

# Water damage – is your building protected?



Damage to a building caused by water coming from within the building is possibly not a risk that's top of mind for many businesses. However, at Guild Insurance we've seen these types of claims steadily rising over the past few years, causing more damage and more disruption than business owners could anticipate.

## **How does this occur?**

Water inundating the premises can be caused by several factors, usually related to faulty or damaged plumbing. The most common culprits are water pipes and flexi hoses either being of an inferior design, becoming old or being damaged. This can lead to the pipes or hoses bursting with large volumes of water flooding the premises.

Another cause, blockages in sinks, results in water overflow. Ultimately these failures or issues create water havoc and cause significant damage to the premises.

These types of incidents can happen in any business or home, though businesses with a high number of basins and toilets, such as early learning businesses, face greater risk simply due to the number of pipes, hoses and sinks.

## **What's the business impact?**

Sometimes businesses are not immediately aware that a pipe has burst, particularly if it's happened over the weekend or on holidays. Unfortunately, that means a lot of water

has flowed into the premises before any actions are taken and, more often than not, it means a lot of damage has occurred.

It takes time to completely dry an area that's been inundated with water, often requiring industrial driers which are quite loud to operate. As a result of the noise and disruption, businesses often need to close while the drying out process occurs.

High volumes of water can lead to mould issues, forcing businesses to temporarily close while they work to resolve these due to the health and safety risks.

On top of the drying process, there'll most likely be furniture and equipment



which needs to be repaired or replaced, particularly flooring, which requires clear access to complete.

### **Risk mitigation**

While Guild Insurance prides itself on settling these matters as quickly and as stress-free as is possible, insurance can't mitigate the timing issues described above, which is why at Guild Insurance we believe that prevention is the key and can be achieved with a few simple changes.

### **Maintenance inspections**

All businesses should have a maintenance program that includes routine inspections of the plumbing so problems can be detected and repaired before an incident occurs. These inspections should be carried out by staff and supported by regular inspections by a licensed plumber.

### **Automated water stop devices**

Businesses should also consider installing automated devices which

can protect against water leaks.

Some of these devices will shut off the water supply when a leak is detected, preventing the inundation of water, while others will also notify the property owner when a leak is detected, meaning the incident can be acted on much sooner.

Speak to your plumber about an automated shut off device that will help protect your business.

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**Don't go it alone**