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# *Pipe Breaks, Insurance, and the Aftermath*

*By Keith Hayman*

As winter continues to pound our area with frigid temperatures, pipe breaks are a cause of significant damage and aggravation for property managers and their tenants. As a property manager or building employee, there are several steps that can be taken to prevent the problem from occurring in the first place, and numerous other measures to be implemented immediately following a pipe break in order to contain the damage.

Insurance companies, very easily, will deny coverage for broken pipes if they are a result of wear and tear. As there are numerous buildings in the Tri-State area that are more than fifty years old, it is very important to maintain the pipes in your building, ascertain that they are in good working order, and to replace older pipes that may be on the verge of breaking. In addition, temperature control is key around a pipe. If the pipes are exposed to colder temperatures, they have a greater chance of freezing, breaking, and causing severe damage to your property.

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If a pipe breaks, cut the water at the source immediately and/or call the fire department to help cut off the water, if necessary. As water spreads throughout several floors, it is very important to mitigate your damages by removing any carpet and carpet padding that has the potential for mold, drying out the walls and the internal cavities of the walls, as well as drying out the elevator shafts within the first 24 to 48 hours. Although wet walls can look dry, they can still be wet. A moisture meter can detect water. Drying machines, humidifiers, and proper air circulation will help accelerate the drying process.

Have your vendor after-hours phone list handy of all your plumbers, electricians, elevator repairmen and, very importantly, a disaster response specialist close by to take action if a pipe breaks. As there is a potential for tenants to be displaced, ensure that you have appropriate loss of rents coverage in your policy. In addition, since emergency response and overtime work can be expensive, "Extra Expense" is an additional coverage needed to keep the management company from absorbing this cost.

If you repair a broken pipe, save the pipe as the insurance company needs it to identify the potential cause of loss. Insurance adjusters look for wear and tear to deny coverage. Once again, this is a big problem if you suffer tens of thousands of dollars in damages.

In addition, be patient during the adjustment process. Insurance companies do not come in and simply write you a check. Keep a folder with all expenses related to the pipe break. Make sure you promptly receive invoices for completed work. Keep track of any overtime your personnel might work as a result of a pipe break. This can be claimed as an extra expense if you have the coverage.

Preventive maintenance is the key in correcting the problem before it happens, and taking prompt action immediately following the loss, could possibly prevent additional expenses. Have your homework done in the event of a pipe break. You will ultimately avoid other problems.