

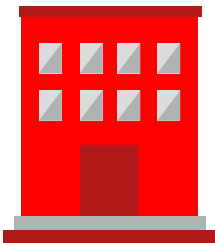
Building up your risk profile

While we're here to pay to claims if the worst happens, we're all about trying to keep you and your property safe and secure in the first place.

From construction and maintenance, to fire and security protection and environmental factors – there's a lot to think about when you're a landlord or building owner. And while the risks are varied, there are many simple ways to reduce them – keeping your buildings, and the people in them, safe and secure.



The basics



Must haves

Important questions you should always be asking:

- ✓ What's the building made from, what does it need for maintenance, and are all systems running well?
- ✓ Is the right fire and security protection in place?
- ✓ What are tenants using the space for and what are the specific risks?
- ✓ What is the surrounding area like and what risks could that pose?
- ✓ How protected is our location from natural disasters for example flooding?

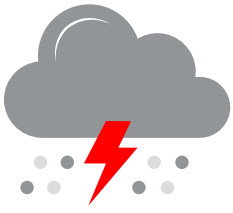
Keeping structures safe



Must haves

- ✓ The structure of the building – from the floors to the walls to the roof – should be in good condition, maintained well and prevent easy access to the interior of the building.
- ✓ Make sure your tenants don't alter the building in a way that compromises the built-in fire protection measures. Walls, doors and where services, such as plumbing or cables, go from one area to another, are often protected in a way to prevent the spread of smoke and fire.
- ✓ Any locks, latches and hinges should be in good working condition and secure doors and windows properly.
- ✓ Older buildings can have less earthquake resilience than modern ones. Consider having a detailed Engineering Evaluation done to determine the building's strength. Your report will indicate if work is required and if so, a structural engineer will be able to assist.

Weather watch outs



While you can't control wild weather, you can reduce the risks that come with it.

Best practice

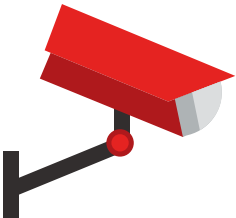
- Be aware of what weather or flood events are likely to affect your building or business. This can help you plan what needs to be done.
- Keep trees and shrubbery well-trimmed, and remove diseased or damaged limbs. Ask a professional arborist to assess and strategically remove branches to allow wind to blow through the trees.
- Protect water and other pipes from freezing using insulation, or install heat tape.

- Remove snow and hail from gutters as soon as it's safe to do so. This will reduce the possibility of subsequent rain overflowing gutters.

Must haves

- ✓ Ensure the building is well maintained, that walls and roof are watertight. Make sure doors and windows are close fitting.
- ✓ Make sure gutters and down pipes are not blocked by leaves or rubbish. Check before the winter season, or more frequently if needed.
- ✓ Inspect channel drains, yard storm water outlets and sumps and make sure they are all free-flowing and that curb side gutters are not blocked by leaves and rubbish.

Securing the building and the grounds



Must haves

- ✓ Make sure outdoor areas are physically secure. Things like high fences, bars on accessible windows, roller shutter doors, ram raid protection and good outdoor lighting help make this happen.

- ✓ Tenants should have a monitored alarm system and internal and external CCTV – ideally high definition, motion sensing and infrared so images in low light are clear.
- ✓ ATMs should ideally be inside where they're less prone to attack. If located in an external wall strong ram raid bollards can help protect the machine.

Vehicle impacts



Reducing the chance of vehicle impacts.

Must haves

- ✓ Wheel stops and sturdy bollards can protect the vulnerable parts of the building. Think of places like loading docks, parking areas, building corners and narrow driveways.

- ✓ It's best to display maximum height signage to help drivers and direct traffic away from the canopy/overhang.

Intentional damage and arson



Must haves

- ✓ Remove tagging and graffiti as soon as possible to discourage further attacks. Using anti-graffiti paint or coating makes clean-up easier.
- ✓ Keep skips and bins secured in the building or at least 10m from the outside walls. If you can, try lockable skips and bins and replace cardboard cages with solid sided bins.
- ✓ Make sure the outside of the building is well lit.
- ✓ Do regular checks on unoccupied buildings. Non-essential building services (like water) should be turned off to prevent leaks but building protection systems should be left running.

Get the fire risk down



Having the correct equipment and protection in place can reduce the potential for loss.

Must haves

- ✓ Make sure automatic sprinkler or fire detection systems, where installed are operated and maintained in line with NZ standards (NZS 4541 or NZS 4512).
- ✓ Having the right number, size and type of fire extinguisher is important and specialist advice should be obtained from a fire equipment contractor. As a minimum every tenant should have at least one general purpose 4.5kg dry powder or 3.5kg CO2 fire extinguisher, and tenants with deep fat fryers need wet chemical units (min 3.5l).
- ✓ Not all buildings need a sprinkler or fire detection system, but it's worth considering to protect your investment.
- ✓ If your building is sprinkler protected, tenants need to know how high they can stack goods, the types of items they can store and the best way to stack them so that the sprinklers aren't compromised.

Maintenance checklist starter

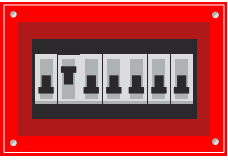


A maintenance schedule makes life easier.

Best practice

- Ensure the BWOFF is up to date.
- Wash your building as needed.
- ✓ Undertake internal and outdoor inspections to check on bins, lights, smoking and other issues regularly.
- ✓ Check for wear and tear, any damage, and security risks.
- ✓ Check Sandwich panel construction for damage or exposed core.

Electrical system safety checklist



Naturally, faulty electrical systems can be dangerous. Checks we recommend include:

Best practice

- Maintaining all electrical equipment according to the manufacturer's guidelines.

Must haves

- ✓ **Periodic Verification (visual inspection and limited testing) for older buildings or where there are ongoing electrical problems, or the electrical system shows wear and tear. An electrician will be able to advise.**

- ✓ **Thermographic imaging of switchboards to identify elevated temperatures (which can indicate potential failure) and overloading.**
- ✓ **Regular checks by an electrician detecting elevated temperatures or overloading.**

Watching out for water damage



With routine checks and a proper plan, the risks can be seriously reduced.

Best practice

- Plumb washing machine and dishwasher outlets into the wastewater pipe, not simply with the waste pipe hooked over a sink.

Must haves

- ✓ **Know where the water shut off valve(s) are for the water supply. Where possible, shut off the water supply during extended shutdowns or when not needed e.g. over the summer holidays or in an unoccupied building.**
- ✓ **Ensure flexi-hoses are checked regularly and replaced if showing signs of damage – or every 10 years otherwise.**

- ✓ **Check shower enclosures for signs of deterioration, especially to the wall boards/tiling.**
- ✓ **Inspect plumbing, water pipes and waste lines for leaks, damage or corrosion. Check that all basins, tanks, etc have overflow facilities. Process tanks should be bunded.**
- ✓ **Check and clean the roof regularly. This is important before the winter season and after storms. Pay attention to membrane-style roof coverings as these have a limited life and can be affected by environmental exposures.**
- ✓ **Check flashings where the walls and roof meet, and also pipes and skylights where they penetrate the roof covering.**

Stay in touch with your tenants



While you can't control all risks when you have tenants, having a good relationship allows you to work together to minimise some of them.

Best practice

- **Cooking** – ensure cooking appliances are located and used correctly, that housekeeping and cleaning practices are good. It is important that kitchen extract ducts are regularly cleaned.
- **Laundry** – determine if proper practices are being used to minimise the risk of spontaneous ignition of laundered items.
- **Manufacturing processes** – make sure that processes involving high temperatures and pressures, combustible materials and hazardous substances are managed appropriately.
- **Storage of goods** – ensure that goods are stacked properly, that housekeeping standards are high and storage heights are within the capability of any sprinkler installation.
- **Spray painting/panel shops** – determine if the spraying / drying operation and storage of flammable liquids is legally compliant.
- **Woodworking** – confirm that the workshop is neat and tidy, that housekeeping is good and that saw dust and off cuts are regularly removed from the workshop.
- **Engineering/metal work** – make certain that cutting welding and grinding is managed properly.

Other risks to watch out for:

- **Hazardous substances** – ensure that the storage and use of hazardous substances is legally compliant with suitable controls are in place.
- **Burglary risks** – confirm that tenants have security measures that suit the nature of their business, especially where high value or attractive items are present. Often the costs of damage to shop fronts exceeds that of the stolen items.
- **Forkhoists and goods-handling equipment** – confirm that operators are trained and where necessary licensed. Battery charging areas should be clear of combustibles and gas cylinders stored properly.
- **Sandwich panel fit outs** – that sandwich panels are correctly installed and maintained.

Good management



Managing through change and interruptions.

Best practice

- Regularly check and maintain fire appliances and fire protection systems.
- Ensure you comply with all requirements around storage and management of hazardous substances.
- Make sure you have the appropriate permits and work systems in place when undertaking hazardous activities, such as hot work, working at height, in confined spaces etc.
- Ensure that proper procedures are in place if fire systems like the sprinkler system is out of commission for more than a few hours.
- Control smoking on site and limit this to a designated smoking area with suitable containers for the safe disposal of smoking materials.
- Keep fire exits clear at all times.

Visit vero.co.nz/risk-profiler to check out our other advice sheets for more tips and in-depth information about managing risk.

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Disclaimer – The information presented is of a general nature only and is provided only to help you understand some of the physical risks a business may have and what an insurer might expect you do to manage those risks. It is not intended for any other purpose. You should always seek appropriate professional advice about how you manage the particular risks in your business. No representation or warranty, expressed or implied, is made as to the accuracy or completeness of the information and no responsibility is accepted for any loss, penalty or damages (including special or consequential damages) arising out of the use of all or part of the information. The information presented does not replace the need for appropriate professional advice. Reliance on this communication will not affect or influence policy response.