



# Underwriting Alert

RAM Mutual Insurance Company

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## Alert on Water Damage Claims

RAM and several of its member companies are experiencing an increase in very expensive water damage claims caused by freezing of pipes in vacant, unoccupied, and/or seasonal dwellings.



*Vehicles damaged as a result of second floor pipe break.*

With regard to the peril, **Freezing of a Plumbing, Heating or Air-conditioning System or Domestic Appliance**, the policy states: "This does not cover loss on the insured premises while the residence is vacant, unoccupied (including temporary absence) or is under construction and unoccupied. However, this exclusion does not apply if an insured has used reasonable care to:

- a) maintain heat in the residence; or
- b) shut off the liquid supply and completely empty the system or domestic appliance."

Various legal opinions offer that "reasonable care" is synonymous with "common sense". Anyone who leaves the water system on in a vacant residence throughout the winter in Minnesota and relies on an unattended heating system is not using "common sense".

Heating systems can and do fail. Without a proper alarm system or someone frequently checking on the home, insureds are not using "reasonable care" and may, therefore, be increasing the hazard to their property.

Recent large dollar losses have prompted this "Alert". Underwriting of these properties should include a thorough assessment of the "reasonable care" used by policyholders so as not to jeopardize their insurance coverage in the event of an occurrence. The following are some suggested "common sense" steps that will help prevent this hazard:

1. Maintain heat in the residence.
2. Install an alarm system wired to a 24-hour professional monitoring service.
3. Shut off water supply system at the meter or the main.
4. Arrange for a reliable person to inspect your home at least once a week.



*Damage caused by second floor bathroom pipe break.*

## Preventive Measures

- ◆ Turn washing machine water lines **OFF** when not in use.
- ◆ Never leave washing machine on when you go outside.
- ◆ Inspect the pipes under the sinks for condensation or corrosion.
- ◆ Stains on ceilings or walls can be a sign of leaky plumbing behind the walls; have the source identified.
- ◆ Call a plumber ASAP if there is rust in the tap water or if you detect cracked or warped flooring.
- ◆ Check washing machine hose every 6 months and replace if fraying or rusting.
- ◆ Be on the lookout for big changes in your water bill. An increase can be the first indication of a costly leak.
- ◆ Inspect your water heater at least once per year. Typical units last 10 to 12 years. If there are signs of corrosion or leaks, call a plumber.
- ◆ Check for adequate insulation around water pipes on exterior walls.
- ◆ Locate water shutoff valve in the home and mark it so that water can be shut off quickly in the event of an emergency.
- ◆ Install water alarms in utility rooms, bathrooms, under sinks, and wet areas.
- ◆ Disconnect water hoses from outside water valves when outside temperature is near or below freezing to prevent broken water lines.
- ◆ Turn off electrical breaker for well, pressure tank, water softener, and water heater.