



THE CHANGING RISK ENVIRONMENT

As property trends evolve, so can the associated risks. That's why it's important to choose a company like Travelers. We routinely evaluate the changing risk environment and offer comprehensive coverage, terms, conditions and pricing to help make sure properties are adequately protected. Yet, we also recognize that with diverse portfolio attributes – from commercial and mixed-use buildings to vacant lots – some risks may be more complicated than others, calling for extra care in evaluation and pricing. Let's take a closer look at a few examples:



INJURIES ON PREMISES

Anytime someone visits a property, there is potential for injury – consider the contractor who comes on-site to make a repair, patrons visiting a tenant's business, guests who convene in the lobby for a special event, residents who use a vacant lot as a playground or dog park. Poorly maintained walkways, slippery floors, amenities such as rooftop terraces or yoga studios and unmarked hazards are just some of the potential risks.

Property owners and managers may be liable for injuries that occur inside buildings, on exterior premises or in vacant lots. Proper maintenance, safety protocols and slip, trip and fall prevention are important factors to consider when evaluating a property or portfolio.

DEVELOPMENT RISK

Real estate portfolios can consist of turnkey properties that don't require repairs or renovation, as well as properties built from the ground up because of a specific vision for a new office complex, mixed-use development or retail center. With new developments, the risks associated with construction defects (e.g., faulty materials, installation or workmanship) can be significant, increasing the potential for costly liability lawsuits. This is particularly true for residential developments where there can be many claimants involved in a construction defect claim.

Likewise, tear-downs and renovations come with additional exposures related to unfinished structures, on-site equipment and building materials, safety, compliance with local ordinances and leasing/financial risk. Having proper controls in place to mitigate risk is critical.

LIFE SAFETY

From fires caused by electrical wiring to flooding caused by a severe storm, emergencies can occur at any time. Given the severity of these situations and their ability to escalate quickly, it is important to take proper precautions. Whether it's a poorly marked emergency exit, inadequate lighting in a stairwell, security doors that don't lock or alarms that don't function properly, building owners may be responsible for providing adequate life-safety measures for occupants and visitors depending on lease agreements.

SECURITY

Property owners and managers understand the importance of deterring assault, theft and other illegal activity on their premises. Security precautions shouldn't be limited to after-hours, because security threats can occur at any time of day – even when properties are bustling with activity. Building size, location, occupancy types and accessibility all play a role in determining the security resources and response protocols necessary to help keep a property and its occupants safe and secure.

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RESIDENTIAL PROPERTIES

Apartment buildings and condominiums require careful evaluation for a variety of reasons: 1) With round-the-clock occupancy, the potential for a liability loss is greater; 2) Building owners may have little control over resident activities that could result in property damage or bodily injury; 3) Property managers may have limited access to individual units to address developing water, electrical or other maintenance issues that could result in a large loss; and 4) Pools, playgrounds, balconies, rooftop decks, fitness facilities and other amenities can create additional risk. Habitational properties need to be compliant with all current building codes and have proper controls in place to address fire, water damage, security and life-safety risks.

MIXED-USE

Building owners are pulling out all the stops to turn their investment properties into destinations and attract the attention of demanding consumers. A retail store is now an experience, an office is an environment and mixed-use developments are a blend of working, shopping, entertainment and residential space. Whether it's a pop-up farmers market, a weekend jazz festival, a seasonal family attraction, a food fair or a craft brewers festival, events that attract large crowds and offer diverse activities can also increase the potential for injury, property damage, assault and theft, and perhaps liquor liability. Bottom line – when it comes to mixed-use real estate, insurance may be more complex than a typical brick-and-mortar commercial building.

WEATHER CATASTROPHES

Every region is prone to potentially catastrophic weather events – hurricanes, tornadoes, straight-line winds, wildfires, flooding, hail, heavy snow, ice storms, arctic freeze and the like. A seemingly small storm can become disastrous, causing severe damage to property and structures. Not only can structures require extensive repair or rebuilding, but additional losses may be incurred if tenants must be relocated or if commercial space needs to be temporarily closed. Geographic location, occupancy types and business continuity planning impact the risks associated with each property.

LOOKING FOR WAYS TO MITIGATE YOUR RISKS? CONSIDER CONTRACTUAL RISK TRANSFER.

In a business relying so heavily on third-party services, it's important to make sure that contractual risk transfer is handled appropriately. Contractual risk transfer can offer protection by establishing that third parties are responsible for property damage or injuries resulting from or caused by their work or work-related activities. A proper contractual risk transfer program outlines responsibilities of each party before a job or service is performed.

TRAVELERS OFFERS REAL SOLUTIONS TO MANAGING REAL ESTATE RISKS

Travelers' industry-leading risk management resources can help you address the exposures inherent in a changing market while protecting your traditional concerns through:



On-site consultations with our loss experts considered an extension of your safety team, plus access to our *Risk Toolworks*™ app featuring customizable inspection checklists and tools to track and manage safety.



Online resources to support your unique safety training needs, including webinars and guidance on security, fire-safety and roof maintenance to help ensure proper protection. Specialized training on cybersecurity, facilities management and risk transfer is also included.



On-demand risk control consultations using screen-share technology provide access to safety consultants in real time. 24/7 access to the Travelers Risk Management Information System (RMIS) for comprehensive loss information and reports.

Visit travelers.com/risk-control for more information.



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The Travelers Indemnity Company and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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