

21% of all property claims are caused by Escape of Water.

Here's how you can implement systems to minimise any pain should an incident happen.

In 2014, over one fifth of all property insurance claims were for escape of water*. It's the number one claim for commercial and personal property owners. Yet we estimate that well over half these claims – and the stress that accompanies them – could have been avoided or lessened by a few simple additional measures put in place by the policyholder.

Property owners are becoming more aware of the potential problems of water damage, but still the number of incidents is increasing.

The increase is partly due to the proliferation of appliances – boilers, central heating, showers, washing machines, fridges, coffee machines, water coolers, etc. They all require plumbing which could leak, causing significant damage not only to that property but to any below. This is partly due to the trend of taller buildings with water being pumped upwards at considerable pressure and unerringly seeking out the loose joint, and also owing to poor maintenance, usually in older buildings, where the pipework has not been properly checked or lagged.

Property damage is only part of the problem. Often the building is uninhabitable whilst drying and repair work takes place. For commercial properties, this means business interruption and all the associated cost and hassle. For domestic properties, it's the question of alternative accommodation and the upheaval this entails.

Then there are the knock-on issues. Anything electrical can become dangerous and circuits can short, causing fires. Computers are easily damaged and valuable data lost. After drying-out, the fabric of the building can be compromised – warping, cracking and destabilising – leading to further woes.

* Association of British Insurers, 2014



All this can have a significant effect on future insurance premiums.

There are ways property owners or managing agents can reduce the risk:

- Undertake a thorough assessment to identify the key risks – appliances, pipework, boiler rooms, pumps, maintenance regimes.
- Consider installing prevention devices such as passive leak detectors, pressure relief valves and active leak management systems.
- For periods of unoccupancy insist that the area is kept warm and there are regular checks.
- Clearly signpost the main stopcock, and make tenants aware of the emergency procedure: turn off the water, electricity and any boilers and turn on the cold taps to drain the system.
- Check your insurance to ensure you have full cover for locating the leak (trace and search cover) which can be expensive, as well as making good any damage caused. Not all policies offer this!

What often starts as an undetected leak can mushroom into thousands of pounds of structural, operational, reputational and financial damage. Don't suffer the pain. Make sure you have robust risk control procedures and adequate insurance in place. Centor can help on both counts. Call Dani Williams on 0207 330 8729.