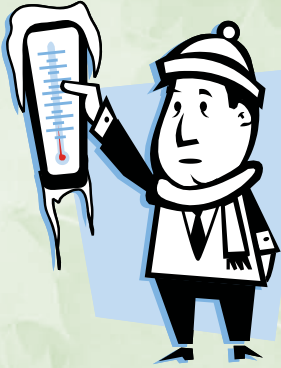


Loss Prevention Bulletin



HIP | HOSPITALITY
INSURANCE
PROGRAM



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Water Damage Claims

WATER DAMAGE:

Water damage from frozen water lines or boiler heating pipes has resulted in the highest loss amounts next to damage arising from fire claims. During the past 3 years there have been over 100 Water Damage Claims amounting to over \$5,000,000.

Extreme cold weather presents risks of water and heating pipes freezing which could burst and result in extensive water damage if not detected quickly.

Water and heating pipes in guest rooms and storage areas can be especially susceptible during cold snaps when guests turn the heat down at night or leave windows partially open. In other cases, heat may be turned down in unoccupied rooms to save heating costs but severe cold weather may still cause pipes to freeze.

When pipes freeze, they crack and leak extensively when heat returns to the frozen area. Leaking water will flood areas and run into rooms below, often causing extensive damage and taking rooms out of service.

Careful preparation in the fall and frequent monitoring during cold weather is vital in the prevention of water damage losses:

- Have furnaces and boilers checked and serviced every fall by a qualified heating contractor to ensure that they are working properly.
- Check rooms frequently during cold snaps to ensure that all windows and exterior doors are closed properly and that heating systems are functioning properly.
- Have housekeeping staff visit rooms shortly after guests check out to ensure that windows are closed and heat has not been turned off.
- Do not turn down thermostats below 10°C (50°F) in unoccupied rooms, especially during cold weather. Heater failure could result in frozen pipes in a very short time.
- Install low temperature alarms that will alert an alarm center if inside temperatures drop to 5°C (41°F).
- Store temporary heaters on the property that could be used quickly in case of furnace failure.
- Maintain a 24-hour emergency contact phone list for staff to use in case of emergencies such as power failure, furnace failure or frozen pipes.
- Locate emergency shut-offs for water lines and sprinkler systems and ensure that staff know where the shut-offs are located and how to shut them down to reduce the damage.
- Drain water lines, toilets and tanks in buildings or sections of the property that may not be used during the winter.
- Check heating and water systems frequently during the winter for early detection of problems.

Careful preparation and regular checks during very cold weather can prevent frozen pipes and reduce potential water damage.

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INSURANCE AND RISK SERVICES