



# Water Damage

An Aviva Risk Management  
Solutions guide for  
commercial clients

Retirement  
Investments  
Insurance  
Health



# Contents

Water damage overview



Protecting property from water damage



Water damage on construction sites



Early leak detection



Case study



Protected against risk



# Water damage overview

Water leaks cause untold damage and disruption to many and are our highest frequency property claim – accounting for approximately a third of all claims by value. So knowing what to do in the event of a water leak can ensure you are prepared and can help mitigate the damage. Even better, carrying out simple checks, ensuring good accessibility to your plumbing and isolation points, being proactive with your maintenance and understanding available leak detection technology, can help prevent incidents altogether.

Such proven mitigation measures are more necessary than ever before. We at Aviva Risk Management Solutions can help you take the necessary steps to prevent and minimise the impact of water damage incidents. Together we can turn the tide of rising water claims.



“Tackling water leaks and the damage they cause has become a key strategic priority for our industry, and the need for greater education, recognition and acceptance of proven mitigation measures is widely recognised. Aviva are here to support our customers with our ‘Prevention First’ philosophy and a team of Risk Consultants and water damage experts.”

**Chris Andrews**  
Head of Aviva Risk Management Solutions



# Protecting property from water damage

Every day in the UK, £1.8m is paid out in claims relating to escape of water in domestic properties.\* What's more, the impact of water leaks extends beyond the damage to physical assets like buildings, fixtures, furnishings, equipment and IT systems. From a commercial perspective, the effects are also likely to lead to further costs such as interruption to your business, supply chain and profitability, as well as increased future insurance costs.

Understanding and assessing your exposure to water, fluid leak and damage, and implementing an effective risk management approach to help reduce this risk, could be just as important as a fire risk assessment – in terms of an organisation's capacity to operate both successfully and profitably.

## Particularly susceptible properties

- Commercial properties with sensitive areas such as IT suites and server rooms
- Hotels, residential flats, student accommodation and shared houses (HMOs)
- Unoccupied or intermittently occupied properties
- Older properties or those with older pipework

See our guide below to identifying and guarding against potential leak sources.

## Loss prevention standards for property protection

\*Association of British Insurers (ABI) estimate  
<https://www.abi.org.uk/news/news-articles/2018/12/is-water-damage-covered-by-insurance/>





# Water damage on construction sites

At Aviva, we have seen an increase in the frequency and severity of water damage incidents in recent years, to the point at which they are now the most likely cause of a loss on construction sites. A water or fluid leak near to completion of a construction or fit-out project can be catastrophic, resulting in significant disruption and delays, and spiralling costs.

To guard against this, the Principal Contractor should take ultimate responsibility for managing the exposure to water damage from the outset of a project, having control over many of the factors that could prevent a water loss incident, such as:

- selection of sub-contractors
- design and installation of a risk-assessed plumbing system
- using contract terms that specify the standards for installation works
- emergency response plan
- commissioning procedures and controls for mitigating risks, system testing and quality controls throughout the project
- consideration of appropriate leak detection systems at design stage.

By implementing robust control measures, delays and associated costs could be minimised.

Installation of automatic shutoff flow monitors can provide an effective low-cost solution during construction. These can remain installed in the occupied property to assist in flow monitoring, benefiting owners, operators, contractors and tenants in the long term.

[Loss prevention standards on construction sites](#)



# Early leak detection

It's not always large burst pipes that cause problems; many leaks are small and can often go months without being noticed, causing significant damage to properties before they are identified.

At Aviva, we can provide leak detection services appropriate to your needs through our panel of expert Specialist Partners. They can offer a range of solutions that can be tailored to protect and mitigate a property against water damage and the problems caused if a leak does occur.

[Learn more about our Specialist Partners](#)





## Case study: Avoiding £1m loss through flow sensor detection technology

- A leak from a broken toilet cistern occurred on the third floor of a soon to be completed construction site late one Friday evening after workers had left for the weekend.
- If left unattended, the cistern would have flowed continuously over the weekend, causing significant damage and delay to the completion of the project. With four residential flats and two retail units directly underneath, additional damage to homes and considerable business interruption costs would have occurred.
- Fortunately, a flow sensor device had been installed, which registered an irregular flow pattern on the system and alerted the project manager, who was able to use the remote technology to shut off the water.
- The result? Avoidance of an estimated loss – due to water damage, project and future occupancy delay – of over £1 million.



# Protected against risk

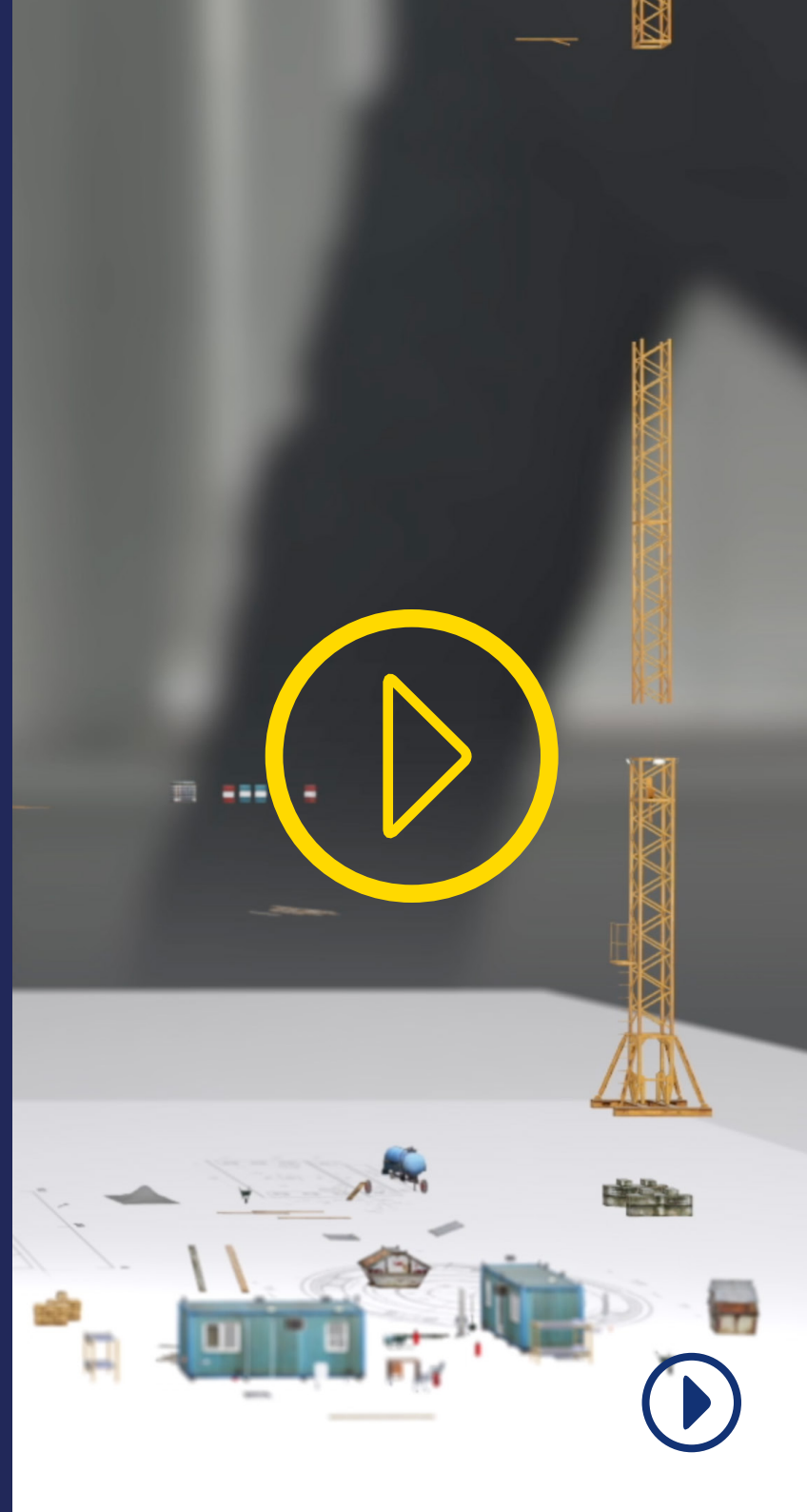
Risk is a factor in every organisation. The form it takes varies from sector to sector and business to business, but it's a constant that demands serious consideration.

Our team can work alongside you to understand, analyse and help to minimise the threats and exposures that arise in any business, and can put into action sensible measures to control them.

Take a look at the sectors and wide range of risks Aviva Risk Management Solutions can address to protect businesses from uncertainty.

[Aviva Risk Management knowledge store](#)

[Aviva Risk Management Solutions](#)







If you would like more information or assistance with water damage or any other areas of risk, visit **Aviva Risk Management Solutions** or contact us at [riskadvice@aviva.com](mailto:riskadvice@aviva.com)

| Retirement | Investments | Insurance | Health |

---

Please note: This document contains general information and guidance and is not and should not be relied on as specific advice. The document may not cover every risk, exposure or hazard that may arise and Aviva recommend that you obtain specific advice relevant to the circumstances. AVIVA accepts no responsibility or liability towards any person who may rely upon this document.

Aviva Insurance Limited, Registered in Scotland Number 2116. Registered Office: Pitheavlis, Perth PH2 0NH.  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.