



Water Damage Claims for Homeowners, **More Than an Inconvenience**

Non-weather-related water damage is the second most common cause of homeowners' insurance losses, but it's also one of the most overlooked and misunderstood risks. Unlike wildfires and hurricanes, the risk of non-weather-related water damage to the home can be easily prevented or, at least, mitigated. However, homeowners often lack the tools and knowledge to help them avoid this disruptive peril.

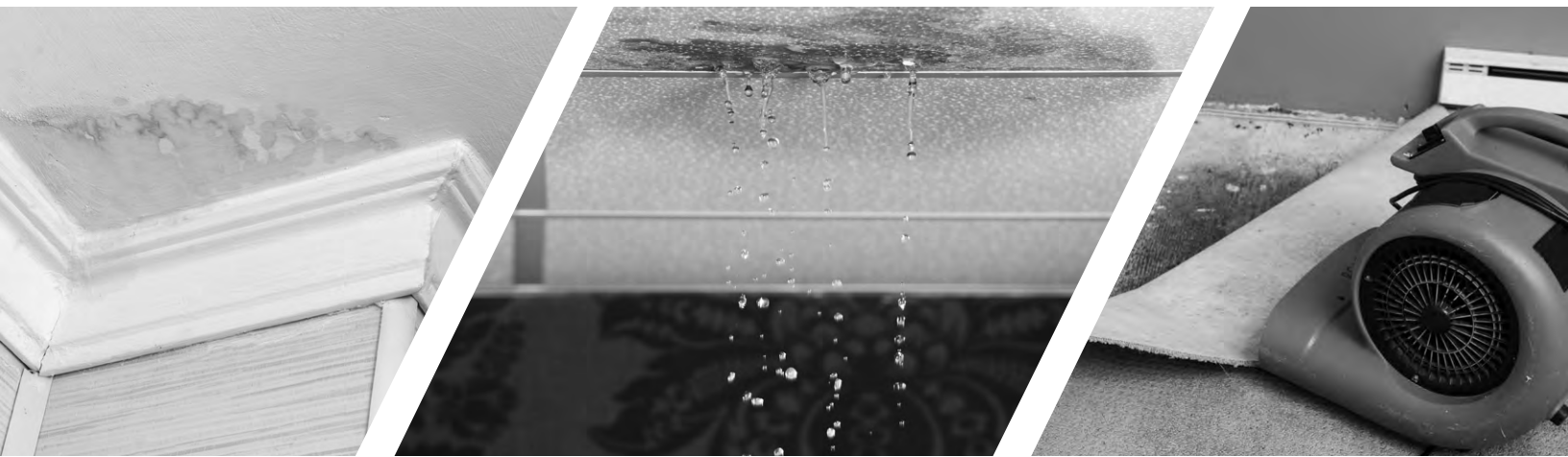
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To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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It's not just pipe breaks

The most common cause of non-weather-related water damage claims is pipe leaks. These may be triggered by old pipes, aged roofs, freezing, hard water build-up, shifting soil conditions, sump pump failure and poor installation. However, there's another, lesser-known factor that can contribute to water damage: municipal water systems.

Most underwriters tend to focus on the correct installation of new plumbing and risk mitigation at the homeowners' level, but the water coming into the house and how that affects a home's plumbing system – new and existing – should also be considered.

Older municipal water systems tend to have more irregularities than newer ones. One major issue is water pressure. For example, a study performed several years ago on water damage claims on Los Angeles homeowners' policies, found they had a greater incidence of water damage claims from pipe breaks than in surrounding counties.

After studying the municipal water system, it was found that because of the age of the system, there were sudden surges of water pressure through the system causing the water pressure inside the homes to increase suddenly. This resulted in additional stress on pipes and fittings.

Carriers take action over water damage losses

Preventing water damage is more critical than ever for homeowners as carriers are increasingly being called upon to take action on costly payouts related to these risks. Most insurance companies will not insure a homeowner with multiple water damage claims. They might also exclude water damage coverage entirely. This has resulted in some homeowners becoming uninsurable because of multiple water damage claims.

Higher water damage sub-limits and deductibles are also becoming more common in homeowners' policies. While it depends on the age of the plumbing, the size of the house and other variables, we have seen some carriers raising deductibles (as high as \$50,000 in some cases), expanding exclusions or adding sub-limits.

With insurance premiums increasing due to inflation and the rising cost of claims, it's important for agents to raise awareness of how to mitigate highly preventable water damage losses. The 2023 survey by [The Hanover and Harris Poll](#) found that only 17% of homeowners see non-weather-related water damage as their biggest concern. The same percentage have water sensors in their home, compared to 84% with smoke detectors and 51% with fire alarms. And that's despite homeowners being seven times more likely to sustain damage from a plumbing leak than a fire, according to the study.



Mitigating water damage risks for homeowners

The good news is that it is easier and more affordable than ever for insureds to access tools to mitigate the risk of water damage in their home. Water pressure regulators, pressure reducing valves and leak detection systems are among the best devices to detect and prevent pipe breaks and leaks.



The most common mitigation device is a **water pressure regulator** that a plumber or even the homeowner can install. The regulator is designed to control water pressure inside the system and is an ongoing mitigation tool that maintains a safe pressure level as water enters the home.



The second is a **pressure reducing valve** that you can install on your water heater, which acts as a second stop-gap measure, relieving sudden increases in water pressure coming into the house.



Finally, **leak detection systems** can recognize a sudden or unusual increase in water pressure or usage in the home and automatically shut off the water flow.

Typically, a homeowner can have all three tools in their home for \$1,500 or less. These devices can prevent tens or even hundreds of thousands of dollars in damage.



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