

SPRINKLER WORKS



HOW TO SECURE A PROPERTY PREMIUM DISCOUNT ONCE YOUR SPRINKLER SYSTEM IS INSTALLED

The merits of having an automatic sprinkler system in your chapter house have been sufficiently documented in previous issues. Suffice it to say that it is the best risk management tool available to protect your property from a major fire, the disruption that this can create and to protect lives of your members and guests while in your chapter house.

Upon completion of the installation, the contractor will need to supply you with documentation of the system. This is commonly referred to as a "certificate of completion."

To qualify for the premium discount, the chapter house must comply with the applicable NFPA code or standard for the occupancy.

The Insurance Services Office Inc., or ISO, is an independent statistical, rating, and advisory organization that serves the property/casualty insurance industry. ISO is the leading supplier of underwriting information, advisory loss costs, supplementary rating information and standardized policy language to insurers in all 50 states and the District of Columbia. ISO offers the following regarding how residential sprinklers are reflected in ISO's advisory residential property programs:

PREMIUM DISCOUNTS

The standard ISO Dwelling Fire and Homeowners Programs contain available premium Credits for installation of fire sprinkler protection up to a maximum of:

- 13% for full sprinkler protection that includes all areas of a home, including attics, bathrooms, closets, and attached structures;
- 8% for fire sprinkler protection of all areas of a home excluding the attic, bathrooms, closets, and attached structures as long as fire detection equipment is installed in those areas where sprinklers are omitted;

Individual insurer programs may provide different credits.

SPRINKLER "LEAKAGE" COVERAGE

The presence of a residential sprinkler system may raise concern about the risk of accidental water leakage from the system. ISO's standard Homeowners policy forms provide coverage for "...accidental discharge or overflow of water...from within a...fire protective sprinkler system..." This coverage is included in the basic policy. There is no extra charge for this coverage. Also, coverage is provided for water damage related to the suppression or extinguishment of a covered fire.

Individual insurer programs may provide variations to this coverage. Though currently not mandatory, except in some jurisdictions, we strongly urge that you "protect your investment" and contract for an annual inspection of your sprinkler system to ensure it maintains its effectiveness and reliability. The costs range from \$200-\$500 annually, and it is money well spent. To date, the insurance company has not mandated this service; however, there are some preliminary indicators that they may require the annual inspection in the near future. As with any piece of equipment, it is important to maintain it and an annual inspection just makes good business sense.

Once the certificate of completion is received you should request an endorsement from the insurance company to apply the sprinkler discount. This substantial discount recognizes the significant improvement in protection from the exposure to fire and the improvement to life safety as well as protection for your property.

As you have now introduced more water piping into your property, it becomes very important that where a freezing potential exists as a result of your local weather conditions, that you maintain your heat at a minimum of 55 degrees to ensure that the systems remains operable. This is especially important over the long holiday breaks.

Serious fires in student housing wreak almost unimaginable devastation and disruption; this potential warrants careful consideration of fire safety options. In particular, automatic sprinkler systems should be considered as a viable option; they have established an impressive record of preventing residential fire catastrophes, particularly in the hospitality industry. With technologies developed specifically for residential applications, automatic sprinkler systems are now commonplace in hotels and motels, where they afford the traveling public with a high level of fire safety. College students deserve this same high level of protection ... and their parents expect it.