

## Don't Be Left Out In The Cold By Freezing Claims

WINTER WEATHER BRINGS FROZEN PIPES and subsequent water damage once the temperature starts to rise. Each year, it is estimated that nearly 500,000 businesses and homes have water damage from frozen pipes (handyamerican.com). According to the Insurance Information Institute, the average claim for freezing or water damage is \$5,900. This does not take into account the damage that is not covered. Helping insureds prevent or reduce damage caused by freezing is another value-added service of the professional insurance agent.

Freezing and water damage caused by freezing may or may not be covered under standard insurance policies. Even if water damage is a covered peril, if the insured fails to maintain heat in the building or home, then water damage caused by freezing will not be covered. Some policies specify that the heat must be "adequate". What is adequate depends on how well the building or home is insulated, but usually 50-55 degrees is sufficient. Setting the thermostat may not be enough. Be sure that there is adequate fuel to maintain the temperature. If the oil or gas supply is allowed to run out, subsequent damage caused by freezing will not be covered. If the pipes are drained and kept dry, the requirement to maintain heat is suspended. It is a good idea to have someone check on the property to be sure that there are no surprises come spring.

Protecting pipes from freezing is important. Adequate insulation goes a long way toward preventing frozen pipes. Not all freezing claims result in readily noticeable water damage. Since most pipes are inside the walls, a small leak may not be noticed until significant damage is done. Small cracks can lead to water damage that develops over time, leading to structural damage. Once discovered, damage caused by a slow leak that has gone on for years may not be covered by the insurance company.

Not only can freezing result in water damage, but the water damage can provide an ideal environment for mold. Coverage for mold damage is excluded or extremely limited in most insurance policies.

Under most policies, coverage is provided for the cost to get at the broken pipe and repair the building structure. There is often no coverage to repair/replace the actual part that broke. An exception to this is if the part that froze is a component of a fire suppression or sprinkler system, or if "freezing" is a covered peril or cause of loss.

As with any loss, even after the claim is reported to the insurance company, it is essential for the insured to take whatever measures are needed to prevent further damage. This includes turning off the water, mopping up water, and drying out or removing such materials as sheetrock and flooring. If a pipe is frozen, but not cracked, care should be taken when trying to



thaw it. Too much heat can cause the pipe to expand too quickly and burst.

They say an ounce of prevention is worth a pound of cure. Frozen pipes can lead to extensive, costly repairs. Proper insulation, adequate heat, and draining pipes when the building is not occupied will prevent or reduce freezing losses. A household water leak detection system can be a good investment.

Freezing is not just a concern for building owners. Boats and vehicles should also be winterized to prevent damage to their engines and fuel lines. All water should be drained, including pipes, plumbing lines and sewage systems. Even a warm state can experience cold spells. For boats stored out of the water, the drain plug should be removed so that water sitting in the bottom of the boat does not freeze and cause damage.

Freezing weather can lead to significant damage that may not be covered by the insurance policy. Understanding the potential problems caused by freezing, and helping clients avoid this is another sign of the true insurance professional.

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