

IMPORTANT PREVENTATIVE MAINTENANCE GUIDE

FOR CONDOMINIUMS AND COOPERATIVES

MACKOUL RISK SOLUTIONS



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RISK SOLUTIONS
INSURANCE

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INTRODUCTION

Board members and property managers of condominiums or cooperatives will tell you that it's not a matter of "IF" your building will suffer an insurance related loss, but "WHEN".

It's important to address maintenance issues proactively rather than after the fact. Here are some reasons why:

COST SAVINGS

The cost to maintain a roof or replace a washing machine hose is often much lower than having to pay for damages after either leaks causing substantial damage to the property. Despite the fact that you may have insurance, some damages may not be covered and even if they are, every policy has a deductible, which the property owner is responsible for.

RESIDENT SATISFACTION

Showing you are proactive and that you care helps to keep your residents happy and spreads positive word that your condo or co-op is a great place to live!

LOWER INSURANCE PREMIUMS

Claims are the single biggest reason insurance premiums increase. If a community association submits too many claims or if the insurance company has paid out too much in claims, they normally will raise the insurance premiums or even cancel coverage, which generally results in the property owner having to find a new insurer, often at a higher premium.

A community association has a vested interest in ensuring proper and prompt building maintenance and repairs, because they have a direct impact on the residents' quality of life, as well as the safeguard of their possessions.

THE SUCCESS OF YOUR COMMUNITY ASSOCIATION DEPENDS ON:

01. Your ability to conduct routine maintenance.
02. Your ability to handle emergency repairs.
03. Your ability to plan and carry out long-term improvements

A thorough preventive maintenance strategy will result in a safer community, lower replacement costs, a more efficient use of resources and will strengthen your reserve account for a rainy day.



KEY AREAS THAT REQUIRE ROUTINE PREVENTATIVE MAINTENANCE



- ✓ DRYER VENTS
- ✓ WASHING MACHINE HOSES
- ✓ WATER HEATERS
- ✓ WATER VALVES
- ✓ ICE MAKERS
- ✓ VACANT OR UNOCCUPIED UNITS
- ✓ BALCONIES AND DECKS
- ✓ SUMP PUMPS
- ✓ PIPES
- ✓ WOOD BURNING FIREPLACES
- ✓ OUTDOOR GRILLS
- ✓ ICE DAMS
- ✓ ELECTRICAL CORDS
- ✓ SMOKE DETECTORS AND FIRE EXTINGUISHERS

DRYER VENTS

Thousands of fires are sparked each year by clogged dryer vents. Lint build up in lint traps, in vents, in the machines themselves and in the immediate area surrounding the dryer are usually the culprits.

According to the U.S. Consumer Product Safety Commission, more than 15,000 fires are sparked every year by clothes dryers.

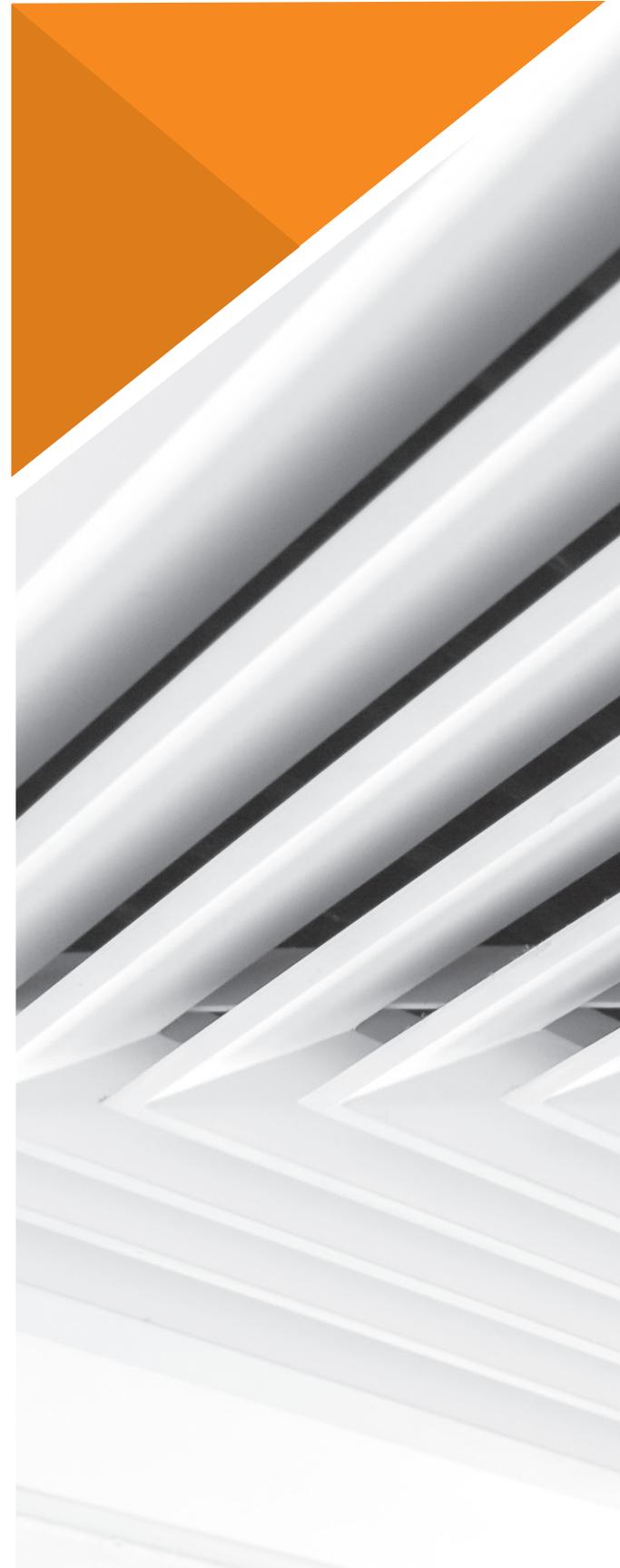
Commercial dryers must have a vent from the drying chamber directly to outside. When ordinary home dryers are used and lint is not properly disposed, outside venting is necessary to eliminate a potential fire hazard. In addition to outside venting, most dryer vents should be cleaned once per year.

SIGNS THAT IT'S TIME TO CLEAN THE VENTS ARE:

01. Clothes take longer to dry than in the past.
02. Clothes and the dryer are very hot.
03. The dryer is emitting a burning smell.

DRYER SAFETY TIPS:

01. Have dryers professionally installed
02. Ensure all dryers have lint filters
03. Clean the area around dryers regularly
(back and underneath dryer)
04. Invest in quality dryer air exhaust pipes
(made from solid or flexible metal)
05. Ensure dryer exhaust vent pipes vent to the outside
06. Have dryer vent pipes professionally cleaned once per year
07. Install a fire extinguisher in the immediate dryer area
08. Never use an extension cord to run a dryer



WASHING MACHINE HOSES

Burst washing machine hoses are one of the most common causes of catastrophic water damage. Over time, most washing machine hoses, even those that are installed properly, will eventually fail, leading to leaks or catastrophic floods caused when the hoses burst.

Failure may be caused any of several factors, including age, installation error, poor-quality materials, and poor design.

According to the Institute for Business and Home Safety, washing machine-related failures are one of the top 10 leading sources of residential water losses.

TIPS TO REDUCE RISK:

01. Replace hoses every 4 to 5 years (an easy reminder is to do it every Leap Year).
02. Use stainless steel braided hoses as opposed to plain rubber hoses (Stainless steel hoses are much more resistant to bursting).
03. Check the hose connection regularly and tighten if it feels loose.



WATER HEATERS

Water heater maintenance is critical to help ensure that the water heater is operating efficiently, to help maximize its life expectancy, to prevent costly repairs and to safeguard against possible hazards.

Implement a strict water heater maintenance schedule, and make sure it is followed.

5 CLUES THAT YOUR WATER HEATER NEEDS TO BE REPLACED:

01. AGE

The older a water heater gets, the more likely it's about to break down. Electric water heaters generally last 8-10 years, while gas water heaters may only be good for 6-8 years. If your water heater is any older than this, it may be time to replace.

02. RUST AND CORROSION

Check your tank for any rust or corrosion, particularly the area around the temperature and pressure relief valve and the inlet and outlet connections. Also check your water to see if it's turning a rusty color, which could mean there's rust inside the tank. Unfortunately, rust and corrosion can't be fixed. Once it starts it's only a matter of time before the tank is leaking and needs to be replaced.

03. UNABLE TO DRAIN WATER THROUGH THE DRAIN VALVE

Over time, sediment builds up inside a water heater. Flushing your water heater once a year will help solve this and extend the life of your water heater. However, if this task isn't performed for an extended period of time then the sediment buildup will eventually reach a point where it can no longer be resolved. At this point a water heater replacement will be necessary.

04. HOT WATER TANK IS LEAKING

A leak from your hot water tank is usually caused by an internal problem and is rarely fixable. If you spot a leak anywhere on your water heater follow these steps and call a plumber immediately. In this scenario it's quite likely your water heater will need to be replaced.

05. WATER IS LUKEWARM OR COLD

If your water isn't as hot as it used to be, or isn't hot at all, then there is likely something wrong with your water heater. Check for any of the symptoms above. If you find any of them then it is likely your water heater is beyond repair and will need to be replaced.

RECOMMENDED MAINTENANCE SCHEDULE

EVERY TWO MONTHS

Inspect the water heater. Check for corrosion and water leaks at plumbing joints. On a tank-type water heater, check for leaks at the tank itself, and test the temperature and pressure relief valve to make sure it opens and closes freely. Turn on a nearby hot water tap and listen for unusual sounds (especially any hammering or crackling sounds that might indicate a more serious water heater problem). For gas powered water heaters, check the condition of any flex hose and couplings and smell for gas leaks, and make sure no flammable materials are nearby.

EVERY SIX MONTHS TO A YEAR

Flush your water heater by draining several gallons of water through the drain valve (This will remove any sediment that has built up inside).

YEARLY

Once the water heater is 2-3 years old, the anode rod should be removed and inspected on an annual basis. An anode rod is a steel core wire surrounded with one of three different metals. It is designed to corrode in place of your water heater lining. When the rod has been completely corroded it no longer protects your water heater. Some pitting and surface corrosion are normal and to be expected. Large chunks of metal coating missing from the surface indicate that it should be replaced.

WATER VALVES



Every water system has valves. Valves are devices that regulate, stop or start the flow of water in the distribution lines. It's a good idea to familiarize yourself with noticeable valves in case you need to access them in an emergency.

As valves go unused over a period of time, there is a possibility they can seize-up due to corrosion and get stuck, making the valve inoperable.

Some plumbers recommend testing the valves every six months or so. The valve test on a water heater is simple.

Pull up gently on the lever on the top of the valve and verify that hot water is expelled through the overflow tube, which should drain onto the floor.

ICE MAKERS

Just as with other mechanical devices and appliances, preventative maintenance on ice makers can be a cost saver! While each ice machine has its own unique functions and features, most follow a basic cleaning process.

Removal of scale is the main objective, since buildup can cause ice to stick to the evaporator plates' surface, which can impede heat transfer and result in freeze-ups, long harvest times, reduction in capacity, and costly repairs.

PREVENTATIVE MAINTENANCE TIPS:



Check the main gasket (and any other noticeable gaskets) and clean as needed. Build up on gaskets can affect their sealing ability. If the ice maker doesn't seal properly, electricity is wasted and less ice will be produced. Clean with a mixture of mild soap and warm water or baking soda and warm water.



Check the instructions book to see what the manufacturer's recommended cleaning schedule is (some may recommend every two to four months, others a little longer). If you aren't sure about the manufacturer's recommendations, a good rule of thumb is to clean your machine at least every six months.

VACANT OR UNOCCUPIED UNITS

In the Northeast, we are blessed and cursed with four seasons, each being the foundation of various possible issues with unoccupied or vacant units. Units can be unoccupied for different reasons, maybe they are truly vacant or maybe they are idle units that are rented out periodically.



Winters can be especially brutal and it is this time of year where we see an increase of bursting pipes followed by water damage. This damage can be extensive and trickle into surrounding units causing significant repair costs.

Unoccupied units can also become a target for vandalism or even used as makeshift housing for squatters both leaving significant damage in their path.

TIPS TO REDUCE RISK:

- 01.** Walk through any unoccupied units weekly (check for leaking pipes, dripping faucets, broken windows, falling plaster, bug infestations, and other red flags).
- 02.** During cold winter months, check any unoccupied units every 2-3 days, and immediately after severe storms or weather.
- 03.** To avoid bursting pipes, make sure the heat stays on (generally at a minimum of 55 degrees) or the plumbing system is drained.
- 04.** Make sure fire detection devices are linked to a central monitoring service and well maintained.



BALCONIES & DECKS

Because balconies and decks are exposed to the elements all year round, it's a good idea to establish a routine of upkeep that'll protect balconies and decks and prevent expensive repairs. All balconies and decks should be inspected at least once per year to see if they are structurally sound.

Because most balconies and decks are elevated it is almost impossible to avoid injury during a collapse. Injuries resulting from a balcony or deck collapse can be fatal.

PREVENTATIVE MAINTENANCE TIPS:

- 01.** Clearly post the maximum capacity for balconies and decks. Overcrowding and exceeding capacity must be prohibited.
- 02.** Power wash concrete balconies annually to help keep the concrete clean and free of things that may contribute to damage (like salt and oils).
- 03.** Consider applying protective coatings, waterproofers and rust inhibitors available at paint and hardware stores, to help prevent moisture penetration, concrete oxidation (resulting in cracks) and extend the life of the concrete.
- 04.** Check for things such as splintered wood, cracks, loose screws and insect/bee infestations (such as carpenter bees in wood deck material) in wood and composite decking and rails.
- 05.** Check all railings for stability. Is the railing secure? Will it hold if someone leans on or grabs it? Keeping those railings secure is of paramount importance to the safety and well-being of residents.

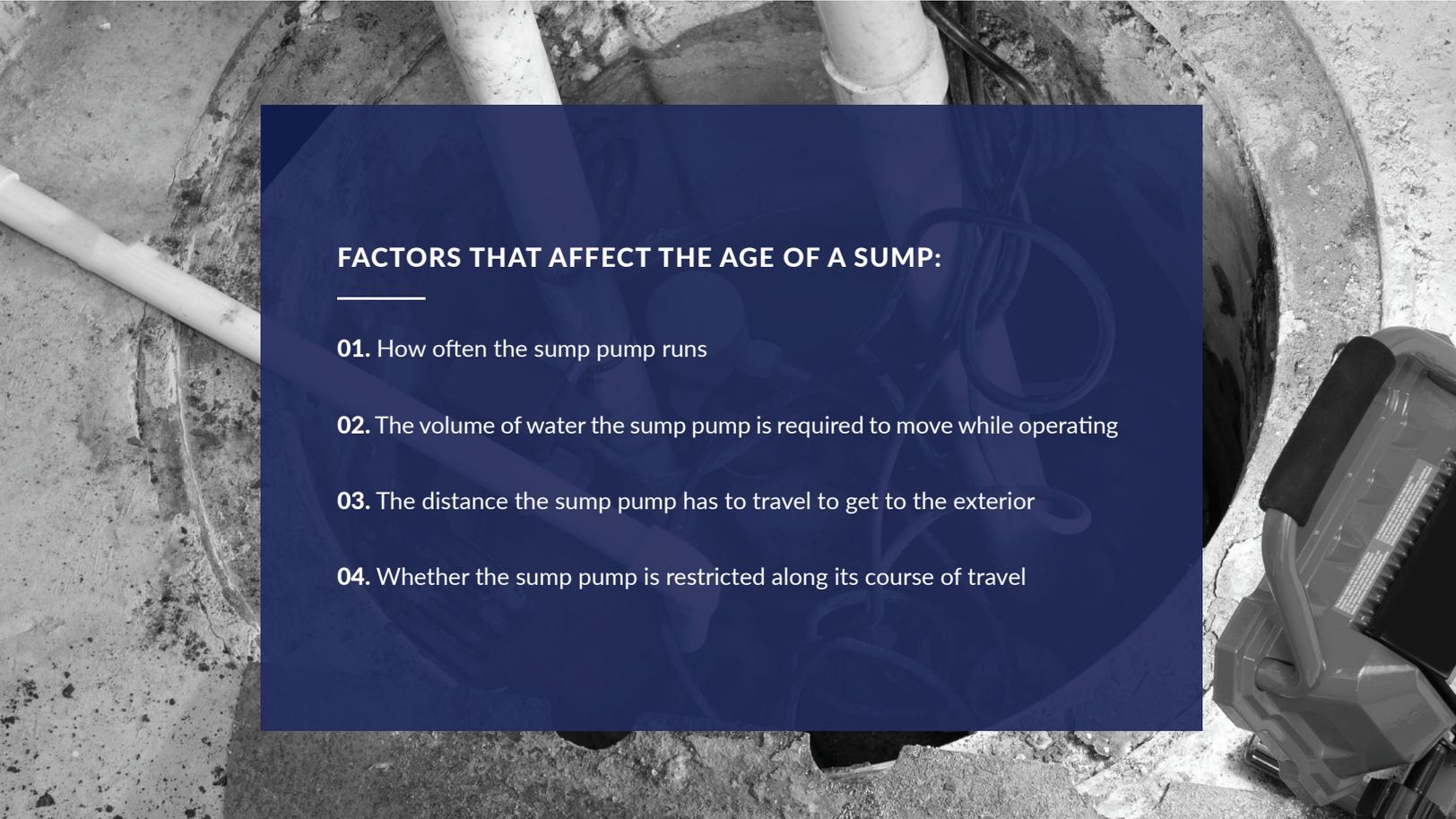


SUMP PUMPS

Heavy rains can overwhelm the sanitary sewer collection system and lead to sewage backup in basements. Be sure your sump pump is working to avoid floods in your basement from late winter/early spring storms.

Sump pumps also perform important functions during normal weather. They drain groundwater from around the basement floors. Removing the groundwater reduces the possibility of the basement floors cracking and shifting from the water pressure and the basement area stays drier and feels less humid.

Molds, mildew and other problems associated with damp areas will not get the opportunity to grow if the basement is kept dry and clean.



FACTORS THAT AFFECT THE AGE OF A SUMP:

01. How often the sump pump runs
02. The volume of water the sump pump is required to move while operating
03. The distance the sump pump has to travel to get to the exterior
04. Whether the sump pump is restricted along its course of travel

PIPES

A crack in a pipe of only 1/8" can result in water flowing out at a rate of 250 gallons in one day! By taking preventive measures before cold weather arrives, you can prevent freezing pipes and the costly damage that goes with them.

According to IBHS, frozen pipes are one of the biggest risks of property damage when the temperature drops and 37% of all frozen pipe failures occur in the basement.

PREVENTATIVE MAINTENANCE TIPS:

01. Insulate pipes, especially those close to outside walls, attics or crawl spaces where the chance of freezing is greatest.
02. Seal air leaks surrounding or near pipes.
03. Disconnect all outdoor hoses and turn off water to exterior faucets and sprinkler systems.
04. Keep heat at 55 degrees Fahrenheit or higher when you are not at home.
05. If the heat goes out during periods of freezing temperatures and the unit gets cold, turn your inside faucets on to allow a slow drip on the hot side faucet and a slightly faster drip on the cold side faucet. Do the same for your outside faucets.
06. Make sure you know where your water shutoff valves are, and how to shut off the water.
07. If this is a regular occurrence or for more peace of mind, contact a local plumber to ask for additional ways they can help you prevent your pipes from freezing.

WOOD BURNING FIREPLACES

Fireplaces can provide a nice way to warm a room and a romantic backdrop, but they can also be a source of potential house fire.

The main cause is due to creosote buildup in the chimney walls. Creosote is the portion of chemical products obtained by the distillation of a tar that remains heavier than water. It is produced in some quantities from the burning of wood and coal in blast furnaces and fireplaces, but can also be due to a faulty fire box or insert.

Fireplaces should be inspected and cleaned by a professional chimney sweep at least once a year and more often if creosote builds up the chimney walls more rapidly (usually due to heavy fireplace use).

A homeowner should expect to pay between \$100 and \$300 for an inspection and cleaning. Some artificial logs now on the market claim to clean out creosote, but they do not substitute for a visual inspection.

PREVENTATIVE MAINTENANCE TIPS:

- 01.** Clean the interior of your wood-burning fireplace after each use. Sweep out or vacuum up cold ashes. Be sure to use an ash vacuum (Never use a regular vacuum). It's also a good idea to keep an ash bucket near your fireplace and wear a dust mask and gloves when cleaning the fireplace.
- 02.** Test out the function of your fireplace by lighting a few small pieces of seasoned wood, lit from the top down. If smoke doesn't exit vertically from the fireplace into the chimney, but enters the room, immediately contact a chimney sweep service.
- 03.** Burn only seasoned, not "green," wood. Seasoned wood is wood that has been cut and dried under cover for at least 6-12 months, registering less than 20% moisture with a meter.



OUTDOOR GRILLS

Open flames can ignite the deck on which the grill is located, the combustible structures above the grill, and the siding and trim of buildings. Grills cause thousands of fires each year and send countless people to the emergency room.



No charcoal cooker, brazier, grill or any gasoline or liquefied petroleum gas-fired stove or similar device should be ignited or used on the balconies or spaces under balconies of multi-family dwellings, nor in a similar manner in any occupancy.

Electric grills are permitted; however, as with any cooking device caution should be used.

REASONS WHY YOUR ASSOCIATION SHOULD ENFORCE THESE RESTRICTIONS

- 01.** Violation of fire codes can result in fines and legal action by the fire marshal.
- 02.** Insurance companies could even refuse to provide an insurance policy for the community association.
- 03.** If a person is injured or property is damaged, the attorney for the injured party will easily argue that the Association was negligent for allowing violations of the fire code and the Association could be held liable.



ICE DAMS

Ice dams on roofs can form when water from melting snow freezes into ice at the edge of the roof-line. Ice dams form as a result of warm air inside the home leaking into the attic and warming the underside of the roof, causing snow and ice to melt.

The melted water drains along the roof, under the snow until it reaches the cold overhang (The overhang tends to be the same temperature as the outdoors, and the water will refreeze and form icicles and possibly an ice dam).

As more snow melts, the dam prevents the water from draining properly, trapping ice, snow and water, which due to its weight, can put a roof at risk of collapse.

Ice dams can also cause leaks, damaging insulation, ceilings, walls and the roof structure.

SIGNS OF AN ICE DAM:

01. Large icicles forming on the roof edge that hang down parallel to the outside walls.
02. Water running down the sides of the building.

PREVENTATIVE MAINTENANCE TIPS:

01. Don't heat the roof, keep it cold. You want the snow to dissipate without making large amounts of meltwater.
02. The underside of the roof deck should not exceed 30 F. The best way to maintain low temperatures is by increasing insulation at the ceiling of the highest heated level to prevent uneven melting of snow from the upper portions of your roof.
03. Make sure there is adequate insulation overall, and seal gaps that let warm air pass into the attic from the house.
04. Keep the attic ventilated so that cold air is introduced and heated air escapes rapidly. A common error in thinking is that heat passing through the attic helps prevent ice dams, when the opposite is actually true. Although excess heat moving from the attic through the roof can melt snow rapidly, once the water touches the cold eaves, it quickly freezes and forms an ice dam.



ELECTRICAL CORDS

Electric outlets, extension cords, and power strips are only designed to handle a certain amount of power. Electrical circuit overloads happen when more amperage is put across an electrical wire or circuit than it can handle.

A small amount of electrical current can cause injury, even death. The current from a 7.5-watt, 120-volt lamp, passing across the chest, is enough to cause fatal electrocution.

The use of extension cords, power strips and outlet adapters greatly increases the chance that more electrical current will be drawn than can be handled by the equipment, resulting in overheating and fire.



IMPORTANT SAFETY GUIDELINES:

- 01.** Select the proper extension cord or power strip for the job. Check the maximum electrical capacity, and make absolutely sure you don't exceed it.
- 02.** Don't overload outlets, extension cords or power strips with too many appliances, or with appliances with too much wattage (space heaters and microwave ovens).
- 03.** Large appliances and equipment (refrigerator or dryer) should be plugged directly into the outlet, and not share the outlet with any other appliance.
- 04.** Power strips and outlet adapters should be avoided or, at best, used for only very low power equipment.
- 05.** Extension cords are misused in all seasons, but particularly at Christmas. Electrical cords should never run from the tree through doorways or under carpets. And it's important to follow the manufacturer's instructions on the maximum number of light strings to connect.
- 06.** Extension cords are classified for either indoor or outdoor use. The insulation, of an outdoor-rated extension cord is made of a special material, designed to withstand temperature changes, moisture, UV rays, and sometimes chemicals. While it's fine to use an outdoor power cord indoors, an indoor-rated extension cord should never be used for an outside job. Doing so could result in an electric shock or a fire.

SMOKE DETECTORS AND FIRE EXTINGUISHERS



Fire prevention should be a top priority for an association and its residents. With that comes the responsibility of reminding residents of certain rules that need to be followed in order to ensure safety.

National Fire Protection Association's (NFPA's) fire department survey show that in 2009-2013, fires in homes with no smoke alarms caused an average of 940 deaths per year (38% of home fire deaths). An additional 510 people per year (21% of home fire deaths) were fatally injured in fires in which smoke alarms were present but failed to operate.

Reminding people about things they feel they already know sounds like nagging, but it only takes one small ember, and a lot of residents could find themselves without places to live or a lot worse.

Fire prevention is a continuous effort at reminding people to use caution and common sense. Don't put it aside because it's boring.

Both hardwired smoke detectors and fire extinguishers should be tested annually. Battery operated smoke detectors should be replaced twice a year. An easy reminder is Daylight Savings time. If possible, 10 year lithium batteries should be used,

SUMMARY



Community association board of directors have a fiduciary responsibility to maintain the association. And it is usually more cost effective to take proactive steps to maintain the building and to educate and remind the homeowners on what are safer ways to live within a community association.

The association can work with the property manager and industry experts to develop a routine preventative maintenance schedule. The schedule should specify when common elements will be routinely inspected, adjusted and repaired.

Regularly monitoring the property eliminates surprises. The association will be able to catch minor problems and correct them before an expensive repair is needed. This, of course, helps control costs by extending the life of common elements, which in turn reduces the money that must be reserved for an eventual replacement.

Invest in preventative maintenance for your building. Your association budget will thank you!

ABOUT MACKOUL RISK SOLUTIONS

Mackoul Risk Solutions is recognized as one of the finest personal service insurance agencies in the New York & New Jersey area specializing in real estate insurance for condominium and cooperative associations and residents.

We have been building customized insurance plans for property owners and property managers for over 30 years. Our expertise, loss control, and ability to deliver insurance products through a vast array of insurance carriers enable us to provide comprehensive coverage, often at significant savings.

Whether you are a landlord, board of director or managing agent, we provide resources to help you. We make it easy for you to get comprehensive coverage with customizable options, so you can rest easy knowing your property is insured by an agency that specializes in real estate and understands the issues and risks that confront you.

GET IN TOUCH

Headquarters

Island Park

25 Nassau Lane
Island Park, NY 11558

Main: (516) 431-9100

Toll free: (866) MACKOUL / (866) 622-5685

Fax: (516) 871-1355

www.mackoul.com

New York City

25 West 64th Street | Suite 4A
New York, NY 10023

Main: (212) 391-8280

Fax: (212) 391-6422

New Jersey

55 Madison Ave | Suite 400
Morristown, NJ 07960

Main: (732) 316-8390

Fax: (732) 862-1168

