

# Water Intrusion Mitigation Program for construction

Zurich's Water Intrusion Mitigation Program is a customizable solution that assists our customers in managing their water intrusion risks by systematically assessing water intrusion exposures and controls, resulting in actions and recommendations that can help reduce water intrusion risks on construction projects.

Material damage and project delays associated with water damage are one of the leading causes of loss during the course of construction. In many cases, these losses are preventable or can be significantly reduced with the implementation of a comprehensive Water Intrusion Mitigation Program. Zurich's Construction Risk Engineering consultants can provide expertise, services and resources to assist our customers with identification, assessment and mitigation of water intrusion risks during all phases of the construction process.

## The challenge

Water intrusion is one of the leading property damage risks associated with new construction and renovation projects. Zurich's claims experience for the period from 2007 through 2016 shows that nearly 50% of all Builders Risk claims resulted from some form of weather or escape-of-water event. This includes damage from events such as rainstorms, snow, flooding and hurricanes, as well as damage from internal water-carrying systems such as piping, tanks, dewatering systems and equipment. In fact, internal water system failures accounted for almost 25% of these Builders Risk claims over the same period.<sup>1</sup>

Water intrusion issues on a project are not limited to the Builders Risk policy. Water intrusion-related issues can also lead to claims under General Liability, Professional Liability and Environmental Liability policies well after project completion. Additionally, the majority of Construction Defect claims are water-related.

The good news is that water damage claims, including many weather-related claims, can be prevented or significantly mitigated with a comprehensive and diligently implemented Water Intrusion Mitigation Program. This is where Zurich's Construction Risk Engineering consultants can assist our valued customers. Our consultants are able to draw upon their industry experience, our database of water and weather-related claims, program resources, loss lessons and industry best practices to help customers identify, assess and mitigate water intrusion risks.

## Our solution

We start the process by reviewing and understanding our customer's water intrusion exposures and loss history to determine how water-related losses have affected or could affect your company. At this point, Zurich and the customer will collaborate on how to best structure a Water Intrusion Mitigation Program. It is important to note that for this process to be truly impactful, partnership and input from the customer is essential and may include personnel from Risk Management, Quality Management, Project Management and Field Operations.

Key Components in development of the program typically include:

- A review and commentary of your company's current Quality Management and Water Intrusion Mitigation Programs. This will help us understand how your programs and procedures are structured and executed in the field.
- A review and discussion around Zurich's standard water intrusion assessment process and assessment checklist. The checklist is customizable to incorporate practices and/or terminology that are already part of your quality management and water damage prevention programs.
- Once the assessment checklist is agreed upon, Zurich and the customer work together to develop a strategy for on-site project assessments to provide a consistent assessment approach and format.
- Assessment reports with completed checklists and risk-improvement actions are provided after each on-site project assessment. After the schedule of project assessments is complete, Zurich will aggregate the results to identify leading indicators and program deficiencies. This information is then used to develop actionable risk-improvement measures that can be incorporated into your company's Water Intrusion Mitigation Program.

Zurich's on-site assessments include several factors related to water intrusion exposures and controls, including but not limited to:

- Program implementation and training
- Quality management processes
- Self-assessments and inspections
- Exterior envelope and roofing systems
- Interior systems and materials
- Natural hazards and severe weather
- Site conditions and stormwater management
- Incident response and containment planning
- Storage and material management
- Domestic and fire sprinkler piping systems
- Temporary weather protection
- Temporary water services
- Environmental and wet systems monitoring

- The project assessment process also provides field management employees with the opportunity to expand their risk management knowledge by gaining useful insights relating to water intrusion exposures and controls. This knowledge and insight can then be applied on your future projects.

### Other resources and service offerings include:

- Zurich's Wet Work permit program, which involves implementation of a work authorization and permit process in order to help Project Management teams track and control work on critical water carrying systems throughout the construction term
- Assistance with training program development and training delivery (on-site or via webinar)
- Partnership with a leading monitoring company that offers Zurich policyholders a significant discount on water, theft, fire and environmental monitoring solutions
- Additional Zurich resources such as webinars, seminars, white papers and RiskTopics that can supplement your Water Intrusion Mitigation Program and field practices

Zurich's approach to mitigating water damage risks provides a customizable solution that is tailored to the specific needs of our customer. Risk Engineering consultative fees will vary based on the scope and content of the water intrusion mitigation services provided.

### More Information

For more information about Zurich's Water Intrusion Mitigation Program and our library of water intrusion-related white papers and RiskTopics, please, contact your Zurich Risk Engineering representative, visit [www.zurichna.com/en/risk](http://www.zurichna.com/en/risk) or send an email to: [risk.engineering@zurichna.com](mailto:risk.engineering@zurichna.com).

<sup>1</sup>Zurich U.S. construction property data for losses occurring between 1/1/2007 and 12/31/2016

The Zurich Services Corporation  
Risk Engineering  
1299 Zurich Way, Schaumburg, IL 60196-1056  
800 982 5964 [www.zurichna.com](http://www.zurichna.com)

The information in this publication was compiled from sources believed to be reliable for informational purposes only. All sample policies and procedures herein should serve as a guideline, which you can use to create your own policies and procedures. We trust that you will customize these samples to reflect your own operations and believe that these samples may serve as a helpful platform for this endeavor. Any and all information contained herein is not intended to constitute advice (particularly not legal advice). Accordingly, persons requiring advice should consult independent advisors when developing programs and policies. We do not guarantee the accuracy of this information or any results and further assume no liability in connection with this publication and sample policies and procedures, including any information, methods or safety suggestions contained herein. We undertake no obligation to publicly update or revise any of this information, whether to reflect new information, future developments, events or circumstances or otherwise. Moreover, Zurich reminds you that this cannot be assumed to contain every acceptable safety and compliance procedure or that additional procedures might not be appropriate under the circumstances. The subject matter of this publication is not tied to any specific insurance product nor will adopting these policies and procedures ensure coverage under any insurance policy.

©2018 The Zurich Services Corporation. All rights reserved.

A1-112010734-A (03/18) 112010734

