

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 2643 [NW3159E]**  
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**2643. Dr D T George (DA) to ask the Minister of Finance:**

Whether any further cash injections will be made to the funding of the SA Special Risk Insurance Association; if not, why not; if so, (a) what total amount will be paid and (b) on what date?

NW3159E

**REPLY:** SASRIA came to existence in 1979 because the private sector no longer had an appetite to cover the type of perils and special risks insured by SASRIA. The risks are by their nature volatile and unpredictable which makes it more difficult for SASRIA to predict future claims compared to conventional insurers. The short answer to the question is that further cash injection to SASRIA will depend on future claims and whether an event that was experienced in July 2021 will occur again.

It is unlikely that Sasria will request another capital injection in the short term (two years) subject to claims due to perils insured by SASRIA not exceeding a loss ratio of 58% over that period and the reinsurance arrangements remaining the same. Therefore, in the event that an event similar to one of July 2021 occurs in addition to a loss ratio of 58%, SASRIA may need capital injections of approximately R100 million for a loss of R5 billion, R2,7 billion for a loss of R10 billion and R8,4 billion for a loss of R15 billion. This excludes any assistance that SASRIA might require to provide large corporates with an additional cover of R1 billion over and above the current limit of R500 million. SASRIA had to withdraw from providing this additional R1 billion cover due to expensive reinsurance costs that made it commercially unsustainable to give this cover. Treasury and SASRIA are working hard to find solutions to this matter as it is key to unlock further investment in infrastructure by the Private Sector.