



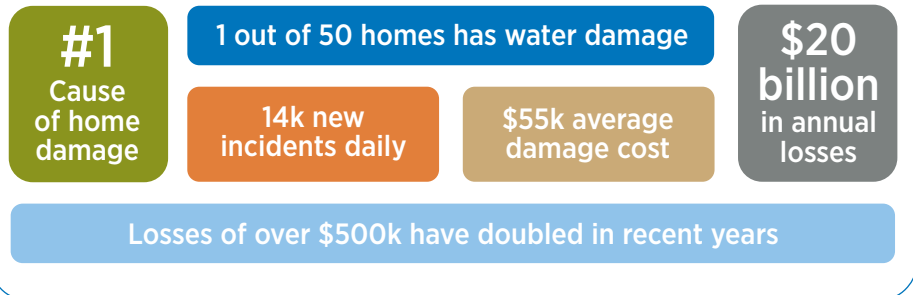
The most common types of water losses are:

- Leaking or burst pipes – typically at the joints
- Appliance malfunction – typically, the attached hoses
- Toilet overflow
- Clogged gutters or ice dams
- Roof leaks

A typical household leak can equate to 270 loads of laundry, 600 showers or 1,200 loads of dishes in the dishwasher!

Water Detection To Prevent Damage

Water Damage in U.S. Households



Understanding how water damage can occur is only half of the battle. To thoroughly protect your home, it's important to understand all of the consequences of water damage, including the costs. Considering personal property, items are either not salvageable or restored, but never quite the same as before. Some things have considerable sentimental value and therefore are irreplaceable, and this can apply to features of the home as well. If a house needs all new flooring or wall materials, it's expected to become inhabitable during the time of repair and replacement. While the home dries out, often with large fans running throughout the house, the salvageable personal property items may need to be taken off-site for cleaning, repair or storage until the home is habitable again.

The logistics of responding to and facilitating repairs can be daunting. While the insurance company provides support financially and may provide some guidance, it is the homeowner's responsibility to secure a contractor, obtain permits, choose replacement items for personal property, oversee the construction and secure temporary housing. It can be overwhelming.

Another consequence is water waste, which depending on what part of the country you live in can be especially problematic. Water damage statistics indicate that even a minor leak can increase the average household water bill by 10%.

Water damage claims are a key concern for insurance companies since they are the most frequent type of loss for a home. If a home has had a water loss, the insurance company will add a surcharge to the premium, which can last up to five years, plus proof of mitigation efforts must be presented. Loss mitigation is so important that some insurance companies will include proactive loss prevention costs as part of the claim settlement.

The average water damage loss takes three months to recover from and sometimes up to two years. The main takeaway from all of this is to have systems in place to help avoid water damage.

While proactive maintenance is imperative, a critical action to stop water damage is installing a water shut-off system throughout your home. These systems are 24/7 security against water within the plumbing system. They sense water leaks and can shut off the water supply before damage occurs. Many of these systems are Internet of Things (IoT) enabled with apps that notify users of water leak issues and freezing temperatures or unusual water use. These systems are proven to prevent water damage. Insurance companies offer significant premium discounts for homes with water shut-off systems installed and may include them as an underwriting requirement, especially in older or secondary dwellings.

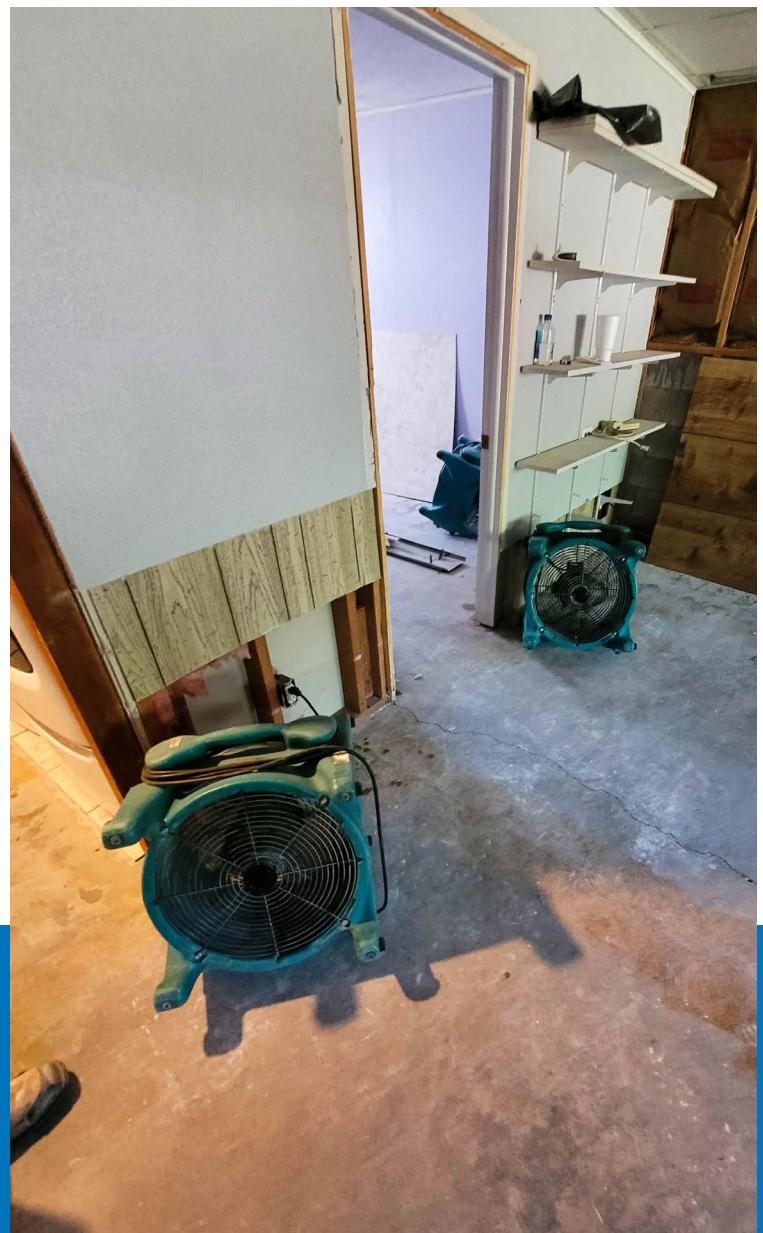
There are two types of water shut-off systems. The preferred and type commonly required by insurance companies has the capability to shut off the main water line. The other type is strategically placed sensors at water points throughout a home to detect water, much like a smoke detector detects smoke. The latter works well in a condominium or a rented home when access to the main water line is not feasible.

There are many manufacturers of water leak shut-off systems, such as Streamlabs, Leak Defense, FloLogic, Eddy IQ and Phyn. Some can be purchased online and easily installed by a plumber. Depending on the home, the device will typically cost under \$1,000, and the plumbing labor can add \$1,500 to \$3,000.

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Hear Joe and Roberta's story about the catastrophic water damage they experienced and the steps they took to ensure it wouldn't happen again.
Watch Chubb's video here.

Even when a water leak detection system is installed, proactive maintenance is still needed for loss prevention. Below is a list of what proactive maintenance should include:

1. Implement scheduled maintenance plans for HVAC systems, plumbing systems (including water heater review), fire sprinkler systems (done by a certified fire sprinkler company), sump pump systems and roofs.
2. Know where your main water shut-off valve is and educate household members on how to use it if there is a water-related emergency.
3. Make sure household members know where the individual shut-off valves are located for appliances, toilets and sinks so they can be quickly turned off to prevent a localized problem from becoming a major one.
4. Check for leaks and regularly inspect pipes, especially under sinks and appliances, near the water heater and along water supply lines to check for problems. If there is corrosion or leakage, get a professional to take care of the situation.
5. Inspect and replace appliance water hoses every three to five years. Use steel-braided hoses rather than rubber for washing machines and replace them every 10 years. And make sure metal fittings are used rather than plastic.
6. Inspect your roof regularly, particularly after major storms. Broken or missing shingles can allow water to damage the structure of the roof, which can present a threat to the integrity of the house structure.
7. Check roof flashing conditions along chimneys, roofs and wall lines. Flashing can separate and allow water to penetrate your house. Problems need to be corrected as soon as possible.
8. Beware of ice dams if you live in an area where that peril presents itself during cold-weather months, particularly if you have an older roof. Ice can form under snow on your roof, and water can get backed up and into your house. Having adequate ventilation in all attic and overhang areas can help prevent this.
9. Check your gutters, downspouts and storm drains to make sure they are free of debris, such as leaves. Water can back up and get into your house if it can't drain properly.
10. Inspect the basement for cracks in the walls and floor and fix any problems. If storing items in the basement, lift them off the floor several inches or store them in waterproof bins.
11. Regularly schedule to replace all batteries in sensor-based water leak detection devices.

Even when you've done everything you can to prevent water damage, things can go awry. If you see signs of water damage, remember to:

- **Shut off the source of the water immediately.**
- **Contact an emergency response company close by, such as SERVPRO or ServiceMaster.**

Water can get into everything! No part of a home is immune from water intrusion, and once it starts, the damage it causes

can be monumental. Taking proactive steps is essential to avoid devastating water damage and disruption.

Make sure you have no exposed risk. For more information about Gallagher's Insurance Services, please email us at premierinsurance@ajg.com. If you would like to receive a personal insurance quote, please fill out our Gallagher Premier Client Insurance Form at gallagherperks.com/premierquote.

Sources:

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