

## WEATHER CLAIMS IN THE UAE

On 16 April 2024, the UAE experienced significant levels of rainfall. Reportedly, in excess of a year's average rainfall fell in a single day, the highest recorded levels since records began c.75 years previously.

Properties, construction projects and businesses across the UAE have suffered loss, damage and disruption as a result of the rainfall and associated weather conditions and policyholders will now be looking to their insurance providers for indemnity.

Two potential sources of cover for policyholders will be (1) property all risks (**PAR**) cover, for existing properties; or (2) in the case of construction projects, construction/contractors all risks (**CAR**) or erection all risks (**EAR**) cover.

As these policies provide "all risks" cover, as a first step the burden on policyholders is relatively light; policyholders must demonstrate that there has been loss/damage/expense (as set out in the insuring clause of their specific policy) occurring to property insured within the period of cover. Thereafter the burden of proof switches to insurers to demonstrate that the loss is excluded or otherwise not covered.

These claims will raise complex issues of fact and law, with key considerations including:

- Specific clauses relating to flood risks and/or natural catastrophes.
- Clauses imposing obligations on policyholders to implement safety measures and protection in respect of precipitation, flood and inundation (e.g. MRE 110, commonly found in construction policies).
- Denial of access/loss of attraction cover.
- Event cancellation cover.
- Incidental covers e.g. cover for removal of debris, dewatering, and flushing.
- Defects exclusions/write-backs of cover (e.g. LEG clauses), including for potentially defective design.
- 72 hours clauses.
- The applicable deductibles and any aggregating language.
- The operation of any sub-limits.

Business interruption and delay in startup (DSU) or advanced loss of profits (ALOP) claims are also likely to materialise.

Our team has extensive experience in assisting with policy claims of this nature. If you would like any advice or support, please contact the authors for further information.

For more information, please contact the author(s) of this alert



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