

# HOSPITALITY COVER PLUS+

DECEMBER 2019

## WINTER PREPARATION FOR WATER SYSTEMS

As temperatures drop, the largest property claims are frequently leaks or bursts of sprinkler or water service pipes or components. Frozen pipes in these systems occur most often in exposed or out of the way places and during slow periods at the property. This may include attics or walls which border the exterior of the building.

The freezing of sprinkler and water systems often occurs in regions not normally associated with colder weather, where systems may not be regularly inspected in advance of cold weather. Many areas of the country are experiencing rapid, dramatic temperature drops. Most frozen pipes result from a failure to provide adequate heat or insulation as well as cracks, loose siding, exterior holes or gaps and similar defects in building maintenance.

In advance of any anticipated weather below 40°F, every property should include the following steps in any inspection process:

- Confirm that all regular scheduled maintenance has occurred and that any necessary repairs have been fully completed.
- Any piping exposed to the outdoors should be enclosed in heated, insulated, weather tight materials. Pay close attention to any pipes in attics or other confined spaces.
- Confirm that all areas of the building maintain a temperature of at least 50°F to prevent freezing. This

includes all rooms or areas containing wet pipe sprinklers, risers, valve closets, sprinkler components, wet standpipes, and fire pumps.

- Consider installing low temperature alarms with central station monitoring and response in remote areas, attics, and confined spaces.
- As needed, provide temporary interior openings to allow in heat from interior areas to the sprinkler system.
- Never use open flames or torches for thawing frozen pipes.
- Do not use electrical heat tape on dry pipe valves as a substitute for permanent heating.
- Protect fire extinguishers from the cold and make sure they can withstand low temperatures (antifreeze or ABC labeled extinguishers).
- Lubricate all sprinkler control valves and locks.

Dry sprinkler systems are generally installed in areas of buildings where temperatures regularly reach below 40°F. These systems can still freeze due to water collecting in improperly pitched pipes, failure to remove accumulated water from low point drains, or failure to drain the system properly after the alert valve has been tripped. Dry systems should also be regularly inspected by a licensed sprinkler contractor.

## DID YOU KNOW?

On average, the most expensive Property Claims, in terms of Total Incurred Dollars, are related to domestic water incidents. This includes frozen pipes, pipe bursts, water backups, contractor error, and guest water incidents.

## FROM YOU

- Q:** What do I need to document when clearing the snow and ice on property?
- A:** For all snow and ice removal activity, keep a log of the date, time, action taken, weather conditions, and parties responsible. If snow and ice removal is handled by a third party contractor, always obtain a copy of its snow removal log as well as a valid, up to date Certificate of Insurance. A signed contract, reviewed by the Hospitality Cover Plus+ Risk Management Team, should be in place with all third party contractors.

## CONTACT

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# WINTER PREPARATION

Many properties around the country have begun to see significant winter weather. GMs and their teams have a responsibility to maintain safe conditions for employees and guests throughout the property.

During the winter season, as snow falls and ice forms, all walkways, stairways, driveways, interior roadways, and parking lots become safety hazards - for which the hotel can be held responsible.

Establish a plan for how you will remove snow and ice and who will do so. Also, identify when removal will take place as relates when snow falls. If possible, make these preparations in advance to minimize any lag time in snow removal and review these plans annually with all vendors and members of your team.

To prevent injuries and minimize insurance costs, GMs should implement a snow removal program using the guidelines below. Ensure that these plans contemplate impassable roads and power outages.

- Identify responsibilities, communication, documentation, strategies, equipment needs, and follow up procedures.
- Explore hiring a snow removal contractor. Investigate the quality of their work, timeliness of work during a storm, insurance coverage, equipment adequacy, experience, references, and ability to work with your property's specific needs. Provide the Hospitality Cover Plus+ Risk Management Team with a copy of the contract and current Certificate of Insurance in advance of signing for review.

- Plan to routinely clear snow away from hydrants, sprinkler control valves, smoke and heat vents, and other essential equipment.
- Obtain a Certificate of Insurance for any third party contracted to work on the property, including all snow removal contractors. This Certificate of Insurance should name property ownership, as well as management as Additional Insured and meet the requirements detailed in the Certificate Procurement Program. Sole proprietors, without exception, seeking to provide services on your property must also carry insurance coverage which meets or exceeds the Hospitality Cover Plus+ Risk Management Team requirements.

Failure to procure necessary Certificates of Insurance leaves the property ownership open to claims and lawsuits which may arise from the negligence of uninsured or underinsured service providers. If you are unsure as to whether a Certificate of Insurance is needed or experience difficulty in obtaining a Certificate of Insurance, contact the Risk Management Team.

Place weather mats at all entrances and exits to and from the building. These mats should be placed inside and outside to catch snow and water. Regularly inspect mats to make sure that they have not begun to curl. Consider working with a licensed mat replacement company to ensure clean, sturdy mats at all entrances. It is critical to obtain a Certificate of Insurance, naming both hotel ownership and management as Additional Insured from the mat replacement company.

Securely tie or weigh down supplies and furniture so that gusts of

wind do not turn them into projectiles. Ensure the integrity of building exterior by closing up unnecessary openings. Confirm all windows, doors, and skylights are weather-tight. Install snow fences and marker poles at hydrants and sprinkler control valves. If your property has attic space, make sure that it is fully insulated, heated and ventilation is maintained. Examine the entire heating system, including ancillary components (boilers, piping, burners, and controls) and repair where necessary.

Develop a list of phone numbers for emergency response contractors, and appoint someone to monitor weather reports. Report all snow and ice cleanup activities on a snow removal and salt log as soon as the tasks are completed. Include the time, person or contractor responsible, and conditions of walkways or parking lot at the time of snow removal.

Employees driving hotel vehicles present a significant risk for the hotel and this risk is amplified in the winter. All vehicles should be equipped with winter emergency materials; such as snow scrapers, blankets, a first aid kit, flashlights, and flares. Vehicles not equipped to drive in snowy or icy conditions should be kept off the roads for the safety of employees, guests, and other drivers. Vehicles and machinery which are not outfitted to be driven in the inclement weather (such as golf carts or maintenance vehicles) should be stored with no employee access during these conditions. Any employee authorized to drive in inclement weather should be trained in safe, cautious driving techniques and what to do in the event of an accident.

## SNOW ACCUMULATION

The severe winter storms of recent years have raised the awareness of many properties to the dangers of collapsed roofs and severe building damage. Even warmer regions are susceptible to this hazard. Building codes that permit lower live load specifications can increase the possibility of a roof collapse in unusually severe weather.

Before a storm, make sure to inspect the roof for any damage, and drains and downspouts to ensure that they are free from debris. Verify the maximum safe snow depth for the roof based on the roof's live load capacity. A roof's live load capacity can be determined by reviewing the building plans for your property or consulting with a structural engineer. This capacity should be adjusted for any fixed equipment which has been added to the roof since the live load capacity was calculated. Adjacent building structures that vary in height must be evaluated for proper snow load design. A licensed roofing contractor can aid in determining the roof's live load capacity if necessary.

During, and following, a storm, continuously monitor the snow depth on the roof, paying particular attention to areas where snow tends to drift. Often, the effect of snow on a roof is multiplied by different

level roofs, creating a "roof step". This event allows significant snow drifts to form in sections. Drifting snow can also be caused by higher nearby terrain, parapet walls, or rooftop equipment. Contact a licensed contractor to remove snow accumulations from the roof before the snow reaches 50% of the maximum depth. Snow removal is not recommended during the storm. Indicators that a roof's live load capacity may have been exceeded include building steel that is visibly deformed, wood structural beams that are cracked or split, sprinklers pushed below ceiling tiles, or abnormal structural noises. If any of these indicators are present, evacuate the building to safety immediately.

After a storm, examine the building for visible signs of structural distress, such as twisting, bending or cracking. Any distressed area should be cordoned off and a professional, licensed contractor should be contacted to clear the snow and assess any damage. Snow should be removed in uniform layers across the roof to prevent unbalanced accumulation loads. In order to prevent roof cover damage, use care with snow removal equipment. It is not necessary to clean completely down to the roof surface as long as melting snow and water can freely flow to drains.

## QUARTERLY INSURANCE MARKETPLACE UPDATE

The hospitality insurance marketplace is experiencing even greater hardening than was expected entering 2019. A hardening market cycle is characterized by increased insurance premiums, decreased availability of certain coverages and coverage limits and increases in deductibles. In the past year, the hospitality industry has seen increases in premiums in the 25%-30% range as well as increased deductibles with reduced coverages, especially in the areas of wind, hail, earthquake and flood. This is mostly due to the poor claims experience in the industry as a whole (property, general liability, etc.) as well as the increasing number of damaging storms across the country. Through the first 9 months of 2019, at least 10 separate US weather events have caused at least one billion dollars in damage each. Further, 2019 marks the fifth consecutive year with at least 10 weather events of this magnitude. Weather events such as hurricanes, hail storms, severe thunderstorms, wildfires, tornadoes and more have severely impacted the insurance marketplace.

As the market continues to harden, expect the premium rate levels to continue to rise and for insurers to look to deploy other techniques to improve their underwriting results such as water damage deductibles, increased property deductibles, tightening of insurance policy terms and conditions and exclusion of certain perils. In any market cycle, especially in a hardening market, aggressive risk management at your property is your best defense against rising premiums and diminished coverages. Proactively managing the property and liability exposures at your property will significantly reduce claims activity at your location and set you apart from the average hotel across the country. We look forward to continuing to work with you and your team in the implementation and execution of the risk management techniques that continue to make a proven difference.

ADDITIONAL RISK MANAGEMENT RESOURCES, INCLUDING YOUR GUIDE TO CLAIMS REPORTING, ADDITIONAL CLAIMS FORMS, PAST AND CURRENT NEWSLETTERS ARE ALWAYS AVAILABLE ONLINE AT:

[WWW.HOSPITALITYCOVERPLUS.COM](http://WWW.HOSPITALITYCOVERPLUS.COM)

