

## WATER DAMAGE—Precautions and Pointers

WATER DAMAGE IS THE second most frequently filed insurance claim, costing the industry more than \$5 billion each year. The average water damage claim is over \$5500. (Insurance Information Institute) Helping insureds prevent or reduce water damage losses is another value-added service of the professional insurance agent.

Whether or not water damage is covered by the insured's policy depends on policy language and loss details. Losses from floods or water backing up from sewers or drains are not usually covered under a standard policy, but coverage may be purchased. Other considerations include occupancy of the property. For example, water damage caused by freezing pipes may be excluded if the property has been vacant or unoccupied more than 30 days in a row.

The most common cause of water damage is from leaking toilets. However, other appliances may also cause problems. Each year, undetected leaks that damage furniture, floors and appliances can result in tens of thousands of dollars in claims. To prevent such problems, insureds should check all hoses, including the ice maker, and replace them every five to seven years. The caulking around sinks and showers should also be checked, as well as checking pipes for small leaks.

Other prevention measures include installation of backwater valves, designed to prevent sewer and water backup, and automatic water shut off valves that shut off the water supply if a leak is detected. To avoid burst pipes in the winter, the water supply should be shut off and the pipes drained in areas

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that are exposed to the cold. This includes secondary residences that are not occupied for long periods of time, as well as outdoor faucets and irrigation systems.

To mitigate a loss when a leak does occur, the insured should take certain steps immediately. As in any loss situation, even after the claim is reported

to the insurance carrier, it is important to take action as if there is no insurance coverage. To reduce loss and protect the property from further damage, shut off the water. Everyone should know the location of the water shutoff valve in the home or business. Shut off the electricity and gas, if necessary. Remove the water as soon as possible. If the floors or carpet are wet, use of electrical appliances may not be recommended. The label on the shop vac should be checked to be sure it is safe to use to remove water. Fans or space heaters are helpful to circulate air and dry out

the area, which helps prevent mold. Wet carpet should be handled by a professional to prevent shrinkage. Professionals can also help restore wet personal property, books and papers.

Even if the water damage is covered, resulting mold may not be. In recent years, the number and dollar amounts of mold claims have skyrocketed. Because of this, many policies now have a mold exclusion. In some cases, limited mold coverage is available. Mold starts growing within 24-48 hours, so it is important to dry the affected area as soon as possible. The presence of mold can mean the property will be harder to sell.

In addition to property damage caused by water, another expense is the lost water itself. A leaking pipe or toilet can waste up to 300 gallons of water per day! Understanding sources of water damage and helping your insureds prevent or reduce losses is the mark of the true insurance professional.

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