

31 May 2025

## Circular 538

### Sasria Rate Adjustment for Specific Classes of Business

#### To Sasria Agents and Intermediaries

Dear Valued Partner,

We are providing a four-month notice of Sasria SOC Limited's intent to adjust rates for selected Classes of Business, effective from 1 October 2025. This notice period commences on 1 June 2025, in accordance with our industry agreement and commitment to transparency and market readiness. This decision follows extensive actuarial analysis, stakeholder engagement, and close monitoring of portfolio performance post-July 2021.

We acknowledge that in 2022, following the unprecedented unrest event of July 2021, Sasria initiated a rate increase across its product lines. At the time, we committed to the market that no further increases would be considered for at least three years, unless warranted by material shifts in risk or sustainability concerns. That commitment has held until now.

Despite profitability in the past two years, driven primarily by lower-than-expected claims frequency, actuarial models and reinsurance market conditions indicate the need for an upward adjustment.

This is necessary to:

- Address continued underwriting losses in certain risk-intensive classes such as Goods-in-Transit and Mobile Plant,
- Ensure the accumulation and retention of sufficient earnings to build robust capital reserves capable of withstanding future systemic shocks and catastrophic events.
- Respond to mounting reinsurance costs and capital adequacy pressures, and
- Ensure that Sasria's pricing structure is aligned with emerging catastrophe

risk realities, particularly in a fragile macro-social environment.

These increases are crucial for maintaining Sasria's long-term solvency and rebuilding prudential reserves to levels that can absorb future extreme events, in line with our mandate as South Africa's special risk catastrophe insurer.

### 2025 Approved Rate Increases by Class of Business

Class of Business	2025 Rate Increase
F2 (Commercial Property)	35%
GIT (Goods-in-Transit)	64%
M1 (Motor Vehicles)	30%
M3 (Taxi)	66%
M5 (Buses)	33%
M6 (Mobile Plant)	100%
M8 (HCV Heavy Commercial Vehicles)	15%
Mon (Money)	65%
BI (Business Interruption)	35%
CW (Construction Plant only)	100%

These adjustments reflect a technical pricing recalibration, not a commercial gain exercise. We have exercised discretion to stagger and moderate the increases to ensure minimal disruption to clients, particularly in segments already burdened by recent inflationary and economic pressures. We will continue to engage the industry and key stakeholders before the effective date to address queries, ensure smooth implementation, and maintain transparency.

The following document is the full updated rate schedule applicable on the 1<sup>st</sup> of October 2025:

- [Updated rates schedule](#)

## **Treatment of Renewal Policies, Payment Frequencies, and Endorsements**

All policies renewing with effect from 1 October 2025 will be subject to the new approved rates, irrespective of whether the premium payment frequency is monthly or annual. The new rates will therefore apply to all renewal transactions from 1 October 2025 through to the final renewal cycle

ending 30 September 2026. In respect of endorsements effected on these policies, whether monthly or annually payable, any mid-term endorsements processed after 1 October 2025 but before the renewal date will remain subject to the prevailing rates and will not trigger the application of the new rates until the policy's scheduled renewal date.

We trust that, with your continued support, Sasria will remain a resilient, trusted vehicle for protecting the South African economy against systemic risks.

For further clarification or to discuss these changes in greater detail, please contact your Stakeholder Relationship Management team.

**Kind regards,**

**Mpumi Tykwe: CEO**

**Sasria SOC Ltd**