

29 March 2018

Circular 483

To All Sasria Agents and Intermediaries

VALUE-ADDED TAX (VAT) RATE INCREASE

The above matter refers.

We hereby, following the budget speech at which a VAT rate increase was announced by the Minister of Finance, bring the following to your attention and guidance, regarding the impact this has on Sasria SOC Limited (Sasria).

1. Sasria is committed to adhere wholly to the VAT rate increase as from 1 April 2018.
2. However, in order to do so, Sasria need to adjust their rates on all of their products
 - a. All sums insured that include the VAT at 15%, the Sasria derived premium will automatically be calculated inclusive of the 15% VAT.
 - b. For cases where the sum insured does not include the 15% VAT, the Sasria on-line rate calculator (this will be included on our website for ease of reference by 1 April 2018) should be utilised to determine the Sasria rate applicable.
 - c. Minimum premium will not change
 - d. Motor Specific: For flat rated cases such as Private Motor vehicles, Goods vehicles and Taxis, new rate applicable is as follow:

Type	Annual		Monthly	
	OLD	NEW	OLD	NEW
Cars (Primary use: Dom/private)	R 20.00	R 20.18	R 2.00	R 2.02
Goods vehicles	R 45.00	R 45.39	R 4.50	R 4.54
Taxis	R 45.00	R 45.39	R 4.50	R 4.54

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Company Secretary; MS Mavuso | Sasria SOC Ltd: Reg No 1979/000287/06 | FSP License No: 39117

3. We acknowledge that in order for some insurance companies to adjust Sasria rates this may take time as it involves system changes. Therefore Sasria is prepared to absorb the 1% VAT increase on these premiums, until such time the insurer can accommodate Sasria (within reason), with the insurer and broker absorbing the associated shortfall in binder fee and commission.
4. The VAT increased Sasria rate is applicable to all insurance companies as of 1 April 2018 subject to:
 - i. Insurance companies not being able to meet the required deadline seeking and obtaining special dispensation from Sasria for implementation delays (please contact your Customer Relations Manager for this dispensation)

This could result in minor unfair competitive advantage for some policyholders but is unavoidable. This will be individually monitored by Sasria and will form part of Sasria audit review process as well and is subject to penalties.

5. All XOL quotes will be 15% from the 1st April 2018

Thanking you for your kind consideration. Should you require further information, please do not hesitate to contact me.

Philippa Viljoen
Acting Finance Executive