

Floods: 'farmers must be insured'

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THE Financial Intermediaries of South Africa (FIA) have called on farmers to make sure they are adequately covered by insurance to survive natural disasters such as the recent floods that saw eight provinces declared disaster areas.

The call comes as the industry counts the cost of the damage caused by the flooding.

While damage was widespread, the impact appears to have been most severe for farmers.

A recent estimate by Agri SA suggests the industry may have incurred as much as R1 billion in losses.

According to FIA director Arnold van der Linde, farmers could be under the most pressure as they have insufficient or no insurance in place.

He said some farmers who are uninsured or under-insured because they believe it is not necessary are facing potential ruin.

"The severe level of under-insurance in the agricultural sector has now turned into a political debate over whether farmers should be receiving compensation, and if so, how much."

Van der Linde said farmers who are insured may find their premiums being increased when insurers do assessments.

"While it is the responsibility of the government to ensure that the citizens are taken care of in times of natural disasters, the government is not expected to pay for things that should be insured."

KwaZulu-Natal Agricultural Union president Robin Barnsley said that farmers can only insure crops against fire and hail, but they cannot insure against floods.