

Butterfield Gardens

When dealing with a business fire, key things to know include: immediately contacting your insurance company, having a detailed fire evacuation plan, identifying potential fire hazards within your business, assessing structural safety after the fire, documenting all losses and damages, and ensuring everyone is safely evacuated; you should also consider contacting a fire marshal for a report and potentially hiring a public adjuster to assist with claims.

DON'T WAIT FOR DISASTER TO STRIKE, BE PROACTIVE

Fire protection is a must for any business or commercial property owner. While no property is 100 percent immune, there are a number of preventative measures a business or property owner can take to reduce their exposure and risk, as well the amount of damage that might occur should disaster strike.

Does this require extra effort on the part of the property owner or business? Yes. But because fire can be such a destructive force – especially in high-risk, high-density areas – the time and effort spent installing and maintaining effective fire suppression systems, developing an emergency response plan, and performing regularly scheduled maintenance is a drop in the bucket compared to what it will cost to restore and repair the damage.

Primary Fire Damage Versus Secondary Fire Damage

When it comes to fire damage there are two types. Primary fire damage is the evidence that a fire has taken place. For example, charred materials, ash, and soot. Secondary fire damage has to do with the things you don't see. For example, the strong odor that worms its way into every surface, fiber, and material as a result of smoke disbursement.

Water damage that occurs as a result of fire suppression systems like sprinklers or a hose team is also considered secondary damage.

What Is Considered Fire Protection?

The term fire protection is pretty self-explanatory. It involves the steps a property owner or business can take to reduce their risk of a fire event. It's also important to remember that there is no one-size, fits-all solution as to what is considered the right amount of fire protection. Different properties share different risks. A factory or warehouse that houses highly combustible materials is going to require a different level of protection compared to a small one-story business office or, for some of you, a single-family home.

Determining The Level of Fire Protection Needed

Fire protection and fire safety requirements often vary by region, business type, and the size of the structure. It may also depend on things like population density and the odds a fire event may occur. This is especially important in areas prone to wildfires.

With that being said, it is always recommended to review any local rules, regulations, and ordinances that may be required for a business to operate. For example, a commercial warehouse in a wildfire-prone area may be required to create a defensive space around their structure by removing brush, twigs, and dead trees from the ground, dead leaves from gutters, and removing things like pallet stacks stored out in the open. Failure to do so may result in fines, the cancellation of a business license or, in the worse cases, legal action should the property be accused of negligence.

Important aspects of a business fire

Fire safety plan:

A comprehensive plan that outlines procedures for fire detection, alarm activation, evacuation routes, and employee responsibilities.

Fire prevention plan requirements (OSHA)

A fire prevention plan must be in writing, be kept in the workplace, and be made available to employees for review. However, an employer with 10 or fewer employees may communicate the plan orally to employees. [[29 CFR 1910.39\(b\)](#)]

At a minimum, your fire prevention plan must include:

- A list of all major fire hazards, proper handling and storage procedures for hazardous materials, potential ignition sources and their control, and the type of fire protection equipment necessary to control each major hazard. [[29 CFR 1910.39\(c\)\(1\)](#)]
- Procedures to control accumulations of flammable and combustible waste materials. [[29 CFR 1910.39\(c\)\(2\)](#)]
- Procedures for regular maintenance of safeguards installed on heat-producing equipment to prevent the accidental ignition of combustible materials. [[29 CFR 1910.39\(c\)\(3\)](#)]
- The name or job title of employees responsible for maintaining equipment to prevent or control sources of ignition or fires. [[29 CFR 1910.39\(c\)\(4\)](#)]
- The name or job title of employees responsible for the control of fuel source hazards. [[29 CFR 1910.39\(c\)\(5\)](#)]

An employer must inform employees upon initial assignment to a job of the fire hazards to which they are exposed. An employer must also review with each employee those parts of the fire prevention plan necessary for self-protection. [[29 CFR 1910.39\(d\)](#)]

Key elements of a business fire safety plan

1. Fire Hazard Identification and Prevention:

- **Assess potential hazards:** Identify all possible fire sources within the workplace, like electrical equipment, flammable materials, cooking appliances, and potential ignition sources.

To identify fire hazards, you can consider the following:

- **Combustible materials**

Flammable solids, liquids, and gases can ignite easily and spread fire quickly. Store and segregate flammables properly, keep areas clean, and limit clutter.

- Identifying fire safety hazards is essential in preventing fires. Some common signs of fire hazards include: Electrical equipment that is damaged or overheating. Accumulation of combustible materials, such as paper, cardboard, or debris.
- **Storage and handling procedures:** Establish proper storage methods for flammable materials, including labeling and segregation.
- **Electrical safety:** Regularly inspect electrical wiring, cords, and outlets for damage; address overloaded circuits. Faulty electrical equipment and wiring is a leading cause of workplace fires. Overloaded circuits, damaged cords, and outdated wiring can spark fires.
- **Housekeeping practices:** Maintain a clean workplace, removing clutter and combustible debris.
- **Smoking policy:** Implement a strict no-smoking policy in designated areas.

- **Flammable liquids**

Flammable liquids like gasoline, cooking oil, or diesel fuel can easily cause blazes, even with minor sparks.

- **Smoking**

Smoking materials can ignite flammable materials, causing a fire to spread quickly. Establish designated smoking areas, and never smoke near flammable materials.

- **People at risk**

Consider people who may be in your building, such as people sleeping, people in noisy environments, and people who work out of normal office hours.

- **Sources of oxygen**

Consider sources of oxygen other than the air around you, such as air conditioning systems, oxygen cylinders, and fireworks.

- **Hot processes**

Consider hot processes like welding or grinding.

2. Fire Detection and Alarm System

- **Smoke detectors**

Install smoke alarms on every floor, in hallways, and near potential fire sources, ensuring they are properly maintained and tested.

- **Heat detectors**

Consider additional heat detectors in areas with high heat sources.

- **Alarm system**

Set up a fire alarm system with audible and visual alerts, connected to the fire department if necessary.

- **Testing and maintenance**

Regularly test all fire detection devices and maintain them according to manufacturer instructions.

3. Evacuation Procedures

- **Exit routes**

Identify all designated exit routes and clearly mark them with signage.

- **Assembly point**

Designate a safe assembly point outside the building where all employees must gather during an evacuation.

- **Evacuation plan**

Create a detailed evacuation plan including floor plans with escape routes, and assign specific roles to employees like floor marshals.

- **Practice drills**

Conduct regular fire drills to ensure employees are familiar with evacuation procedures and can exit the building quickly and safely.

4. Fire Extinguishing Equipment

- **Fire extinguisher types**

Select appropriate fire extinguishers for different types of fires (A, B, C, K) and place them in accessible locations.

- **Training**

Train all employees on proper use and maintenance of fire extinguishers.

- **Inspection and maintenance**

Regularly inspect fire extinguishers for damage or low pressure.

5. Emergency Response and Communication

- **Emergency contact list**

Maintain a list of emergency contact numbers including local fire department, emergency services, and key personnel.

- **Communication plan**

Establish a clear communication plan for during a fire emergency, including procedures for notifying employees, alerting emergency services, and providing updates.

- **Employee training**

Educate all employees on the fire safety plan, emergency procedures, and their assigned roles in case of a fire.

Important Considerations:

- **Building codes and regulations**

Comply with all local fire safety codes and regulations applicable to your business.

- **Regular review and updates**

Periodically review and update your fire safety plan to reflect any changes in the workplace or fire safety regulations.

- **Accessibility needs**

Ensure the fire safety plan addresses the needs of employees with disabilities.

- **Fire hazard identification**

Recognizing potential ignition sources like electrical wiring, flammable materials, and cooking equipment within your business.

- **Evacuation procedures**

Clearly defined exit routes, assembly points, and designated personnel to assist with evacuations.

- **Fire alarm monitoring**

Regularly checking and maintaining fire alarms to ensure they are functioning properly.

- **Employee training**

Educating all employees on fire safety protocols, proper use of fire extinguishers, and evacuation procedures.

- **Insurance coverage**

Understanding your business fire insurance policy and reporting a fire claim promptly.

- **Post-fire assessment**

Evaluating the structural integrity of the building, assessing damage to property and inventory, and documenting everything for insurance purposes.

- **Contacting authorities**

Reporting the fire to the fire department and obtaining a fire report from the fire marshal.

- **Legal considerations**

Complying with local fire safety regulations and building codes.
What to do after a business fire:

- **Ensure everyone is safe**

Prioritize the safety of employees and customers above all else.

- **Call your insurance company**

Notify your insurance provider immediately to begin the claims process.

- **Document Damage**

Take detailed photographs and make a list of all damaged property and inventory.

- **Secure the site**
If possible, secure the fire-damaged area to prevent further damage and protect evidence.
- **Contact professional**
Hire a fire damage restoration company and a public adjuster if needed.

Develop a recovery plan

Determine how to temporarily operate your business while repairs are underway.

You may have to set up a temporary location to continue operating, or you may have to close your doors until sufficient repairs are made or inventory is replaced. Either way, the costs can take a big bite out of your bottom line. Thankfully, most business insurance policies cover fire losses.

1. Take Steps to Prevent Further Damage

All policyholders are required to take mitigation steps to protect any remaining contents or structure after the fire has been extinguished. If the policyholder fails to mitigate the loss to undamaged property, then the carrier can deny coverage for the additional damage.

"While each loss is different, tarping roof holes, turning off water mains in cold weather conditions and adding security fencing around the damaged building are just a few examples of the types of loss mitigation that the carrier expects to see upon their arrival. Using your contractor or maintenance staff for mitigation purposes may not be enough to satisfy the carrier's requirements so I suggest that business owners call a professional loss consultant as soon as possible to help them determine what mitigation steps are required under their purchased policy."

Bill Sharpe

Regional Director at Texas-based Jansen/Adjusters International

2. Speak to the Experts

Business owners should take the lead by speaking to their own experts and emergency responders. This can include procuring their own fire report from the fire marshal office, requesting current building codes from the local building department inspectors, hiring a public adjuster to guide them through the claims process and enlisting the help of engineers and architects to determine the extent and cause of the damage.

"The first mistake that a business owner makes is assuming that their insurance company will take care of all the details and look out for their best interest but, due to heavy workloads and competing interests, this is not always the case. We always recommend that the insured stay active in procuring their own experts and collecting their own documentation. A licensed public adjuster, who works only for the policyholder and not for the insurance company, can assist with this process."

Luis R. Esteves

Principal & Executive General Adjuster at Texas-based Jansen/Adjusters International

3. Notify Your Insurance Company

All policies require that the policyholder notify the insurance company from which the policy was purchased within a reasonable time after the damage-inducing incident occurred. Policyholders should be ready to provide their insurance company with the date and time that the fire occurred, a copy of the fire report if it has been completed and any other preliminary details they may have regarding the extent of damage and required repairs.

"Commercial policyholders need to remember that their insurance policy is a contract between their company (the “insured”) and the insuring body (the “insurer”) and that makes this step one of the most important. However, they do not need to sign any binding settlement agreements or repair cost estimates at this point. They only need to notify the insurance company that damage has been sustained."

David Moore

Chief Operating Officer at Texas-based Jansen/Adjusters International

4. Stay Organized

Create a tabulated binder to hold copies of your full insurance policy as well as all estimates, written communications, receipts, claim-related notes, and back-up documentation. An adequate organization system will help the owner to prove their claim and to meet all of the required policy conditions.

"Organization is the number one tool we use when presenting a claim. There is a world of difference between meeting the insurance company’s representative with an organized binder of claims presentation materials and just handing them a messy box of crumpled papers. It is always the policyholder’s responsibility to prove their claim but unless these documents are presented in an organized and supportable manner, they will have very little chance of recovering a full settlement."

Luis R. Esteves

Principal & Executive General Adjuster at Texas-based Jansen/Adjusters International

5. Know That Fire Claims Are Unique

Fires are unique in a number of ways but smoke damage and water damage are often the biggest challenges. The insurance company’s representatives may fail to look for deterioration beyond what they see on the surface. However, smoke from the fire and water used to extinguish the flames can often seep behind walls, under flooring and above the ceiling. This undetected damage can later lead to weakened building materials and hazardous mold growth.

"Damage caused by smoke and water is sometimes worse than that caused by the actual fire because it can be hidden or found in another part of the building. Missed smoke or water damage sustained in December may become a huge problem the following June when rising temperatures and humidity cause the smoke and water to heat up and spread."

Benny Wright

Regional Sales Manager at Texas-based Jansen/Adjusters International

6. Stay Calm to Avoid Bad Decisions

The fear of halting operations and the urgency to reopen can cause many business owners to make expensive compromises during the claims process. Although this may help the business to reopen more quickly, rushing can lead to larger financial losses down the road when the building is compromised and additional repairs must be made at the owner's expense, and also resulting in longer disruption of the business.

"It's understandable that business owners don't want to lose existing customers or delay orders but rushing to reopen can lead to major problems later. Owners should take a step back and assess the big picture. Rather than becoming consumed with reopening quickly, they should focus on getting any repairs or rebuilding done right."

Benny Wright

Regional Sales Manager at Texas-based Jansen/Adjusters International

Although it may never be possible to be 100% prepared for any and all types of business fires, by planning ahead, working with qualified experts and following the tips above, business owners will have a much better chance at thriving financially after major property losses.