



**RISK RESILIENT**

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Water Damage

Serious water damage can occur suddenly without notice, resulting in costly repairs and potential interruption to the daily operations of your business.

To properly protect your business from water damage, you'll need an understanding of the potential hazards and steps that can be taken to reduce the risk of a loss.

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## Know the Risks

'Water escape' is defined as a sudden accidental discharge or overflow of water from plumbing, appliances, or other water bearing systems.

A sudden escape of water can cause serious issues to the electrical systems (shock hazard), electronics, building contents, have a lasting effect on construction material, interior finishes, and cause an environment for mold to grow.

### Some sources of water escape in your business environment may include:

#### Dishwashers / Refrigerators with Ice Making Equipment

The water line that supplies water to a dishwasher is generally a metal braided hose. The water line is commonly concealed and difficult to see, however, regular visual inspections should be done to ensure the line is not deforming, and to confirm there are no leaks.

#### Hot Water Tanks

Hot water tanks are a common source of water damage. Most standard water tanks have a suggested life expectancy of seven to 12 years from the date of manufacturing (specialty tanks may vary, the manufacturer will indicate otherwise). It's considered risk management best practice to have the hot water tank replaced on a 10-year rotation to significantly reduce the risk of a tank failure.

All hot water tanks should be installed on a catch pan. The catch pan helps contain small amounts of water leakage, if present, to alert the unit occupant to the presence of a leak and help contain some of the water. The pan can be complimented by a local or monitored water detection device. The water detection device will send an audible alarm to alert the business owner of the presence of water, giving them the opportunity to mitigate the loss.

## Blocked Drains for Showers, Bathtubs, Toilets, and Sinks

Blocked drains could cause serious water damage to surrounding areas, and levels below the fixture. All water lines to the fixture should be inspected on a regular basis to ensure there is no visual signs of water leaking or deformation.

A simple test to ensure the drains are working is to check that the water can drain without causing back up and overflow – this should be tested regularly. If the drain is unable to remove the water with the same amount of flow, the drains are likely restricted and require cleaning. Many approved and safe products are available to clean the drains. If the problem persists, contact a certified plumber.



## Frozen Water Lines

A frozen water line can cause major flooding long after the freeze has occurred. If a water line is exposed to an area without adequate heat or to an area that's exposed to a colder environment, it could freeze, causing the pipe burst. Once the ice melts in warmer temperatures, a significant amount of water could cause flooding.

To prevent this from happening, ensure all areas where water lines are located have adequate heat and install heat tape, if necessary, as an additional precaution. Any fixtures that go from a heated section of the building to the exterior should be installed in a frost-free valve. This type of valve will shut water down in the heated section and allow the remaining water to naturally drain out, preventing any risk of the pipes freezing. An additional prevention measure to protect water lines from freezing is to close off and drain all water lines that are exposed to cold temperatures, ensuring all water has been removed from the water lines.



## Washing Machines

The rubber hose that provides water to a washing machine is generally one of three grades of water hose: Rubber, Metal Braided, or Heavy Duty. Close attention should be paid to the life expectancy of each, as their longevity differs.



Metal Braided Hose

Type of Hose	Suggested Life Expectancy
Standard Rubber Hose	4-5 years
Metal Braided	10 years
Heavy Duty	20 years

It's common for standard hoses to fail from hose deterioration, causing the line to burst unexpectedly. To reduce the risk of the hose failing, it's recommended best practice to use a metal braided hose.

## Be Prepared

Consider these prevention tactics to help detect and reduce water damage:

### Shut Off Valves

Shut off valves are intended to allow you to service the fixture. They can also be used to close the water flow in the event of a major failure to the fixture.

There are several types of water valves available. Regardless of the style of valve, they should be tested regularly to ensure they're working properly without the need for excessive force or the use of special tools.



In-Line Stops & Isolation Valve<sup>1</sup>

### Water Detection Devices

From a simple local audible alarm to a semi monitored system that can send an alert or email to a cell phone, water detectors can provide adequate reaction time to correct a water issue. Water detectors are a cost-effective tool that require minimal skills or knowledge to use and require little to no maintenance. They can be battery operated or run off a power system. Water detectors should be installed in all areas that water could be present such as behind washing machines, toilets, under sinks and tubs, hot water tank catch pans, near dishwashers, etc.



Flood, Water & Overflow Alarm<sup>2</sup>

<sup>1</sup> "Flo by Moen Smart Water Security System", Moen, Retrieved on May 10, 2021, from <https://www.moen.com/flo>

<sup>2</sup> "Flood, Water & Overflow Alarm", Ideal Security, Retrieved on May 10, 2021, from <https://www.idealinc.com/home-monitoring/sensors/water-temperature-more/sk606x-flood-water-overflow-alarm>

## Smart Water Shut-off Valves

With improved technology, a device can be installed on the water main. This device will monitor your building's "normal" water usage and automatically shut down the water flow if it exceeds a certain usage threshold. These devices are generally monitored by a smart phone or computer, but models may range in functionality.



Smart Water Shut-off Valve<sup>3</sup>

## Water Damage Occurrence

**If water damage occurs despite your best efforts at prevention, consider this guide of immediate steps to take in a loss situation:**

- Turn off the main water shut off valve to the building, if possible
- If water is coming from a fixture, turn off the water shut off valve that isolates that fixture or appliance
- If the electrical panel can be accessed without walking through standing water, turn off the hydro (you may need to contact your local municipal hydro utility service for assistance)
- Notify the Property Manager for the building
- Notify your Insurance Broker of the damages
- Move any wet items from the flooded area to a dry area

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## Water Damage Prevention Checklist

**Consider this checklist<sup>4</sup> to help reduce the chance of water loss from occurring in your operations throughout the year.**

### Damaged Windows

- Inspect all windows for breakdown of caulking that could allow moisture to seep in, mold to build-up, or wood/drywall to warp.
- Ensure all windows are properly sealed. Reseal windows regularly.

<sup>3</sup> "mini-ball™ Valves In-Line Stops & Isolation 521LB-PRPX3-PRPX3 (PEX-F1960)", dahl, Retrieved on May 10, 2021, from <https://www.dahlvalve.com/products/mini-ball-valves/in-line-stops-isolation/pex-F1960/in-line-stops-isolation-521LB-PRPX3-PRPX3.php>

<sup>4</sup> "The Cause of Commercial Water Damage and How To Deal with Them", AerIndustries, Retrieved on July 19, 2021, from <https://aerindustries.com/blog/2019/11/18/commercial-water-damage-causes/>

## Damaged Pipes

- Look for signs of damaged pipes: bulging walls, water stains on walls or floors, and cracked or loose tiles. Also, keep your nose on alert for a musty smell, which could be caused by changes in pressure, deteriorated water supply lines and sewer drains, and cold weather (freezing temperature can cause pipes to burst).
- Use specialized water leak detection equipment to pinpoint the location of the leaky pipe if signs of damaged pipes are detected.

## Building Foundation

- Ensure that gutters are cleaned regularly to reduce chances of clogs. This also further reduces the probability of water leaking into the property through the roof and foundation.
- Look for puddles or framing that has become wet as a sign of leaks in the building's foundation.
- Install adequate drainage systems so water can be diverted away from the property.

## Roof Leaks

- Look for ceiling damage, mold or mildew issues, fire hazards from shortened wires or compromised structural integrity as a sign of a leaky roof.
- Remember to inspect the building roof after heavy rains or snow which can make the roof vulnerable to damage.
- Implement proper snow and ice removal procedures to reduce possible water damage from the roof.

## Mold and Mildew Build-up

- If mold and mildew is noticed, fix the source of water damage immediately.
- Hire emergency water damage restoration professionals to perform a commercial mold cleanup and mold mitigation to ensure no trace is left.

## HVAC Problems

- Look for damages in heating and cooling ducts, caused by general wear over time, as this could result in leaks.
- Clean HVAC systems regularly and remove excess water from the condensation reservoirs to prevent water damage.

## Sewer Clogs

- Look for signs of sewer damage evident through gurgling sounds or water backing up out of the drain or toilet.
- Call a water damage and restoration professional immediately if any of the above signs are noticed.

## Sprinkler System Leaks

- Look for signs of sprinkler leaks including wet surfaces like drywall and carpets, the presence of mold and mildew and standing water.
- Inspect sprinkler systems for leaks and moisture regularly.

## Flood Monitoring System

- Have an efficient flood warning system in place regardless of whether the property is in a flood-prone area.
- Monitor other events in and around the property such as plumbing failures, overflowing rivers, and melting snow.

## Property Coverage

- Work with your broker to ensure you're protected with comprehensive insurance coverage for your property.

## Water Damage Inspection

- Have professionals inspect your property at least once a year to perform leak detection with humidity monitoring and spot sensors.

## Facility Maintenance

- Create and implement a preventative maintenance plan to keep your property safe and secure as different parts of the building will need to be inspected at different times of the year.

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## In Summary

Serious water damage can happen at anytime due to overflow of water from plumbing, appliances or other water bearing system, resulting in costly repairs or business interruption. Heighten your awareness of sources that lead to water escape and become familiar with prevention and controls that you can implement at your business to greatly reduce water damage.

Visit [sovereigninsurance.ca](https://www.sovereigninsurance.ca) to learn more.