

Solar Panels – On Or Off The Grid Cover For Farmers

Cape Town, 4 July 2016: Farmers taking a beating from the African sun can now find some relief when it comes to insurance cover for solar panels installed on their properties. To assist farmers wanting to pursue and secure independent power sourcing options, leading insurer Santam, now offers extended cover for solar panel installations under their general agriculture policy. Solar panels can be installed to generate power for farm equipment or machinery such as windmills and water pumps. They can also be an additional source of power for the main farm buildings for instance for heat generation. Whatever their use, solar panels are expensive and are susceptible to theft and weather damage and should be insured accordingly.

As electricity costs spiral and the risks of load shedding or ill-timed power outages remain a challenge for many farmers, alternative energy supply sources are now increasingly being incorporated into agricultural operations. Farmers should take the necessary steps to insure solar power installations as part of their overall investment.

Compliance essential for any insurance related claims

Gerhard Diedericks, Santam head of Agriculture says, “One aspect that should not be overlooked is ensuring that a certificate of compliance (CoC) is obtained from a professional installer.” A CoC certificate is required by law when any external wiring is connected to the internal electrical wiring of any farmhouse or building. (A certificate of compliance is not required in the instance where a solar panel may be connected to a stand-alone water pump as it is not connected to the internal wiring of a building.)

Diedericks says that often solar panels or kits are bought and self-installed and the proper electrical certification is not obtained. “Besides presenting potential fire risks, non-compliance with these requirements could present a challenge in discerning the cause should the panels/property be damaged and a claim submitted to the insurer.”

Cover for weather related damages

Solar panels or photovoltaic systems as they are also known, can be

damaged by severe weather events such as hail or strong winds, and farms in high hail risk areas of the country such as the Free State and Eastern parts of the country are particularly at risk over the hail season periods from October to December. One way of mitigating damage to solar panels is to install them on a system that allows the angle of the panels to be changed depending on the angle of the falling hail. This, of course comes at a much higher cost. Strong winds can also lift or damage panels that are fixed to roof areas. It is thus imperative that these are properly anchored at all times.

In many instances, the installation of solar panels can provide many longer term benefits and savings for the farmer and the agricultural business. Protecting solar panel installations against theft or damages makes not only sound business sense, but can also save valuable rands should any of the units or components need to be replaced.

“Appropriately insuring this investment under the House Owners, Fire, Building Combine or All Risk option of your agri policy should standardly form part of all energy saving initiatives or alternate power resourcing plans,” concludes Diedericks.