

14 March 2022

**Circular 517**

To Sasria Agents and Intermediaries

**Change in Sasria Product Offering – Excess of Loss Cover**

Sasria SOC Ltd remains committed to insuring special risks as defined by the Reinsurance of Material Damage and Losses Act No. 56 of 1989.

Sasria extended its primary R500 million Loss Limit to allow for clients to purchase Excess of Loss Cover up to a combined limit of R1 billion above the primary coupon in respect of Material Damage, Standing Charges/Working Expenses and Contract Works. This was done in partnership with our Reinsurers in the London market.

However, following recent engagements with the underlying Reinsurance partners, it has become clear that there is no appetite from our partners to continue with this facility. It is therefore necessary to advise that Sasria will no longer offer cover for Excess of Loss effective 1 April 2022. Practical application of this notice follows:

Policies renewable in March 2022

1. where terms have already been requested from Sasria and quotations provided, cover will be granted with an expiry date of no later than midnight on 31 March 2023.
2. cover will not be granted where terms haven't yet been requested and Sasria has not confirmed cover.

New Business incepting March 2022

- as for March renewals.

Policies renewable in April 2022 or thereafter

- cover will not be granted.

New Business incepting April 2022 or thereafter

- cover will not be granted.

We remain committed to ensure clients who have active Excess of Loss cover in place via our facility, **will remain on cover until the cover expires at renewal date of the Coupon.**

Requests for increased Loss Limits will not be considered.

Where the total value at risk under existing coupons increases or decreases, premiums are adjustable, the Loss Limit however will not be increased.

Sasria hereby retracts all active quotes issued as per above.

We apologise for the inconvenience caused.

As Sasria no longer provides new Excess of Loss cover, you are permitted to source Excess of Loss cover in the open market.

Sasria will not provide dispensation to place cover in the open market where limits are within the R500m Loss Limit as this cover must be placed with Sasria.

Sasria may still be approached for Business Interruption ground-up dispensation to place cover in the open market, on condition that the Material Damage cover is placed with Sasria and the client requires CBI (contingent business interruption) which dispensation we will not unreasonably withhold.

All other cover, rules and regulations remain in force.

All changes to Sasria Regulations and Coupons relating to Excess of Loss will be concluded by 1 May 2022.

Sasria would like to extend its appreciation to all parties in the value chain that administer Sasria business.

Should you have any queries, kindly contact your Sasria Customer Relationship Manager or email [contactus@sasria.co.za](mailto:contactus@sasria.co.za).