



## THE WATER CRISIS AND YOUR INSURANCE POLICY

**Changing weather patterns are having a major impact across the world, as they are in South Africa. The devastation caused and the challenges created by these changing weather patterns highlight the importance of becoming more aware of the impact these conditions have on us and the lifestyle changes required to respond to these changes.**

On 13 March 2018 the ongoing water crisis in South Africa was declared a national state of disaster by Cooperative Governance and Traditional Affairs Minister Zweli Mkhize. As this crisis intensifies and the prevailing drought conditions continue, the risk of loss or damage to your or your companies' assets increases. Water shortages brought about by these conditions could affect the way in which your insurance policy responds.

Damage caused by drought is not covered by most insurers as it is a gradual process and is not sudden and unforeseen. Due to the change in the moisture content of the soil over a period of time, cracks could occur in houses, walls or swimming pools, this would not be covered by a typical insurance policy as it is gradual and happens over a period of time. There are, however, some eventualities which will be covered, this could include flooding following a tap being left open when water supply is restored. Insurance customers should also be aware of flooding which could occur from blocked drains. Silt and debris will accumulate in drainage systems which could cause flooding once water supplies are restored.

Insurance customers must ensure that they adhere to policy conditions and should always take reasonable precautions to prevent or reduce damage. An example of this is to switch geysers off while they are not filled with water to prevent damage to the geyser. The use of sea water or grey water in geysers must also be avoided as the components of the geyser are not manufactured to withstand these types of water.

During the drought, delays in settling claims could be experienced due to the lack of water. This is most likely to occur in building claims or vehicle repairs where water is an integral part of the repair or build process. Grey or sea water cannot be used to mix concrete or in the spray painting process of repairing a vehicle resulting in a delay in effecting repairs.

For commercial risks it is important that warranties and policy conditions are adhered to, particularly with regard to sprinkler systems and fire-fighting equipment. Where sprinkler systems are installed, the necessary tests must be done and required back-up systems must be in place.

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Where required, fire-fighting equipment must be in place and must adhere to regulations. There may be instances where insurance customers could be at risk if the necessary requirements have not been met.

SAIA would like to encourage insurance customers to contact their brokers and/or insurers directly to understand the cover provided by their insurance policy and what would not be covered.

For further information relating to the water crisis, please visit the following websites:

[http://www.wwf.org.za/bucket\\_list.cfm](http://www.wwf.org.za/bucket_list.cfm)

<https://www.westerncape.gov.za/110green/water>

<https://www.greencape.co.za/content/focusarea/drought-business-support>

<http://www.capetownccid.org/>

**SAIA**

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