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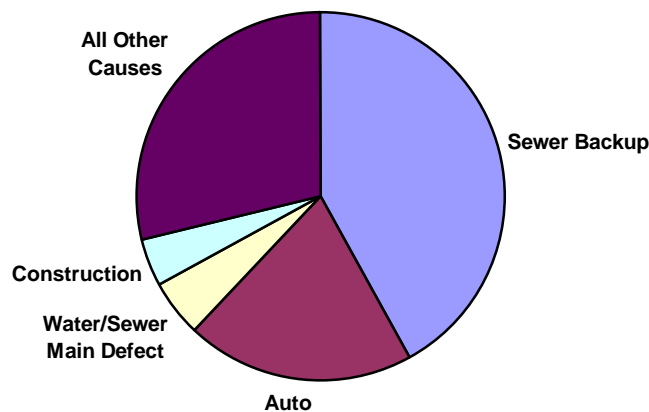
## THIS LETTER AND BULLETIN SENT IN JUNE AND OCTOBER 2004

**TO:** CSRMA Pooled Liability Program Members Operating a Sewer Collection System  
**FROM:** David Patzer, CSRMA Risk Control Advisor

FACT 1: Sewer backups into homes/businesses remain your greatest liability claim exposure.  
FACT 2: The average cost per sewer backup claim, in 2004, is \$25,000.

Over the last few years in the Bay Area there have been several sewer backup claims that have exceeded \$300,000 and a handful that have exceeded \$500,000. In addition to the enormity of the costs of these claims, several were featured in the local media. The newspaper and television coverage of these claims shared a common theme –the innocent homeowner being victimized by the management and Board of the local sewage agency or City.

**Top 5 CSRMA Liability Claim Causes - 1987 to 2004**



CSRMA has prepared the attached Bulletin to highlight the exposures involved with sewer backup events and the risk management tools and resources that CSRMA has prepared to help you mitigate these risks. Please take a moment to review this important document with your staff and your Board.

Please contact me with any questions or if you would like to take advantage of the tools and resources CSRMA has made available to you.

**~CSRMA ALERT~**

**The average cost of sewer backup claims in 2003 was over \$25,000.  
If you own or manage a sanitary sewer system, please consider the following:**

YOUR EXPOSURE	HOW CSRMA CAN HELP
<ul style="list-style-type: none"> <li>☛ Your Sewer Use Ordinance can be a powerful tool in preventing sewer backup claims or repeat sewer backup claims at the same address. It is only a useful tool, however, if:               <ul style="list-style-type: none"> <li>☛ Your Agency staff knows what it says and it:</li> <li>☛ Is regularly communicated to your customers &amp; local plumbing contractors</li> <li>☛ Contains design standards for construction, connections &amp; Backflow Prevention Devices (<i>BPD</i>)</li> <li>☛ Requires the installation of a BPD on connections that are at risk of a sewer backflow due to elevation/other issues</li> <li>☛ Requires, as part of any sewer backflow claim settlement, installation of a BPD to prevent future sewer backflows</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>☺ CSRMA Risk Control has a Model Sewer Use Ordinance available for you to compare against your existing Sewer Use Ordinance.</li> </ul>
<ul style="list-style-type: none"> <li>☛ The actions your Agency staff takes when first arriving on the scene of a sewer backup has a direct impact on the direction the claim will take. That direction can be positive or negative, depending on whether <u><i>your response crews:</i></u> <ul style="list-style-type: none"> <li>☛ Have been trained to <i>professionally</i> deal with potentially irate or verbally abusive customers</li> <li>☛ Have a <i>written</i> plan for responding to sewer backups to ensure a uniform, consistent response</li> <li>☛ Have forms to gather <i>critical</i> information that will aid CSRMA’s claims examiner manage &amp; settle the claim</li> <li>☛ Are equipped to make alternate living arrangements until the claims examiner can get involved</li> <li>☛ Are <i>prohibited</i> from performing <i>any</i> cleaning? If not, have they been trained on proper cleaning techniques to prevent the growth of mold? If not, their actions <i>are</i> creating liability for your Agency &amp; CSRMA</li> <li>☛ Are trained on damage <i>mitigation</i> techniques to employ until the <i>professional</i> restoration firm arrives</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>☺ CSRMA Risk Control has a Model Sewer Overflow &amp; Backup Response Plan available. It contains the following field-friendly items:               <ul style="list-style-type: none"> <li>☛ Claims Handling Procedures</li> <li>☛ Cleaning Contractor Selection Procedures</li> <li>☛ Customer Relations Training Material</li> <li>☛ Response Procedures, Forms &amp; Reporting Procedures for Responding to Sewer Backups &amp; Sewer Overflows</li> <li>☛ Affected Receiving Water Sample Collection Procedures</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>☛ Restoration firms your Agency calls out <i>may</i> create liability for your Agency &amp; CSRMA if:               <ul style="list-style-type: none"> <li>☛ They are not adequately insured or have not named your Agency as an additional insured</li> <li>☛ They do not follow established clean-up &amp; restoration protocols</li> <li>☛ They use incorrect equipment, chemicals or procedures</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>☺ CSRMA Risk Control is available to provide on-site training on:               <ul style="list-style-type: none"> <li>☛ Customer relations &amp; Verbal Self Defense</li> <li>☛ Developing a Sewer Backup Response Plan</li> <li>☛ Responding to Sewer Backup Events</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>☛ Cleaning &amp; restoring a sewer backup-damaged property often involves many different professional services, such as:               <ul style="list-style-type: none"> <li>☛ Restoration Firms</li> <li>☛ Industrial Hygienists/ Environmental Engineers</li> <li>☛ General Construction Contractors</li> <li>☛ Legal</li> </ul> </li> </ul> <p>If professional <i>project management &amp; bill review</i> services are not involved, your Agency &amp; CSRMA <i>could</i> face additional liability &amp; increased claims costs</p> <ul style="list-style-type: none"> <li>☺ CSRMA’s claims examiner <i>routinely</i> uses a project management firm called <b>EV-Link</b> to assist in the cleanup &amp; settlement of sewer backup claims. The benefits CSRMA has seen by using EV-Link include:               <ul style="list-style-type: none"> <li>☛ A project manager is on-scene (<i>where appropriate</i>) to manage the work</li> <li>☛ They provide expert Bill Review services to ensure the costs incurred for the restoration are appropriate</li> <li>☛ They have a <b>proven</b> track record of saving CSRMA 10-15% off the cost of the claim</li> <li>☛ They are available <b>State-Wide</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>☺ <b>CSRMA would like your Agency to consider calling EV-Link the next time you experience a sewer backup.</b></li> <li>☺ Consider the <i>benefits to your Agency:</i> <ul style="list-style-type: none"> <li>☛ Their service costs nothing</li> <li>☛ They reduce your liability by providing another layer of indemnification</li> <li>☛ They dispatch a local restoration firm for you that has been pre-screened for proper insurance, &amp; techniques</li> <li>☛ They use only certified &amp; insured industrial hygienists to certify “CLEAN” the home or business following the restoration &amp; cleanup, as appropriate</li> <li>☛ <b>For more information, please contact any of the following:</b> <ul style="list-style-type: none"> <li>• Ray Aromatorio, Carl Warren &amp; Company (<i>CSRMA’s Liability Claims Examiner</i>) at (800) 767-0062</li> <li>• David Patzer, CSRMA Risk Control Advisor at 707.373.9709</li> <li>• EV-Link at 800.413.2999 (24/7/365)</li> </ul> </li> </ul> </li> </ul>

**For More Information, Please Contact David Patzer, CSRMA Risk Control Advisor at  
707.373.9709 or [losscontrol@sbcglobal.net](mailto:losscontrol@sbcglobal.net)**

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