Incorporating advanced technology in your risk management plan reduces risk of water damage

10 months ago

Increasingly, water damage is a major challenge for organisations across the entire built environment, from general contractors, developers, facilities and property managers to property owners and insurers. Project delays, material costs, remediation and removal, and reputational damage have been ongoing risks for years. Recent steep increases in the cost of insurance claims and skyrocketing deductibles related to water damage have amplified the risk and created a sense of urgency among stakeholders.

Yaron Dycian, chief product and strategy officer for WINT – Water Intelligence, tells us more.

Over the last several years, the amount and cost of water damage claims has exponentially grown. In response to the rising risk, the cost of insurance premiums to cover water damage has climbed sharply, with effects rippling throughout the economy. In the U.K., water damage is one of the most common claims related to building projects.

In these conditions, combined with chronic labor shortages, inflation, continuing supply chain disruptions and a climate of general economic uncertainty, water damage has become an unacceptable risk. Now more than ever, it is clear that a comprehensive risk management strategy, including an effective approach to mitigating the risk of water damage, is critical to the success of any facilities management team.

New technology provides a proven method for improving water efficiency and peace of mind throughout the lifecycle of a building, from construction through ongoing operations. Groundbreaking smart building

solutions mitigate risk and damage through the application of advanced water management technology, combining artificial intelligence and machine learning algorithms.

Outdated technology such as floor-based sensors is still in widespread use, despite its obvious lack of precision and inability to monitor usage patterns in real time. The latest generation of IoT edge-devices and AI-powered machine learning-based systems reduces water-damage risk to a fraction of its current level. Facilities management teams can proactively mitigate water damage risk with connected solutions that learn and analyze normal water consumption patterns, alert staff when an anomaly usage is detected and even automatically shut off the water supply at the source of an impacted location. With powerful connectivity capabilities, the best systems operate over Ethernet, WiFi or cellular networks, enabling maximum coverage. With backup power supply, they're viable in remote locations and can operate before Internet or electrical infrastructure has been installed and continue operation in the event of a power outage or service interruption.

A growing number of large, reputable contracting and development companies are deploying such technology with impressive success worldwide. In order to reduce project delays and manage insurance costs, one large multinational general contractor mandated implementation of inline, AI-powered technology across its construction sites. In the subsequent three years, the company has not reported a single water-related incident. In addition to nearly eliminating the risk of water damage, the company has reported a reduction in average overhead costs per project and a noticeable decrease in water consumption, which reflects major savings on utility costs.

The demonstrated success and increasing recognition of advanced water management technology is giving rise to other important developments. Many insurers offer financial incentives and reliefs such as lower deductibles and premiums to customers who implement proven technology systems to manage water damage risks, while others simply require an approved installed system as a prerequisite for insurance coverage.

A recently launched warranty program backed by a leading international insurer provides specific coverage for water damage on construction sites, protecting general contractors and developers from the steeply rising costs of water related deductibles. This assists in reducing and in some cases even eliminating the exposure to high deductibles that are very common in the market.

These benefits are just a few of the immediate, measurable results technology driven solutions offer businesses involved in the planning, construction, and operation of buildings. Technology is transforming the build landscape and empowering new opportunities for a variety of organizations to reduce risk and double-down on profitability and sustainability. Yaron Dycian is chief product and strategy officer for WINT Water Intelligence, a start-up tech company that developed artificial intelligence-powered leak detection and mitigation solutions. WINT serves some of the world's largest organisations and used globally by customers including the Empire State Building, HP, PepsiCo, Suffolk Construction, as well as many other leading enterprises, general contractors (GCs) and facility owners.