

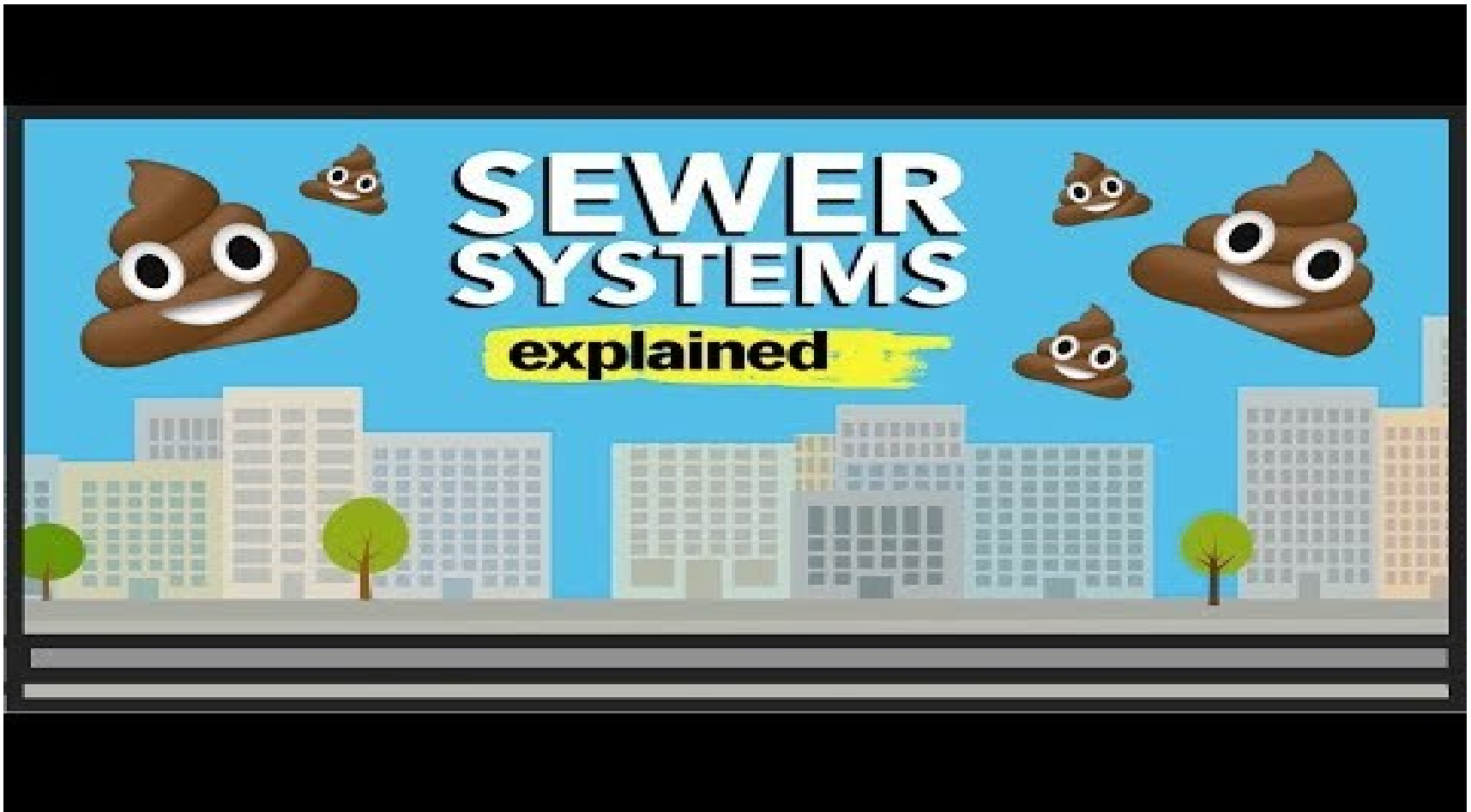


FMIT FLORIDA
MUNICIPAL
INSURANCE TRUST

Sewer and Water Claims

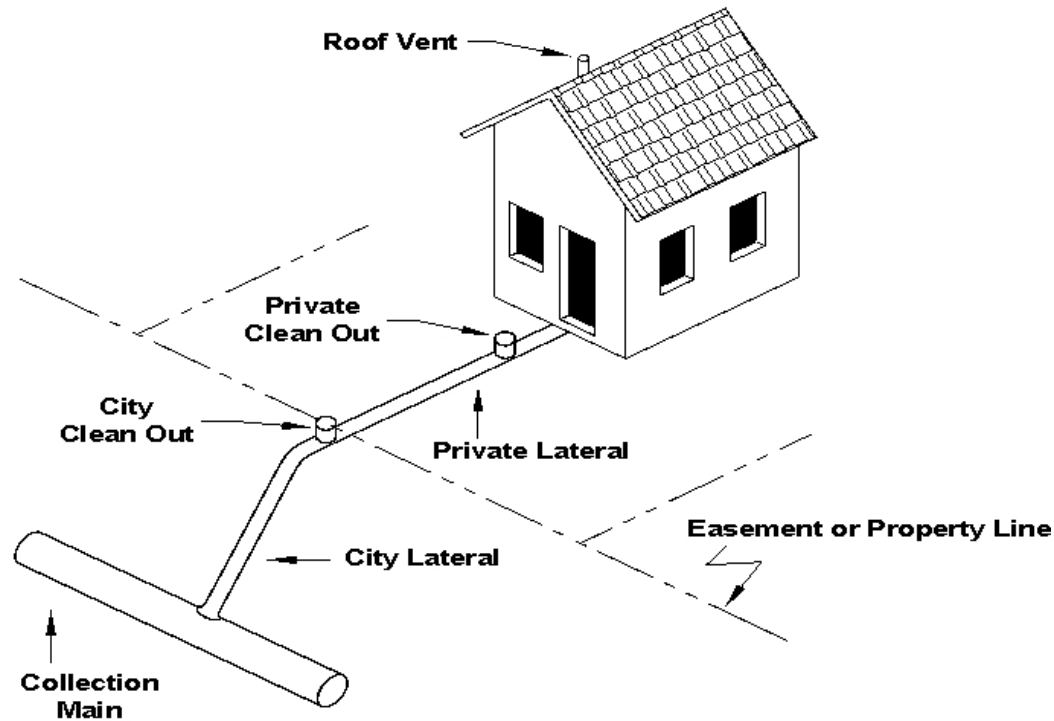
PROTECTING THE COMMUNITIES WE CALL HOME

Sewer Claims

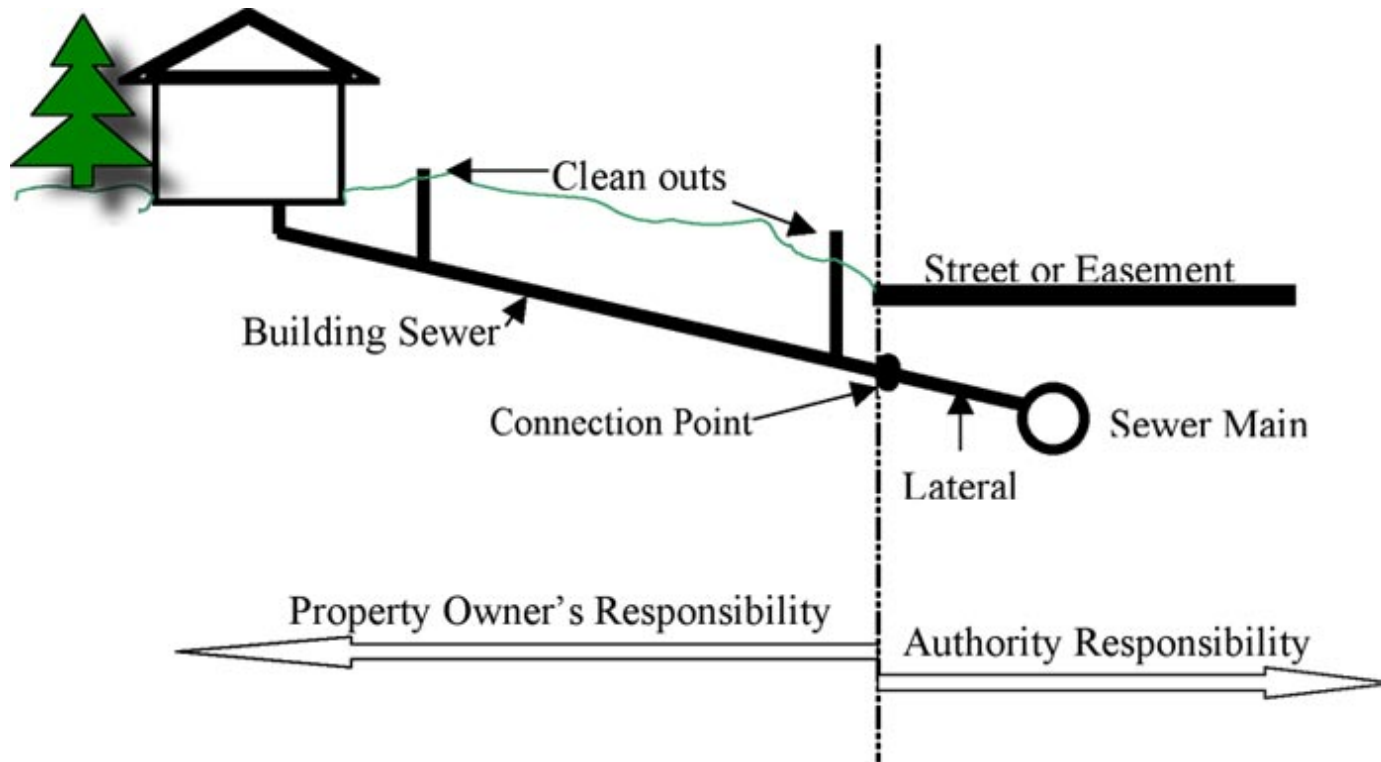


Typical Sewer Connection

YOUR WASTEWATER PIPE SYSTEM

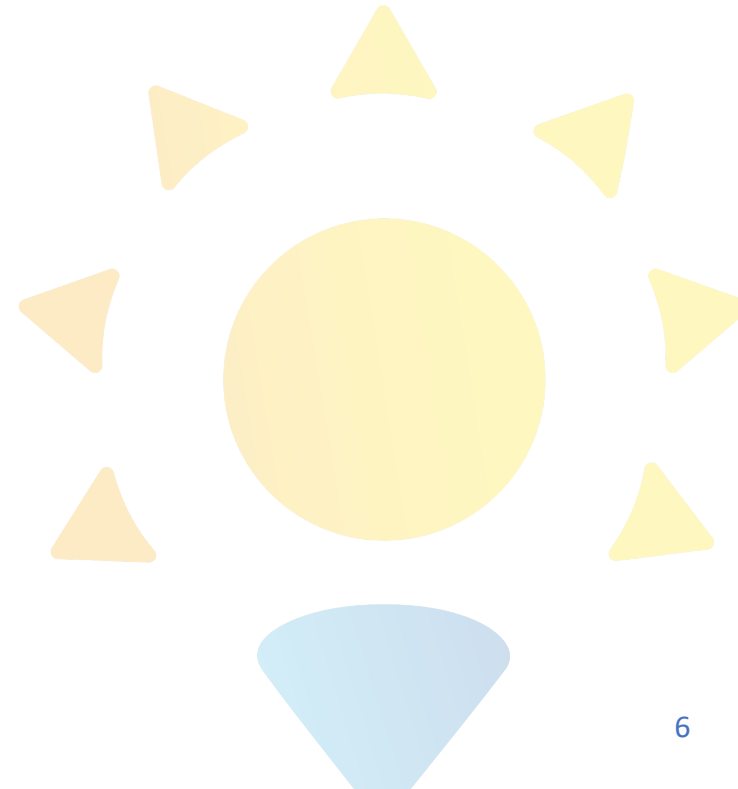


Where does the Member's maintenance obligation begin?

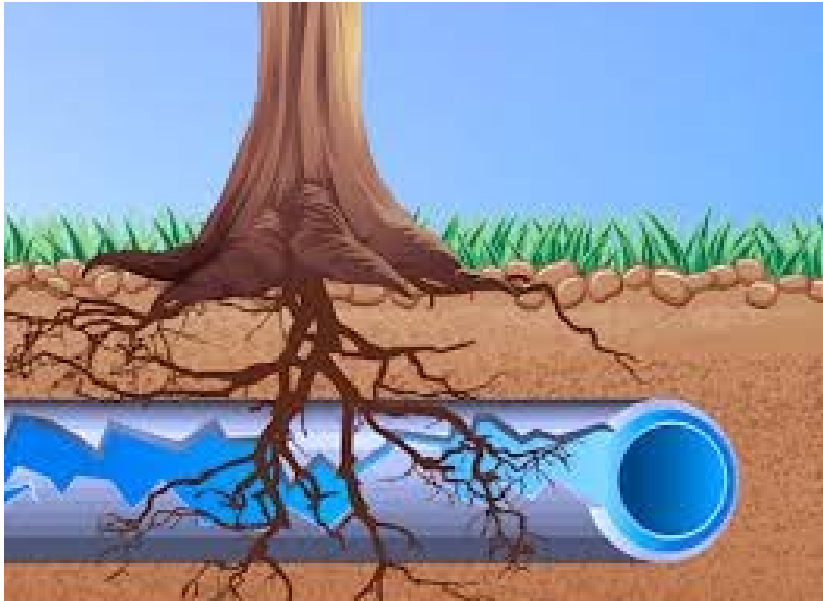


Causes of Sewer Backups

- ▶ Blockage in service/lateral, or sewer main.
- ▶ Problem with lift station.
 - Power failure
 - Mechanical failure
- ▶ System volume exceeds capacity
 - Flood event
 - Torrential downpours



What Causes a Sewer Blockage?



- ▶ Root intrusion is the #1 reason sewer backups occur.
- ▶ Can be diagnosed via telescopic camera.
- ▶ Replacement of affected section of pipe will cure issue.



What Causes a Sewer Blockage?



- ▶ Fats, oils, and grease.
- ▶ Cools and hardens over time.
- ▶ Is more common in certain neighborhoods or near restaurants.
- ▶ Cured by jetting lines.



What Causes a Sewer Blockage?



► Debris

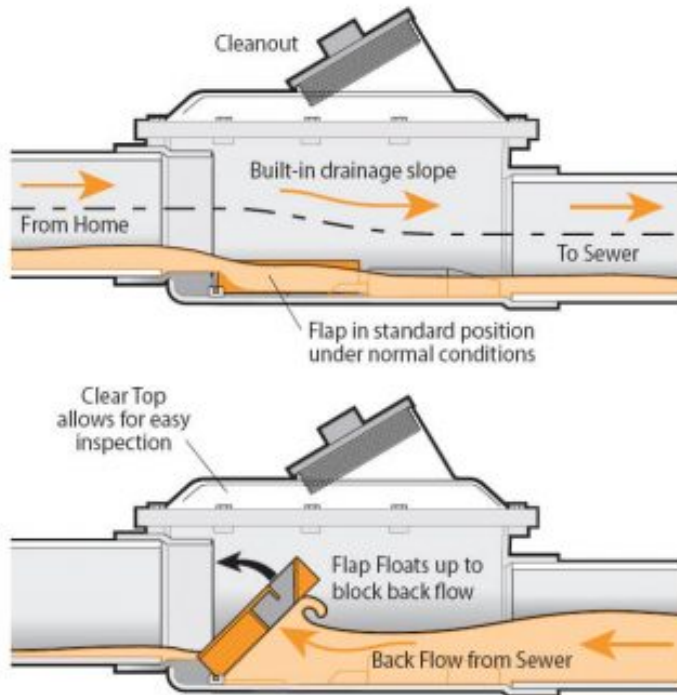
- Can be dirt, toys, construction materials, “flushable wipes”, feminine products.

► Older pipes can corrode causing restriction.

► Cured by jetting lines or replacing.



What Causes a Sewer Blockage?



► Failed Backflow Preventer.

- Member vs. Claimant responsibility.

► Power/Pump failure on residential grinder pump.

- Member generally responsible for maintenance.



Liability Questions for Sewer Backups caused by Blockage.

▶ Where was the location of the blockage?

- Lateral/Service vs. Main? Customer side vs. Member side?
- Member only has duty to maintain their side of the system.

▶ What caused the blockage?

▶ Has there been a history of backups in this location?

- While there may not have been a history of backups at the location of loss, there may have been issues in neighborhood.
- History of backups creates a greater duty to inspect and maintain.

Liability Questions for Sewer Backups caused by Blockage.

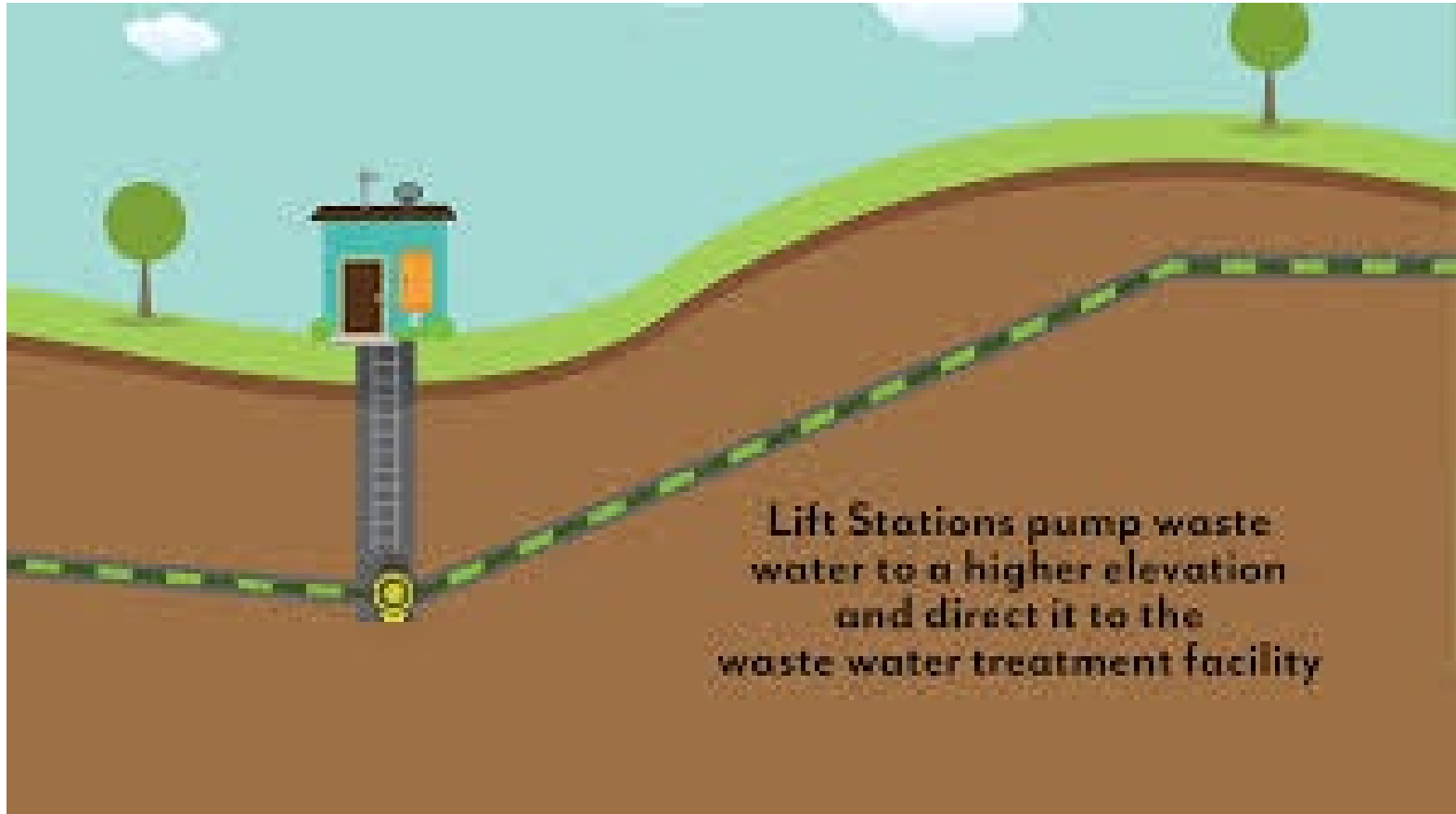
▶ Does the Member have any maintenance records?

- Duty to inspect and maintain is dependent on history of issues/complaints in area.
- Inspecting thousands of miles of underground sewer pipe is cost prohibitive and impossible for any member to do.

▶ Was the Member doing an maintenance in the area at the time of the loss?

- If a member jets a line without plugging the adjacent laterals, it could cause a backup and the member would be negligent for that loss.

Lift Stations



Why do Lift Stations Fail?



- ▶ Debris is #1 cause of mechanical failure.
- ▶ Lift Station pump motor may fail.
 - Debris vs. maintenance?



Why do Lift Stations Fail?



- ▶ All Lift Stations should be on a maintenance schedule.
- ▶ Maintenance includes servicing pump and cleaning well.



Why do Lift Stations Fail?



*SCADA = Supervisory Control and Data Acquisition

- ▶ Power Failure
- ▶ Audible alarm will sound and red light on control panel will flash.
- ▶ SCADA* System should alert Member of issue.



Liability Questions for Sewer Backups caused by Lift Station Failure.

▶ Where was the location of the failed lift station?

- Confirm ownership.
- Private vs. member-maintained lift stations.

▶ What caused the failure?

- Power failure vs. mechanical failure.

▶ Has there been a history of failures at this location?

- History of power failures would put member on notice of need for emergency generator at location.
- History of mechanical failure due to debris would put member on notice to install grinder pump, increase maintenance interval.

Liability Questions for Sewer Backups caused by Lift Station Failures.

- ▶ Does the Member have any maintenance records for the lift station?
 - Duty to inspect and maintain is dependent on history of issues/complaints in area.
 - All lift stations should be on a maintenance schedule.
- ▶ How long between the time the failure happened and the time the member responded?
 - SCADA system should alert Member of issue.
 - Sometimes lift station may not have SCADA, or SCADA not reporting due to power failure.
 - Member has a duty to respond in a reasonable time (depends on situation).

What happens when volume exceeds system capacity?



- ▶ Sewer systems are designed to handle a certain amount of volume.
- ▶ Exceeding that volume will cause sewer backups, because the water has no place else to go.



What happens when volume exceeds system capacity?

- ▶ There is no negligence for backups caused by “acts of nature.”
- ▶ Governmental agencies are immune from liability for design issues.



Water Claims

PROTECTING THE COMMUNITIES WE CALL HOME

How Water Gets to a Customer's Home



Types of Water Claims

- ▶ Burst pipes/hoses – surges.
- ▶ Sediment/debris entering service lines from mainline maintenance/repairs.
- ▶ Accidental flooding.
 - Occurs when tenants will accidentally leave faucets in the “on” position after moving out of a rental property.
 - Can occur when resident try to turn on water and find that their water is shut off, either for non payment or for maintenance or repairs, then forget to turn off.

What Causes a Water Leaks?



- ▶ Rubber hoses break down over time and will burst without warning.
- ▶ When water is shut off at a residence, rubber and plastic hoses may dry rot or break down.



What Causes a Water Leaks?



- ▶ When water system is repressurized, a pipe can rupture (surge).
- ▶ Typically, these events are sudden and unforeseen and cannot be controlled.



Liability Questions for Water Leaks Caused by Surge.

▶ Where was the location of the leak?

- Have claimant photograph and save burst hose/pipe, if possible.

▶ Ask claimant how when the hose/pipe was last replaced?

- Confirm type of material.
 - Plastic & rubber hoses fail more often than metal.

▶ Ask the member if the water lines and mains servicing the claimant's building were subject to any routine service or repairs?

- This will not establish liability; rather it establishes a cause of loss.
- It is extremely unusual for water pressure to cause a spontaneous rupture. Generally, these ruptures are caused by wear and tear.

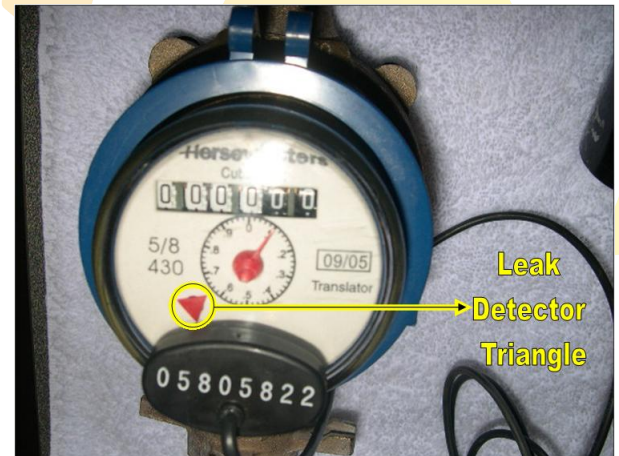
Liability Questions for Water Leaks Caused by Surge.

► Was this address's service recently turned on?

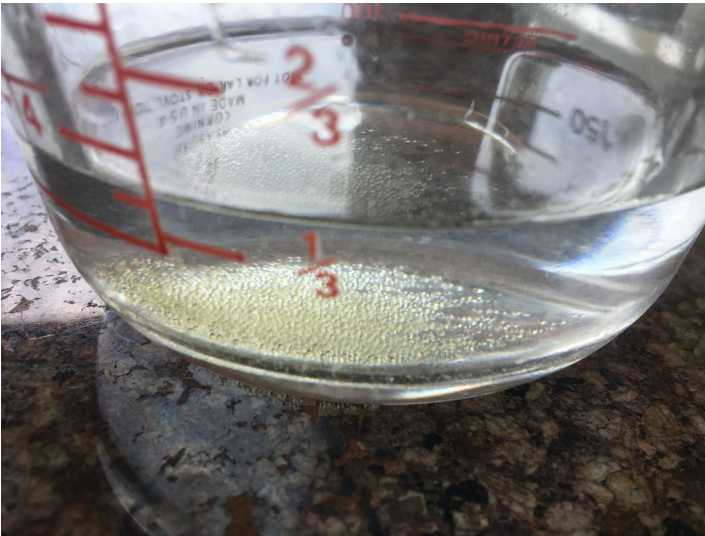
- If so, confirm the Member's policy and procedure for turn on.
- Member's should establish an amount of time for a meter technician to watch the meter's leak detector for spinning.

► Did meter technician confirm leak detector stopped spinning prior to leaving address?

- If not, liability is probable.



Sediment/Debris Claims



- ▶ Depressurization can cause water solids to settle within a pipe.
 - When the system pressure returns, these sediments can become dislodged and enter homes.
- ▶ Routine maintenance and/or repairs can introduce solids into the water system.



Liability Questions for Sediment Claims

- ▶ Was there any routine maintenance or repairs done to the line near this address?
- ▶ Did the member use due care in keeping debris out of the line?
 - Only if the member physically introduced debris into the lines (e.g. dropped the end of the pipe in dirt) would there be negligence.
 - Naturally occurring water solids (lime, calcium, etc.) exist in water lines and are impossible to completely eliminate.

Accidental Flooding

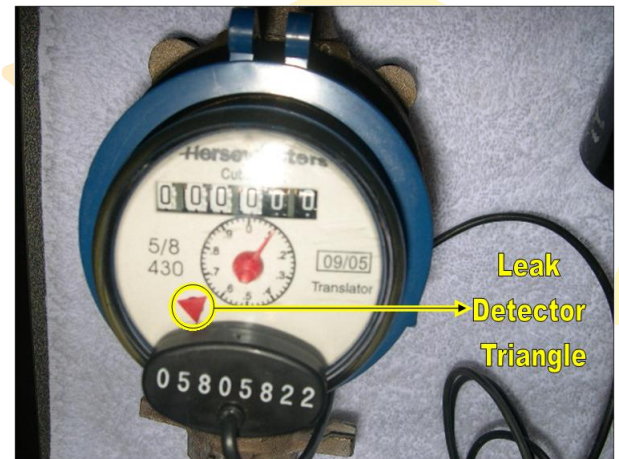


- ▶ Faucets left on by accident or intentionally.
- ▶ Typically occurs during an initial account turn-on or reconnection after disconnect for failure to pay.
- ▶ Member should have policies and procedures in place to prevent accidental flooding claims.



Liability Questions for Accidental Flooding

- ▶ Was this address's service recently turned on?
 - If so, confirm the Member's policy and procedure for turn on.
- ▶ Did meter technician confirm leak detector stopped spinning prior to leaving address?
 - If not, liability is probable.



Questions?
