



Secure Tomorrow

Minet

Aon | Global Network Correspondent

### MINET THOUGHT LEADERSHIP

Minet is a trusted pan-African advisor that meets the uncertainties of tomorrow by delivering risk and human capital solutions today. As the largest Aon Global Network Correspondent, Minet has access to a network of over 50,000 colleagues in 120 countries as well as to proprietary data, research and analytics which enable us to manage and secure the risks of tomorrow and provide clients with an unrivaled advantage. For more information, please visit [www.minet.com](http://www.minet.com)

Risk. Reinsurance. People.

## DROUGHT LOOMS IN NAMIBIA

July 15, 2019



The Southern African Development Community will receive normal to below normal rainfall in the 2018-2019 farming season. Reports also say that Namibia will continue to get warmer, with its most extreme prediction being an increase of 4 degrees by 2046.

Drought affects the environment in many different ways. Plants and animals depend on water, just like people. When a drought occurs, their food supply can shrink, and their habitat can be damaged; increase in disease in wild animals, because of reduced food and water supplies.

WINDHOEK – With the prolonged drought in Aminius Constituency in Omaheke Region, more than 300 livestock have died as farmers watch their animals helplessly succumb to famine. The deplorable situation has forced many farmers in the area to relocate their animals to other constituencies as well as to other regions, especially Otjozondjupa, for better grazing for farmers to save them from the drought.

The animals are in a very deplorable condition. The condition has not improved because there is no assistance rendered yet. The farmers with little in the pocket are importing grass all over Namibia. They drive and go get it because animals are helpless now. The animals are dying, and many farmers have written them off. The authorities declared a national disaster last month, and the meteorological services in the southern African nation estimate that some parts of the country are facing the deadliest drought in as many as 90 years.

It's no secret that the drought has taken a heavy toll on our economy. But, did you know that the prolonged lack of rain can become a costly problem for your assets as well, and that your insurance might not provide cover for drought-related risks?

An article in the Sunday Times makes readers aware that damage caused by drought is not necessarily a claim that insurance companies pay. This is because their policies are designed to



protect against sudden and unforeseen events and not gradual wear and tear caused by unremarkable weather conditions. To use a recognizable example, a Car Insurance policy may repair, replace or compensate a client after an accident or hijacking. But, they would unlikely bear the cost of a mechanical failure or replacing wear and tear components of the vehicle. "When it comes to their assets, it is strongly recommended that owners be aware of the areas of their assets that can be impacted by water restrictions and have measures in place that help prevent damage.

The general principle in insurance is that policyholders should take all reasonable care to safeguard and protect their assets. In fact, people should act as though they are not insured. This premise also applies in a drought situation - policyholders need to do whatever is reasonable and practical to minimize damage when they have known about a situation like this," an insurance expert points out in the article.

Cape Town has already implemented top level water restrictions and rationing as the drought tightened its grip on several provinces. It's said to be the worst drought in recent memory affecting property owners and homeowners. While the rationing system can be useful in helping to save water, turning the supply on and off can cause pipes to leak or burst and lead to flooding, the article warns. Most Assets and household related policies do not cover gradual damages due to this type of flood; they do provide cover for natural disasters, so, for example, if a storm suddenly destroys a part to your roof and your house and or building is flooded, these policies might accept a claim for water damage, depending on the extent of your coverage.

But, should your pipes start to leak because of water rationing and cause damage to your walls, ceilings or floors over time, your claim will be rejected since this event was not sudden. That is why it's so important that owners of assets- and homeowners take all steps necessary to mitigate the risk. Under their contractual obligations with their insurer, policyholders need to take all preventative actions they can to protect their pool from the effects of drought. These include covering the swimming pools to prevent water evaporation or switching off the pump if the water level drops too low.

With regards to gardens, Household Insurance or Building Insurance are unlikely to pay for restoring any landscaping that has died because of persisting drought. To maintain a healthy garden, it is recommended that homeowners apply alternative irrigation such as collecting rainwater where possible, use grey water or even install a borehole. Damage because of the drought is something for the policyholders to address as part of the routine maintenance that goes along with owning a home.

With homeowners unable to fill up due to the water restrictions, the system, walls and tiling of pools are at risk of damage if they are left exposed to sunlight. Insurance companies will reject a claim for pool damage if was a long-standing problem that could have been prevented.

**Melanie Lambert** | Personal Lines & Claims Manager | Minet Namibia