



Risk Management 101

Managing Water Risk in a Strata/Condo/Rental Property

When we think of risks associated with water damage for commercial properties, it's typically losses from sudden and intense weather events that grab headlines. However, the vast majority of water-related damage comes from a storm brewing inside many of Canada's stratas, condominiums and rental properties.

Water damage has become a primary reason for rising commercial property claims costs and experts are warning that without a dedicated risk management strategy, these losses will only continue to drive up premiums.

Water can do a lot of surface damage, but it also causes long-term issues with mold and structural damage. If several units are affected, the disruption can last for weeks or months as claims are sorted out and work proceeds.

Preventative maintenance is the key to helping to reduce potential claims and making your property a more attractive risk to insure.

Water damage can be broken into two basic areas:

WATER FROM THE OUTSIDE:
rain leakage and sewage backups

WATER FROM INSIDE:
toilet or overflowing tub,
failing water lines

Outside



How do you maintain your roofs? Here are some pointers:

- **Ensure that you have a current property condition report.** This should indicate in general terms how old your roof is, and the estimated lifespan of the roof.
- **Hire a roofing specialist to inspect and maintain the roof annually.** Simple repairs on flashing, caulking or spot patches will reduce the risk of leaks and extend the roof life. A well-documented roof maintenance program will help you show that proper due diligence has been applied, which improves the management of the claim and reduces arguments on causations of loss.
- **Conduct in-house inspections on the roof.** The more often you do a check the better. Semi-annual is good. Quarterly is better and a check after a major storm is also an excellent idea.
- **Be safe!** Stay at least 2 m from the roof edge, don't go up alone without notifying others, and don't go onto a pitched roof unless you have worked out a fall protection plan first.
- **Keep trees trimmed near the building** to reduce the risk of branches snapping on the roof or leaving buildup of materials.

Sewage Backup doesn't just happen in the basement

No matter how many floors in your building or rental property, sewage backup is a risk. In order to prevent sewage backups, it's important to carry out regular maintenance of the main plumbing line. Sewage backups typically occur when there is a blockage in the main sewer lines due to the build-up of debris which accumulated in the drain lines over a period of time. The result of these backups can cause sewage to seep back in through the plumbing fixtures in the individual units.

All insurance policies are not equal and sewage back-up is typically optional coverage. This coverage is added by your insurance representative by endorsement or coverage enhancement.

Ways to Prevent Backups in Your Lateral and in the City Main Sewer Lines

Have a routine in place for proper disposal of grease and paper products

Washing grease down the drain with hot water can cause significant problems. As the grease cools off, it will solidify either in the drain, the property owner's line, or in the main sewer causing the line to constrict and eventually clog. In addition, paper towels, disposable (and cloth) diapers, baby wipes, feminine products and other related items can cause many problems in the property owner's lateral as well as in the municipal main because they do not deteriorate quickly, as bathroom tissue does.

Install a Backwater Prevention Valve

A backwater valve is a fixture installed into a sewer line, and sometimes into a drain line in the basement to prevent sewer backflows. A properly installed and maintained backwater valve allows sewage to go out, but not to come back in.



Inside

Water damage often occurs within the building. While water supply lines may be a source of failures, toilets by far are the biggest single source of floods from within a unit. Water leaks can also occur from tubs and showers overflowing, failing caulking, washing machines overflowing, or washing machine lines bursting.

If a leak or flood occurs, speed is essential, and this applies to everyone involved. The unit owners should have clear instructions on who to call in case of an emergency at all hours.

Mold growth can happen after approximately 48 hours, so rapid cleanup and dry-out may avoid expensive remediation repairs.

Water risk management check list

- ✓ Inspect washing machine hoses on a regular basis and replace as per the manufacturers recommendations
- ✓ Install water shut off valves leading to each appliance and fixture
- ✓ Know where the main water shut off valve is inside your property
- ✓ Ensure dishwasher and refrigerator water supply line inspections and replacement as per manufacturers recommendations.
- ✓ Inspect and replace hot water tanks as per the manufacturers direction
- ✓ Protect your plumbing from freezing temperatures
- ✓ Regularly inspect toilets, sinks and drains for signs of damage or leakage
- ✓ Consider installing a back flow preventer and sump pump
- ✓ Check windows, doors and skylights for potential water entry points
- ✓ If you are away, have someone check your property on a frequent basis, especially in winter. Your coverage for damage from frozen pipes may require it.
- ✓ Ensure the grading and downspouts on your home direct water away from the foundation
- ✓ Purchase an individual unit owner or tenant insurance policy with coverage that covers deductibles for water and other losses.
- ✓ Invest in continuous electronic monitoring and water shut-off systems. These innovations and 'smart' building technology are becoming more common. These systems monitor for leaks and can automatically shut off water lines before a flood can occur.