

West Bend Claim Examples: FIRE SUPPRESSION



West Bend could not be known as The Silver Lining® were it not for our highly-specialized and experienced claims and legal professionals, and their ability to completely handle the diverse and unique claims of our specialty lines customers. Here are a few examples.

IMPROPER INSTALLATION OR MAINTENANCE

A fire suppression contractor was hired to install a system in a restaurant. After a grease fire caused more than \$700,000 in damage, it was found the system had an inadequate number of fuse links and nozzles. The case was settled for \$350,000; almost \$125,000 was spent on experts and attorneys.

A fire suppression company installed and serviced a system in an office building for a number of years without a problem. The company did some minor maintenance work shortly before the system froze up. The water damage caused when the system failed totaled more than \$1,000,000. A vigorous defense was mounted and a settlement of \$140,000 was reached. More than \$175,000, however, was spent on experts and attorneys.

A fire suppression company didn't install the dry system in a building, but it had inspected the system for years. When the system froze, the water damage exceeded \$1,350,000. In the lawsuit, building owners argued the company should have identified problems with the system during the inspections, but failed to do so. The fire suppression company argued it conducted complete inspections and that this problem could not have been identified. Unfortunately, the company didn't properly document its inspections, so there was no proof. The case was settled for \$60,000; experts and attorneys cost more than \$100,000.

A fire suppression system was incorrectly installed in the kitchen of a country club. The primary problems were with the location and degree settings of the fuse links. Because the system wasn't working correctly, a fire caused more than \$1,000,000 in damage to the building. A spoliation defense was raised, however, because the scene was altered before an inspection could be made. The case was settled for almost \$150,000 with another \$80,000 in legal expenses paid.

MISTAKES

A fire suppression system was being installed in a paint booth when sparks from drilling holes started a fire. Paint ignited and the fire quickly spread outside the confines of the paint booth. The fire caused more than \$850,000 in damage and the case was settled for \$350,000. The defense was able to show the owner of the property failed to comply with NFPA and OSHA standards in maintaining the property. Experts and attorneys cost another \$45,000.

A worker was trying to fix a leaking coupling on the fifth floor of an office building. Whether out of frustration or because he thought it might actually do some good, he hit the coupling with a hammer. It broke and the water was no longer merely leaking. Damages of \$285,000 were paid; loss adjustment expense was less than \$10,000.



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After gluing together sprinkler lines and waiting a while for them to dry, a worker felt enough time had passed and charged the system. A connector promptly failed, causing water damage. Fortunately the worker recognized the mistake quickly and the loss payment only amounted to \$15,000. No expense was incurred. The instructions clearly indicated how much time should pass before charging the system; it was clear the worker had not followed the instructions.

While working on an alarm panel, the worker failed to turn off the valve on a deluge sprinkler system resulting in flooding on several floors of a commercial structure. The loss paid was more than \$100,000, but the expense incurred was only \$2,500 because the worker/company quickly admitted the error. In another case, the building contained more than one suppression system, and the service technician disarmed the wrong system while performing maintenance. This resulted in a loss payment of \$35,000 and no expense paid.

While a fire suppression system was being installed in a large building, some pipes were not properly sloped. After the system froze and failed, causing a water loss, a dispute arose as to whether or not the building's owner had been clearly advised that drip drains needed to be properly maintained and how to do so. The building owner's loss of \$375,000 was settled for about \$117,500. Experts and attorneys cost \$40,000.

DUCT CLEANING

Despite doing nothing more than regularly cleaning the duct system, a fire suppression business was put on notice following a \$1,000,000 fire in a restaurant. There were many problems with the fire suppression system, which did not go off, and it was initially alleged the system was disconnected during the duct cleaning. A vigorous defense was raised before and after the formal scene inspection. As a result, when the lawsuit was filed, the business that cleaned the ducts was not named as a defendant. No loss was paid, but it cost \$30,000 to obtain that result.

"YOU'RE THE EXPERT!"

A water loss occurred when a dry sprinkler system failed. Not long before that, work had been done on the air compressor. The building owner was told the air compressor should be hard-wired, but this wasn't done. Even though the owner had been advised to hardwire the air compressor, a job the fire suppression contractor could not do (an electrician would have to do it), the fire suppression contractor was blamed for a \$700,000 loss. The building owner claimed the contractor was the "expert" and should have gotten him to do what needed to be done. Fees and expenses of almost \$175,000 were incurred before the claim could be resolved at mediation for a nominal loss payment of \$35,000.