

ONE Announcement: The Cape Drought and Changes to Risk Management

According to an article published by the Daily Maverick, Western Cape premier Helen Zille said, "As things stand, the challenge exceeds anything a major City has had to face anywhere in the world since the Second World War or 9/11. I personally doubt whether it is possible for a city the size of Cape Town to distribute sufficient water to its residents, using its own resources, once the underground water pipe network has been shut down."

When Cape Town dam levels drop to 13.5% the city will begin to shut down its system in residential areas. Zille said a week before dam levels hit 13.5%, the city council would announce the date of Day Zero for residential suburbs. Once taps were turned off, residents will have to collect a daily allowance of 25 litres from 200 distribution points across the city.

The effect of the drought will clearly have forced many businesses to begin thinking differently. Regardless of insurance, the effects of the drought will be felt long term. Both individuals and businesses will need to look to adapt to what is becoming a new norm. We need to explore new technologies and gain better understanding of best practices to assist us in adapting to changing environments.

Policyholders are unaware that damage caused by the drought is not covered by their policies. Brokers will need to communicate to their clients that damage caused by drought is not a peril that is covered by insurance policies and that they should take the necessary steps to minimise damage. With the inevitable Day Zero lurking it is essential that clients understand what is covered by their policies and that they cannot count on their insurance policies to cover losses associated with the drought.

Risk Management

With water being so scarce, the last thing anyone needs is for it to be used to be putting out fires. In fact, there may not be any water to use or the pressure may be so poor as to be ineffective.

We are therefore asking our clients to implement the following risk mitigation at every location according to the **Application of the National Building Regulations Part T: Fire Protection – SANS 10400** the relevant section which reads as follows:

SANS 10400:

4.34.5 Where no water supply is available, two 9 kg or equivalent fire extinguishers that comply with the requirements of 4.37 shall be provided in place of each required hose reel.

4.37 Portable fire extinguishers

4.37.1 A building that contains an occupancy given in table 11 shall, for the relevant occupancy and floor area, be provided with portable fire extinguishers in unobstructed positions approved by the local authority.

4.37.2 A local authority may specify the type of portable fire extinguisher to be provided and may require that a number of fire extinguishers shall be installed in excess of the number indicated in table 11 if, in its opinion, any particular hazards or risks warrant such increase.

4.37.3 Portable fire extinguishers installed in a building shall comply with the requirements in SANS 1910, and shall be installed, maintained and serviced by competent persons in accordance with SANS 1475-1 and SANS 10105-1.

4.37.4 Such portable fire extinguishers shall bear a certification mark from an accredited certification body.

We ask all Brokers to interact with their Policyholders that are situated in the Western Cape to be proactive and purchase these extra 9kg fire extinguishers and to make them readily available to help prevent fire damage.

All ONE policies will be endorsed with this condition with effect from 1 April 2018.

We look forward to your continued support and should you have any queries, please contact your nearest ONE Regional Office

Regards

ONE