

Coverage Insights

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Commercial Property Fire Coverage

A fire in your workplace can be extremely costly; in addition to the costs associated with fixing the damages, there is also a good chance that your day-to-day business activities will be interrupted during the repairs. To avoid potential expenses related to workplace fires, it is important that you have adequate fire coverage, which is included as part of most property insurance policies for commercial buildings. However, it is important that you understand your policy to make sure it provides all the protection you need and that you aren't paying too much for premiums.

Types of Coverage

There are two primary factors that come into play when dealing with fire protection. Make sure your coverage incorporates them both to make sure you won't be left holding the bill.

Commercial Property: This is the portion of your policy covers the building itself and the equipment in it. When there is a loss to physical assets caused by a fire, this is what pays for replacement and repair costs.

Commercial Casualty: In the aftermath of a fire, there may be a time period where you may not be able to conduct business, often due to a damaged workspace. This part of your policy will cover any loss of revenue during the recovery period of a fire.

Coverages will offer different levels of protection based on your policy. Review your situation to ensure that the amount of coverage is comparable to your potential risks.

Fire Sprinkler System Credit

You can greatly reduce your premiums for fire coverage by installing a sprinkler alarm system. With some insurance providers offering 10 to 60 percent discounts, these systems can quickly pay for themselves. However, to get your full credit, you have to make sure that your system is reviewed regularly.

According to the Insurance Services Office (ISO), many organizations receive partial to no credit on their fire insurance expenses for having a fire sprinkler system in place. This is because the facility and the sprinkler system have not been properly inspected in order to provide full credit. At the request of your insurance company, ISO can inspect your facility and develop an accurate credit on your fire insurance, which will reduce your overhead costs and increase your bottom line.

Fire Sprinkler Evaluation Process

The ISO fire sprinkler evaluation process consists of a review of the following areas:

- The system design is based on the requirements of occupancy
- Adequate water supply
- System installation and components
- System test
- An inspection of building areas without sprinklers
- Building conditions that could affect sprinkler operation

Necessary Testing and Certifications

The following must be reviewed or completed before you receive an ISO credit:

- Main drain test
- Copy of the Underground and Overhead Piping Hydraulic Test Certificate
- Dry pipe trip test results (applicable to systems with dry pipe valves only)
- Fire pump performance test results (systems with fire pumps only)

- System design criteria evaluation through a review of the sprinkler plans, hydraulic calculations or hydraulic data plaque information

Count on the Experts

When it comes to getting the appropriate coverage at a reasonable price, Winters-Oliver Insurance Agency is here for you. Learn more about fire risk mitigation and how you can receive full credit for your fire sprinkler system by contacting us at 804.746.5178.

Provided by Winters-Oliver Insurance Agency

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