



Water Damage: a Quiet, Slow and Expensive Claim



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When we are asked about the most concerning type of property loss seen in banks, it is not vandalism, wind or even fire; it is the quiet drip of a cracked pipe or the sudden surge of water flooding a basement from the sump or the sewer. Water is quiet, slow, steady and can occur for a long period of time before you even know it's happening. Because of this, it is also expensive to repair. Carpets, walls, ceilings, electrical and often the contents of the room will need to be replaced after a water loss.

Bundle up your buildings; it's cold outside!

When people hear about upcoming extreme low temperatures, they know to bundle up. Buildings, however, often aren't as prepared. Frozen pipes and water damage from cold snaps result in extensive damage and sometimes will require that the location be closed or operations moved to a temporary space until it is repaired.

To help avoid these issues, here are some actions to take to prevent cold weather water damage:

1. Make sure heat is provided (at least 45° F.) in unoccupied areas where water lines are exposed. Many times, this procedure is overlooked on foreclosed properties, and significant damage occurs.
2. Icicles are a warning sign for ice dams. If large icicles are present on a building, it should be evaluated by a weatherization contractor to diagnose and mitigate the issue.
3. During building remodels, old pipes should be updated with newer, insulated pipes.
4. Outside vents (exhaust and heat) need to be clear of snow and ice.
5. Any areas exposed to cold within the building should be treated with supplemental heating systems and/or antifreeze solution. These types of solutions should be tested in the fall to ensure they are in working order.
6. Inspect roofs at the beginning of each of the four seasons for clogged drains and standing water. If your building has a rain water collection system, it should also be inspected on an annual basis. Also inspect roofs and drains after any high wind or construction activity to look for any debris or construction material that might have clogged the drainage system.
7. Inspect water generating equipment (water heaters, HVAC units, dishwashers, coffee makers etc.) regularly and thoroughly look for potential water leaks such as rusting pipes, clogged drainage or broken seals. If any have had a repair, recheck the contractors work a few days afterwards to confirm that there is no leakage occurring.
8. All storage of paper files, or similar documents/items, in basements should be stored on raised shelving units or pallets.
9. Any sump pump should be tested annually for proper operational conditions by a professional.

Wi-Fi enabled water leak and freeze detectors

Technology can discover water issues quickly! Enhance your existing security systems to also include monitoring for water and freeze damage. Most security companies now offer components that can be used in your existing system to monitor for water leaks and sewer backups. If a weather-related event such as this occurs, you will be notified in a similar manner as a fire alert. Most common areas to place them are:

1. Under areas where pipes are present (coffee machines, dishwashers and sinks)
2. Basements or Low/Floor areas (close to exposed pipes, sump or drains)
3. Restrooms and shared kitchens

Improved technology and adhering to prevention and maintenance programs will go a long way to keeping your bank safe and dry.

Coverages may be underwritten by one of the following insurance companies: Atlantic Specialty Insurance Company, a New York insurer; Homeland Insurance Company of New York, a New York insurer; Homeland Insurance Company of Delaware, a Delaware insurer; OBI America Insurance Company, a Pennsylvania insurer; OBI National Insurance Company, a Pennsylvania insurer; or The Guarantee Company of North America USA, a Michigan insurer. Each of these insurers maintains its principal place of business at 605 Highway 169 N, Plymouth, MN 55441, except The Guarantee Company of North America USA, which is located at One Towne Square, Southfield, MI 48076. This material is intended as a general description of certain types of insurance coverages and services. Coverages and availability vary by state; exclusions and deductibles may apply. Please refer to your insurance policy or consult with your independent insurance advisor for information about coverages, terms and conditions.