

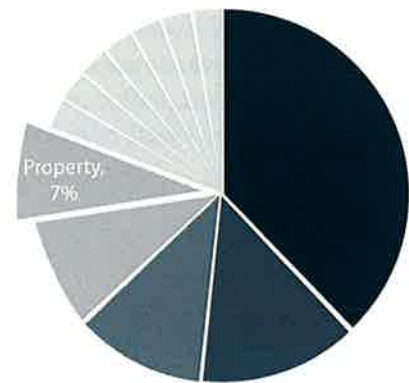
Property | Water Damage

Water damage is defined as physical loss resulting from the accidental discharge, escape, leakage, back-up, or overflow of water or sewage from the plumbing system or environmental sources. This can lead to significant costs for clean up and decontamination, and irreparable loss of furniture and fixtures, computer equipment and valuable papers. Pipes are generally out of sight, behind walls and ceilings and leaks may not be detected for some time. The growth of mould following a water leak is a significant concern. Regular inspection of plumbing systems, roofs and downspouts, and timely location of water shut off valves are vital to preventing losses.

Data and Information

Property claims facts:

- Property claims are the fourth highest ranked claim category in terms of costs and represent about 7% of all HIROC claims costs;
- Water damage is the highest ranked risk within this category;
- The highest claim in this area settled for over \$1 million.



Common themes seen in HIROC claims files include:

- A large percentage of the water damage and flooding losses are preventable;
- Wear and tear, rain, clogs, and frozen pipes are leading causes of water damage;
- Costs associated with decontamination and relocation following sewer back-ups greatly exacerbate damages incurred;
- Water leaks in sensitive areas such as operating rooms and computer areas can cause significant service interruptions;
- High claims costs can be associated with removal of asbestos;
- Mould contamination may require extensive remediation of building elements and increase claims costs.

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HIROC Claim Examples

Case 1 – A large city hospital experienced sewage backup in the basement resulting in significant equipment damage and the loss of valuable papers. Investigation revealed that a sump pump had failed due to age and the pump failure alarm went unnoticed as it had been set to a low auditory level.

Case 2 – Employees at a busy suburban hospital were moving in new furniture. To avoid having to open the door to the vestibule each time, they propped it open. This allowed cold air from the exterior to enter an otherwise heated portion of the building. The door was left open for an extended period of time causing sprinkler system pipes to freeze and burst. An expensive cleanup ensued.

References

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Mitigation Strategies

Water Systems

- Ensure all water shut off valve locations are clearly identified and accessible.
- Ensure all staff is aware of the location of water shut off valves in their area.
- Ensure facilities staff is aware of the locations of all water shut off valves, are trained to shut valves to stop leaks, and are trained in the use of mitigation supplies.
- Conduct regular patrols of unpopulated areas of premise after hours to facilitate timely detection of leaks.
- Conduct regular inspections of all areas with water systems/pipes to confirm adequate insulation and heating including stairwells, underutilized/vacant rooms, fire pump and sprinkler riser rooms.
- Ensure at least twice annual inspection and exercising of water line control valves.
- Ensure annual inspection and testing of all plumbing fixtures and apparatus including sprinkler systems; ensure the replacement of older/deteriorated pipes and connections.
- Conduct regular (e.g. quarterly) inspections of high pressure pipes.
- Maintain all contracts, records and invoices for plumbing related purchases, installation, service and maintenance (these will assist in the investigation of losses and identify where there is a potential for third party contribution/payment of losses).

Sewer and Drainage Systems

- Ensure the use of backflow valves with below grade sewer pipes.
- Ensure the use of audible failure alarms and backup batteries/power sources for all sewer sump pumps.

- Conduct regular camera surveys of all basement floor drains to ensure they are free from obstructions (e.g. tree roots).
- Conduct regular (e.g. quarterly) cleaning of main sewer lines using a pressurized water system.
- Conduct regular inspection/cleaning of gutters and downspouts; ensure drainage directs water away from the building.
- Conduct regular inspections of roof coverings and seams.

High-Value Equipment

- Avoid locating high-value equipment below grade and below areas where liquid spills frequently occur (e.g. cafeterias, rest rooms, and mechanical rooms).
- Ensure the use of secondary containment (e.g. concentric piping) or drip pans, and water escape alarms for water lines/pipes located directly above high-value equipment.

Post Incident Management

- Pre-identify and establish partnerships with specialists required to manage water/sewer related events (including cleaning/drying specialists, industrial/occupational hygienists, etc.).
- Ensure the use of dry heat rather than wet heat in the remediation process to attenuate mould formation.
- Ensure the use of mould disinfection on carpeting and drywall.
- Ensure the replacement of drywall or carpeting that has been wet for over 24 hours.
- Conduct regular monitoring of building moisture levels to ensure that expenses related to drying are limited to those required to achieve normal levels.