

## KNOW THE HAZARDS OF VACANT PROPERTY

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Whether for reasons of financial difficulty or otherwise, your business may carry a number of vacant properties. When determining what kind of risk management efforts are necessary, it may seem that compared with managing a fully functioning commercial building, it would have substantially fewer hazards. There is less traffic, and therefore less liability—right?

In reality, vacant properties present a unique set of risks that must be managed effectively to avoid costly losses at a time when money may already be tight for building owners. Vacant buildings might be unoccupied, but they should not be left unattended. Evaluate the following risks on a regular basis to avoid expensive losses.

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### UNDETECTED DAMAGES

Small hazards—like an exposed electrical wire or a slow water leak—are normally detected and repaired before they can worsen and cause loss in an occupied building. However, when buildings are unoccupied, these small hazards are less likely to be corrected immediately and can escalate into larger problems. Gradually occurring damage, such as mold, can be equally threatening.

### CRIME AND LIABILITY RISKS

Although there are no tenants, it is important to maintain security and surveillance efforts to reduce costs, as you can be held liable for criminal activity or accidents that take place on your premises. Vacant properties can attract trespassers, arsonists, thieves or other criminals. It is important to maintain either on-site or surveillance security presence to minimize trespassing or other criminal activity.

### ENVIRONMENTAL RISKS

Facilities that are used to store chemicals or other pollutants on site must have these materials removed or adequately stored to prevent leaks and seepage. Businesses can be held liable for cleanup in the case of groundwater contamination. Underground storage tanks can represent an even bigger threat to the environment and property owner.

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## LOSS CONTROL STEPS

To prevent claims in vacant properties, follow these loss control guidelines:

- Notify Hardenbergh Insurance Group and check your policy terms and conditions that are applicable to vacant property.
- Advise local authorities.
- Remove unnecessary materials and combustibles from the premises.
- Inform local fire departments of remaining materials that could impede firefighting.
- Inspect facilities regularly or hire guard service for daily observation.

### For more information, contact:



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