

MAY 2020

RE-OPENING & LEGIONNAIRES EXPOSURE

Legionella bacteria, the cause of Legionnaires Disease, grows in warm, stagnant water and may be festering in water systems shut down due to COVID-19. It is spread through the inhalation of water droplets containing the bacteria. As a result, buildings with cooling towers, decorative water fountains, pools, hot tubs, and other large plumbing systems that haven't been used for several weeks or more, are all fertile breeding grounds for Legionella and may cause its spread when re-starting operations. Systems that may have been stagnant, along with temperature changes, provide ideal conditions for bacteria that causes Legionnaires.

Legionella grows best within a certain temperature range (77°F-108°F). To keep water outside the range for Legionella growth, it is important to keep cold water cold and keep hot water hot. It is important to maintain water heaters at appropriate temperatures while following local and state anti-scald regulations. Maximum temperatures allowed by your state may be too low to limit Legionella growth. Engineering controls that mix hot and cold water together at or near the point of use can reduce the risk of scalding while allowing water in pipes to remain hot enough to limit Legionella growth. When water does not flow correctly, the resulting areas of stagnation encourage biofilm growth, reduce water temperatures to levels that allow Legionella to grow, and reduce levels of disinfectant.

When water service has stopped, it is recommended to "flush" sinks, faucets, showers, tubs, and other plumbing

components. "Flushing" is running water for a period of time, and in a specific order. Discoloration may occur during flushing. If the discoloration persists for more than 30 minutes, repeat the flushing protocol. If it continues to persist, contact a licensed plumber. Flushing procedures may include:

1. Make sure all faucets in the building flow to a drain. If there are any water filters in the building, remove or bypass them. Remove aerators and screens from faucets.
2. Using the cold-water handles, turn on all faucets – including kitchen and bathroom sinks, utility and mop sinks, tub and shower, etc. - and allow them to run during the entirety of the flushing process.
3. Start with the lowest floor of the building and then move to the next highest floor.
4. Continue until all faucets are turned on in the building. At the end of this process, water should be flowing from all the faucets in the building at the same time.
5. Let water run until the water is clear and the temperature has stopped changing at the last faucet turned on.
6. Turn off the first faucet you turned on and continue turning off faucets in the order they were turned on.
7. Repeat steps 2 & 3 using the hot-water taps.
8. Clean and reattach aerators to the faucets.
9. Flush, or run a cycle of, any appliance (ice maker, dishwasher, coffeemaker, laundry, etc.) for 10 minutes each.

DID YOU KNOW?

The most frequent hotel claims involve guest and employee accidents. Specifically, slips and falls account for 31% of all General Liability claims in the hospitality industry and 41% of total incurred claims dollars. The average slip and fall claim at a hotel has direct costs in excess of \$13,000.

The largest, common hotel claims involve domestic water leaks, backups, or ruptures and frequently exceed \$100,000.

FROM YOU:

- Q:** Can non-hotel guests use the hotel pool and exercise facilities with our permission? Can a hotel guest rent the pool area for a party?
- A:** *Use of the pool and exercise facilities by individuals other than current guests of the hotel as well the rental of the pool area for parties or events is prohibited. The risk associated with the exposure of non-hotel guest use or event rental is extremely high.*

CONTACT

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WATER DAMAGE PREVENTION

Water damage events are loss drivers, often severe, at hotels. Water releases and resultant damage can originate from many sources, including:

- Waterlines and systems
- Drains and drain lines
- Sewage systems
- HVAC, cooling, and heating systems
- Laundry systems
- Sprinkler piping
- Leaky roofs and windows

Even a small quantity of water can severely damage furniture, drywall, floor coverings, ceiling tiles, insulation, cabinetry, elevators and computer equipment. Business interruption can also occur while affected areas are shut down for renovations.

Mitigation steps can be taken to help reduce the frequency and severity of damage. Shielding, leak detection and regularly scheduled preventative maintenance programs can minimize the exposure, while quick response to a leak can reduce the damage.

The exterior of the building should be regularly surveyed for any potential leaks. Additionally, below-grade rooms are susceptible to surface water runoff, flooding and sewer backup events.

Consider the following safeguards to minimize the exposure to water damage:

- For critical rooms, such as electrical and server areas, seal wall, roof and ceiling penetrations with fire resistant and watertight material to reduce the potential for water intrusions.
- For critical rooms, review door thresholds as well as door and window seals to ensure they are water impervious.
- Review exterior grading to ensure there is adequate slope away from buildings and openings.

- Review downspouts and ensure they are extended away from buildings.
- Post a layout of the sprinkler system along with the location of the control valves for use by first responders.
- In cold climates, survey exterior walls for piping and weak insulation as well as full closure and latching of doors.
- Label sprinkler control valves to identify the area controlled.
- Shut down and remove waterline piping when doing renovations. Do not leave it in newly constructed walls.
- Provide sway bracing for automatic sprinkler systems in recognized seismic areas.
- Provide sump pumps in points of water ingress or collection, such as low points or around open floor drains near backflow prevention valves. The pumps should be rated at a minimum of 50 gpm and connected to a power supply with a connection to emergency power. Provide high-water level alarms monitored at a constantly attended location.
- Equip sewer lines with a backflow prevention valve, designed to prevent a backup of water or sewage from entering the hotel, such as in a flash flood.

The most effective liquid damage prevention programs incorporate installation of automatic controls to detect and report leakage. Consider the following:

- Provide leak detection, which alarms to a constantly attended location, for high-value equipment areas, and critical rooms located in below-grade areas.
- Install water sensors on the floors for areas containing valuable equipment, or under raised floors of computer rooms. Alarms should

be connected to a constantly attended location.

- In cold climates, alarm and monitor exterior doors and windows that could be left open.

Implementing a robust preventative maintenance program could make the difference between a brief delay in hotel operations and long-term shutdown and access to your facility. Take the time to review the following guidelines and apply those that will help your facility prevent water damage:

- Inspect roofing systems on a quarterly basis. The inspection should include:
 - Roof drains are free and clear of debris.
 - Roof covering and seams are in good condition.
 - Roof is free of loose debris or materials that could cause roof damage or obstruct roof drains.
 - Flashing is properly attached.
 - Mechanical equipment is securely fastened.
- Inspect and exercise domestic and chilled water control valves on an annual basis to ensure good working order of the valves.
- Clean main sewer lines using a pressurized water system on a quarterly basis.
- If external drainage systems are present, conduct monthly evaluations to ensure they remain free and clear.
- Inspect HVAC condensate drains monthly.
- Test sump pumps quarterly.
- Check condition of water heaters quarterly.
- Check water pumps quarterly for excessive vibration.
- If connections of dissimilar metals cannot be avoided or removed, inspect quarterly for signs of corrosion.

WATER DAMAGE RESPONSE

A water leak is difficult to predict or prevent. Small problems, such as not knowing where valves are located or having inoperative valves can lead to significant damage where the leak occurred and to multiple floors below. The quantity of leaked water plays a large role in how much damage the hotel will sustain. The amount of water that will result from a leak is determined by many factors, and perhaps most importantly, the duration of the leak. Adopting an effective water damage response plan can mitigate the effects of a liquid damage event and allow the hotel to return to operation as quickly as possible. Follow these steps to develop your emergency response plan:

- Create an Emergency Response Team and a documented Emergency Response Plan.
- Train all designated parties on the Emergency Response Team on a semiannual basis.
- Exercise any valves considered critical or primary on an annual basis to ensure they are fully capable of seating into a fully closed position when needed.
- Prequalify a remediation restoration contractor. Consider their response time, geographical reach and staffing. Obtain a Certificate of Insurance from the restoration contractor, naming hotel ownership and

Marshall Hotels & Resorts as Additional Insured.

- Maintain a list of vendors for replacement equipment for the hotel (electrical, HVAC, elevator, roof, plumbing, etc.).

In the event of a claim, take the necessary steps to prevent further damage to the property. Notify your remediation contractor and take the necessary steps in order to contain the spread of any moisture. Notify the Marshall Hotels & Resorts Risk Management Team in order to file a claim.

QUARTERLY INSURANCE MARKETPLACE UPDATE

The insurance market continues to harden and rates are expected to continue to rise well into 2021, particularly in the hospitality sector, where there is much uncertainty as to how the re-opening of the economy will play out in ADR, occupancy and potential guest COVID-19 claims. Capacity, i.e., the availability of limits of coverage to be purchased, continues to lessen on both property side (especially in areas of the country exposed to wind, hail, flood, tornado and earthquake) and the casualty side (umbrella and general liability limits). The number of insurers actively seeking to write hotel coverage has decreased, based not only on the drastic reduction in occupancy due to COVID-19 and the uncertainty of potential claims activity upon reopening, but even more so due to poor underwriting results from underpriced coverages against historic levels of claims in the arrears of property (water damage, fire, wind/hail, tornado), general liability (bodily injury settlements driven by social inflation) and automobile liability (vehicle exposures). Look for the market to make an aggressive adjustment in rates on all lines of coverage. The year over year premium cost may be managed, however, due to reductions in the exposure base used by underwriters to calculate premiums (revenue- room, food and event as well as payroll). Underwriters will be looking for “far above average” risks when considering coverage and premium proposals.

Over 50 years of serving clients nationwide has shown us that in any market cycle, *but especially in a hardening market*, aggressive, proactive risk management at your property is the best defense against rising premiums and diminished coverages. Working with our team to stay true to the Marshall Hotels & Resorts risk management principles will significantly reduce your claims activity and expense, continuing to set you apart from hotels across the country. The Marshall Hotels & Resorts Risk Management Team looks forward to continuing to work with your team in the implementation and execution of 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.DII-INS.COM/SPECIALTY-PROGRAMS/MHR-MASTER-INSURANCE-PLAN