA Coupon within South Africa and/or for territories outside of South Africa.

Over the years SASRIA has developed increasing to R1.5 Billion worth of capacity, being a Primary R500 Million coupon covering Material damage and Standing charges/Working expenses and net profits and a R1 Billion coupon sitting above this.



Exclusions under the Fire/Assets Policy

SAIA EXCLUSION being

- I. Civil commotion, Labour disturbances, Riot, Strike, Lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above.
- II. War, invasion, act of foreign enemy, hostilities, or warlike operations (whether declared or not) civil war.
 - a) Mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege
 - b) Insurrections, rebellion or revolution.
- III. Any act (whether on behalf of any organization, body or person or group of persons) calculated or directed to overthrow or influence any state or government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence.
- IV. Any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause or to bring about any social or economic change, or in protest against any state or government or any provincial, local or tribal authority or for the purpose of inspiring fear in the public or any section thereof.

WAR, CIVIL WAR AND TERRORISM ENDORSEMENT - NMA 2919

Excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss; war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or any act of terrorism.



TERRORISM EXCLUSION - NMA2920

What SASRIA Covers

SASRIA picks up the SAIA Exclusions Noted above but *excludes* War per the WAR exclusion, rebellion, revolution, Military or usurped power;

What the Riot wrap covers

"Tops up the SASRIA Cover Wider cover includes **Sabotage, Insurrections, rebellion or revolution, Mutiny, Coup d'état, Looting and Malicious damage**"

Contingent Business Interruption Extensions (Suppliers/customers/public utilities/prevention of access)

Material damage top up cover above Coupon and Ground up in respect of African Territories (these must be declared in order to drop down)

Net Profits cover or Gross profit (If Gross profits is required, then dispensation will be required from SASRIA)

Terrorism Liability (e.g. The Insured's responsibility should a Bomb go off at their premises and a 3rd party is killed or injured and it is found that the Insured was negligent in terms of lack of security procedures and they are sued etc.) R20mill included normally but this can increase up to R100mill upon request and at an additional premium.

Things to look out for:

Whilst the SASRIA coupon covers the majority of the riot and strikes exposures excluded under the Assets Policy, the Riot Wrap provides a far wider cover as mentioned above enhancing the SASRIA Coupon and proving the insured with a superior product.

One point that should be noted is that the original Intention of SASRIA by including the Net profits under the primary Coupon was mainly to cover the larger commercial risks where the combined MD and BI sums insured fell within the R500mill limit, it was not aimed at the LARGE Corporate's or Mining houses and there is a common misunderstanding by brokers. In event of a loss the Coupon would pay the Material Damage claim first, the inclusion of Net profits or Standing charges does not "increase" the value of the coverage the client has, the primary Coupon limit remains at R500mill irrespective of the cover being brought.....Where values are excess of R500mill combined MD/BI the Insured should consider the Option of a Riot wrap Policy to ensure full coverage in respect of profits in event of a potential claim and the primary layer being eroded by Material Damage Losses.

In order to "purchase" the Riot wrap cover in respect of Gross Profits or Net profits the broker would have to ensure they have the necessary dispensation from the Authorities at SASRIA, should they not have the required dispensation SASRIA can (and have in the past) insist that coverage be cancelled back to Inception of the Riot wrap policy.