GREAT AMERICAN INSURANCE GROUP
Loss Control

GREAT AMERICAN INSURANCE GROUP
Specialty Human Services Division

Thanks for joining! We will begin shortly.

Preventing and Mitigating Water Intrusion Losses

Webinar Replay

1/25/2024

Our Topics Today

- Common sources of water damage.
- Best practices for preventing water damage.
- Using technology to mitigate water damage losses.
- Helpful resources.

Introducing Today's Speaker

Jared Bishop, CPG

Divisional Assistant Vice President – Great American Loss Control

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Polling Question

In general, hot water heaters should be replaced after ____ years, regardless of how they operate:

- 5 yrs.
- 7 yrs.
- 3 yrs.
- 10 yrs.

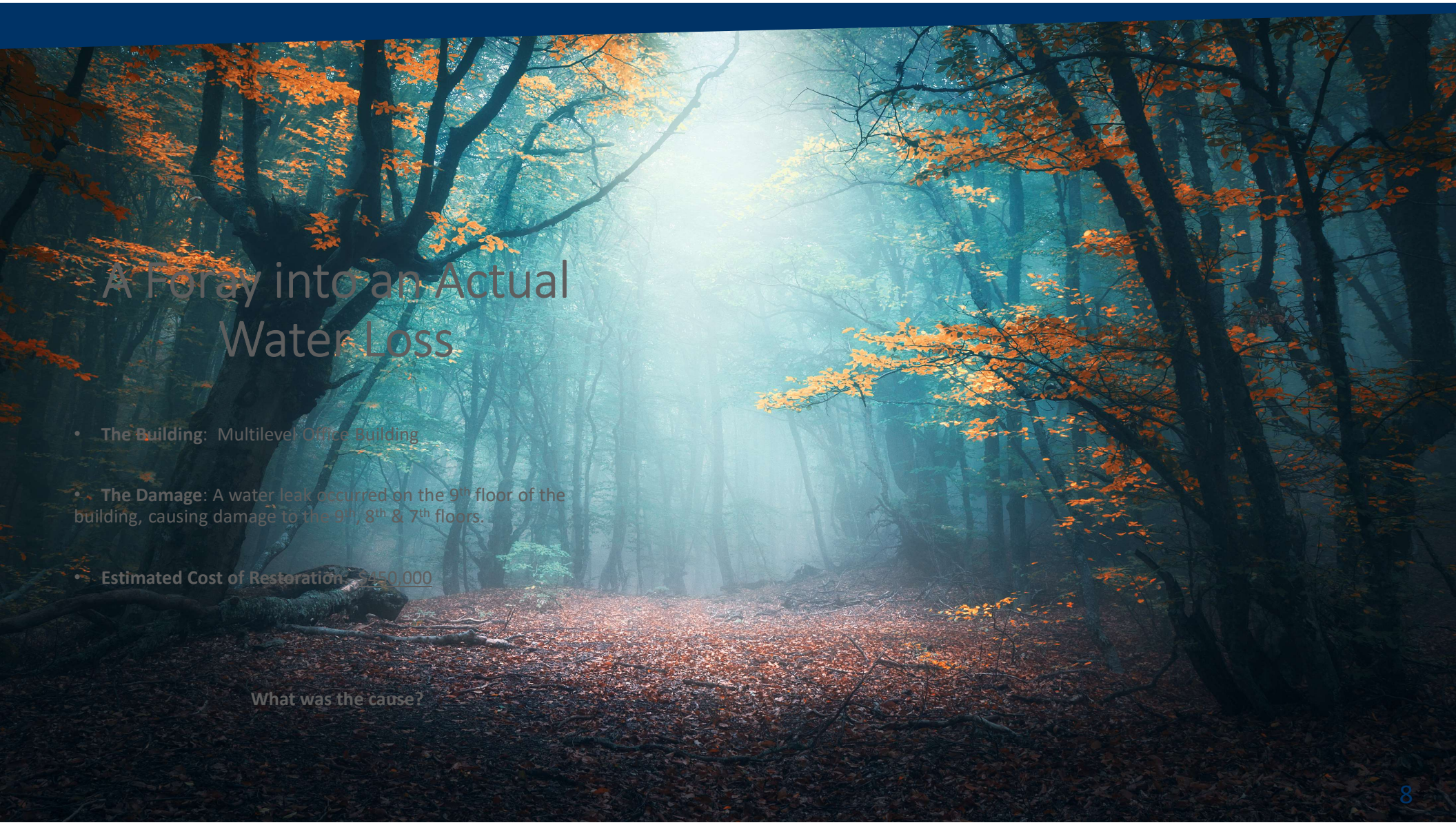
Source: GAIG Loss Control – gaig.com

Proper Maintenance **AND** Early Detection

Polling Question

According to Fixr, what is the average cost per square foot of restoration work after water damage:

- $3,000
- $90
- $1,500
- $5,000



A Foray into an Actual Water Loss

- **The Building**: Multilevel Office Building
- **The Damage**: A water leak occurred on the 9th floor of the building, causing damage to the 9th, 8th & 7th floors.
- **Estimated Cost of Restoration**: $450,000

What was the cause?


The Usual
Suspects…

Breaking Water Losses Down

Factors that determine severity include:	Age of building
	Building construction
	Interior finishing
	Time until detection

Examples of Common Water Leaks

- Washing machine water supply hoses.
- Water supply lines feeding icemakers, etc.
- Hot water heaters.
- Dishwashers

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Examples of Common Water Intrusion Losses

- Plumbing – Piping & Drains
- Plumbing Fixtures – Faucets, Toilets, Sinks, Shower Valves
- Equipment – Garbage Disposals & Sump Pumps
- Mechanical Systems – Heaters, air handlers, evaporators, chillers, pumps, tanks, boilers, refrigerant lines.
- Fire Sprinklers – Piping, sprinkler heads, control boxes, standpipes.
- Damaged roofing materials or other building materials.
- Clogged roof drains or gutters.

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Why is water damage so costly?

Water intrusions result in building damage that is like major weather events, including:

- Mold growth in moisture heavy environments.
- Dry rot of structural wood members.
- Significant building structural damage – Foundational cracks, etc.
- Significant damage to building materials.
- Water staining.
- Wet insulation.

FACT – Even a small amount of water can prove to be a costly repair.

Controlling the Exposures

Remember: Nothing takes the place of good old-fashioned risk management practices.

Start by developing a water damage prevention plan specific to your building.

- Identify potential water damage sources.
- Determine prevention needs.
- Routinely inspect these sources.
- Maintain equipment & materials, and repair/replace them quickly.

Steps to Consider in your Plan

Here are some steps to begin with:

- ❑ Replace washing machine hoses with steel braided hoses that can reduce water “bursts.”
- ❑ Replace the water line for ice makers with reinforced stainless-steel flexible lines.
- ❑ Inspect around your dishwasher and around the hose connection for signs of leaks. Make sure power is off before inspecting or call a plumber if you suspect a problem.
- ❑ Make sure water shut off valves are accessible and that they work. Consider installing quarter turn shut off valves.
- ❑ Replace any hot water heater that is greater than 10 years old.
- ❑ Regularly clear roof drains and gutters to prevent clogging, especially before the rainy seasons. Consider installing gutter screens to help prevent leaves and debris from clogging the gutters.
- ❑ Encourage residents to shut off the water to their units when leaving for extended periods.

Additional Steps to Consider

Pre-Planning

- ❑ Ensure all potential sources of water intrusion have been identified.
- ❑ Ensure all areas of potential pooling have been identified, such as pits, shafts, etc.
- ❑ Ensure automatic pumps are in place with backup power, monitoring and safe discharge.
- ❑ Develop a 24/7 Inclement Weather Monitoring and Action Plan.
- ❑ Establish a 24/7 Emergency Response Team (ERT) to respond to trouble areas.
- ❑ Ensure site security is in place to minimize potential water damage from unauthorized entry.
- ❑ If security guards are present, have written post orders with documented rounds and response plans

Other Considerations

- ❑ Perform regular building/HVAC inspections and maintenance as scheduled.
- ❑ Keep heating, ventilation, and air conditioning (HVAC) drip pans clean, flowing properly, and unobstructed.
- ❑ Inspect all plumbing connections and fittings for signs of leaks and/or corrosion.
- ❑ Make sure fire sprinkler systems are professionally maintained and tested.
- ❑ Be prepared for power failure and weather Issues. In the event of a power failure, a backup generator or alternate power source should be able to keep any sump pumps operating properly.
- ❑ Make sure gutters are sloped away from the building for proper drainage.
- ❑ Test your water pressure. Water pressure shouldn't exceed 80 psi. If it does, water pressure regulators should be installed by a licensed contractor who follows the local building code specifications.
- ❑ Have plans in place and easily accessible to respond promptly to water damage. These should include emergency contact information such as emergency contractors, police and electricians.
- ❑ Immediately take corrective action when stained or softening walls or ceilings are noticed as this may indicate a water intrusion problem.
- ❑ If it is determined that a water intrusion problem exists, engage a qualified professional to evaluate the damage and determine if the building is suitable for continued occupancy. Make sure all problems are corrected before the building is occupied.

Prevention of Frozen Pipes

❑ Provide heat to areas in a facility where there is a water-based fire protection system and in which temperatures may fall below 40°F (4°C).

❑ Repair broken windows, ill-fitting doors and other items that allow heat loss.

❑ Install a dry-pipe sprinkler system in areas where a wet system has a history of freezing.

❑ Verify that systems protected with antifreeze solution have the proper proportions of antifreeze and water.

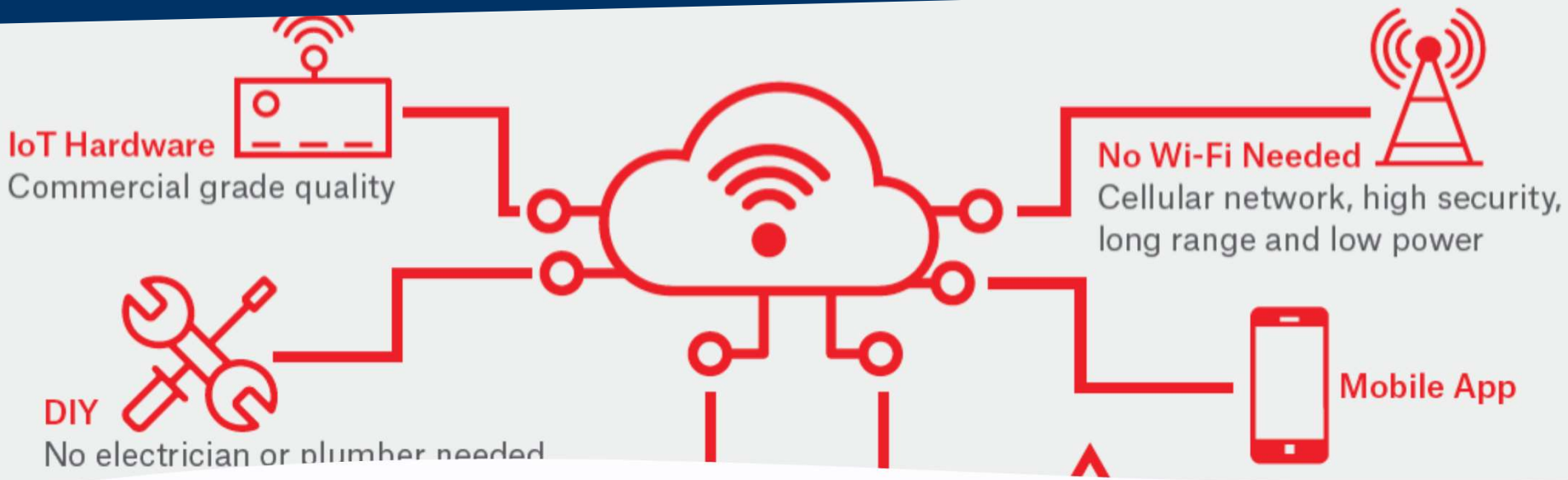
❑ Provide heated or adequately insulated enclosures for pipes exposed to low temperatures.

❑ Ensure that underground pipes are installed below the frost line and add a greater depth of earth over the pipes, if needed.

❑ Allow for a slight water flow in piping systems by opening a drain in a heated area or another valve to cause a slight water flow. Do not open valves in the sprinkler piping, as this will activate alarms.

Considerations for Detection

- If electronic leak detection is present, ensure it is monitored by a central station with a response plan in place.
- Ensure water flow devices or Building Management Systems (BMS) are installed on live water lines.
- Ensure water flow devices or BMS are monitored by central station with updated response plans.
- Consider installing low temperature sensors that can alert to freezing temperatures.
- Establish a formal "End of the Day" closure procedure and follow it consistently.
- Prior to leaving any building, ensure windows and door openings are closed to protect interior finishes from weather
- Regularly inspect temporary roofing for breaches or damage.
- Ensure roof and interior drain systems are inspected and clear of debris on a regular basis.
- Ensure all water sources have been shut off and secured over extended absences.
- Ensure all flow alarm and leak detection systems have been armed prior to leaving the building.



Mitigating Severity – IoT Telematics

- Continuous monitoring of remote locations including 24 hour notifications
- Alerts dangerous situations before intrusion event or immediately when sensing water
- Simple, straightforward installation process
- Water, freeze, refrigeration temperature alerts available
- Developing use in commercial insurance market

Continuity of Operations Planning

3. Plan what course of action to take if the building, plant, or store is not accessible - this type of planning is often referred to as a continuity of operations plan and includes all facets of the business.

1. Carefully assess how the company functions, both internally and externally, to determine which staff, materials, procedures, and equipment are necessary to keep the business operating.

5. Coordinate with others.

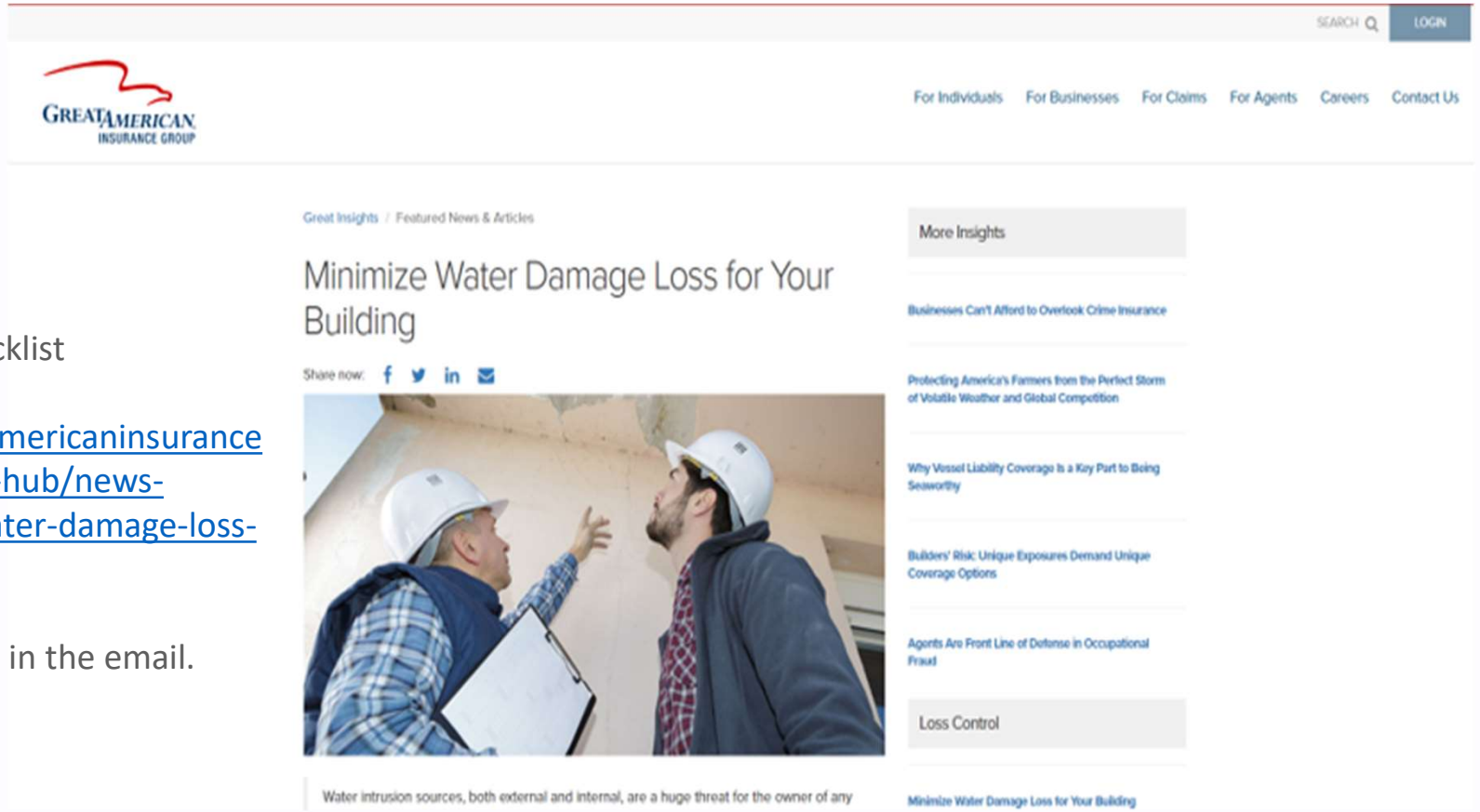
6. Review emergency plans annually.

4. Plan for payroll continuity.

2. Identify suppliers, shippers, resources, and other businesses the company interacts with daily.

Resources from GAIG

- Technical Guidance
- Water Damage Checklist
- https://www.greatamericaninsurancegroup.com/content-hub/news-details/minimize-water-damage-loss-for-your-building
- Will include this link in the email.



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Thank You!

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