



# RISK NOTE

## **SUBJECT: Frequently Asked Questions about HCPP's Fire Impairment Notices**

Health Care Agencies (HCAs) are required to submit Fire Impairment Notices to the Health Care Protection Program (HCPP) in accordance with their Property Coverage Agreements. HCAs provide health care to the residents of the Province of British Columbia in buildings they own and HCPP provides property coverage for these facilities and the contents within; therefore, it is important for HCAs to maintain their safety protection systems and for HCPP to know when these systems are impaired. The following questions are intended to represent those most frequently asked around this HCA requirement:

### **Q. How long has it been a requirement for the HCAs to send in Fire Impairment Notices to HCPP?**

*A. The requirement for the HCAs to send Fire Impairment Notices to HCPP has been in place since the inception of the HCPP Property Coverage Agreements in 1998. This was also an HCA requirement prior to the inception of HCPP when HCAs were privately insured.*

### **Q. Why are HCAs required to send in Fire Impairment Notices?**

*A. HCPP is an actuarially sound self insurance program funded by the Ministry of Health that operates on the same fundamental principles as private insurers i.e. to prudently manage all funds gathered to pay claims which includes best efforts to mitigate losses. Similar to private insurers, HCPP requires the HCAs to provide notification when they are shutting down or impairing fire protection or alarm (i.e. fire or intrusion) systems meant to protect staff, visitors, facilities or highly valued equipment. When an HCA's fire protection system or alarm is shutdown or impaired, the HCA and those for whom they are responsible are at a higher risk of sustaining a property or bodily injury claim if the shutdown or impairment is not managed properly. Reporting a shutdown or impairment heightens the awareness of all parties to ensure there are warnings or mitigations in place to prevent the spread of smoke or fire and make certain the system is reinstated following the impairment.*

### **Q. What obligates HCAs to notify HCPP during a fire or alarm system shutdown or impairment?**

*A. HCAs receive broad coverage under all the HCPP coverage agreements. Under the Property Coverage Agreement, Section 12.1 Protection Impairments, HCAs are required to report any known interruption to, flaw, or defect in any: 1. sprinkler or other fire extinguishing systems or 2. fire detection systems or intrusion systems within 48 hours. HCAs are required to send notifications to HCPP using the Fire*

Impairment Notices located on the HCPP website at [www.hcpp.org](http://www.hcpp.org) under the Forms tab.

**Q. Can the HCA send in a Fire Impairment Notice after-hours?**

A. Yes. The Fire Impairment Notice form is online at [www.hcpp.org](http://www.hcpp.org) under the Forms tab and can be submitted 24/7.

**Q. Could an HCA's coverage be affected by not sending in a Fire Impairment Notice?**

A. Both private insurers and HCPP make Fire Impairment Notices a Warranty (i.e. a mandatory requirement) under their property policies because of the higher risks noted above. During these periods of time, private insurers and HCPP could potentially deny a claim if they are not properly notified.

**Q. To what extent are the HCAs required to report fire protection or alarm (i.e. fire or intrusion) system shutdowns or impairments?**

A. HCAs are required to report all fire or alarm system shutdowns or impairments that:

1. protect an entire building;
2. protect a large portion of a building (e.g. entire floor, wing, etc);
3. protect highly valued pieces of equipment (e.g. boilers, MRIs, etc); or
4. directly protects the life safety of staff, patients or visitors.

**Q. To what extent are the HCAs not required to report fire or alarm (i.e. fire or intrusion) system shutdowns or impairments?**

A. HCAs are not required to report all fire or alarm system shutdowns or impairments. It is not necessary to report shutdowns or impairments that:

1. are localized to one or more rooms, areas and/or corridors not directly affecting life safety of staff, patients, visitors or highly valued equipment; or
2. are caused by faulty sensor(s) or systems being repaired or tested under a daily maintenance program unless any such sensor(s) or systems being repaired or tested affects a wide area, the life safety of staff, patients, visitors or protects a highly valued piece of equipment.

HCA staff who are experts in this field are expected to use their best judgment when shutting down or impairing fire protection or alarm (i.e. fire or intrusion) systems using a risk based approach. If the HCA ever has a doubt, HCPP recommends sending in a Fire Impairment Notice.

**Q. What is a risk based approach when shutting down or impairing an HCA's fire protection or intrusion system?**

A. HCAs should always use a risk based approach before they consider shutting down or impairing any fire protection or intrusion system as this helps to identify the HCA's risks. A risk based approach considers the likelihood and consequence of the event that might happen. For the purposes of an impairment the HCA should: 1. Identify what the HCA property, operational, and life safety risks are in advance of the

*shutdown or impairment; 2. Determine what mitigations the HCA has in place during any shutdown e.g. extra fire extinguishers, security monitors, etc?*

*Such risks can be identified by including them in standard project risk assessment or by completing a mini risk assessment if the shutdown or impairment is temporary or not part of a larger project. To assist the HCA further, please refer to our Risk Note the Risk Management Process located on our HCPP website at [www.hcpp.org](http://www.hcpp.org) under the Publications tab.*

*Of interest to the HCAs relating to risks and mitigations during any shutdown or impairment of a fire protection system, the US National Fire Protection Association (NFPA), Fire Analysis and Research Division released a publication in 2014 entitled U.S. Experience With Sprinklers. In that document the NFPA indicated from 2010 to 2014 “fires in all types of structures, when sprinklers were present in the fire area of a fire large enough to activate sprinklers in a building not under construction, sprinklers operated 92% of the time. When they operated, they were effective 96% of the time, resulting in a combined performance of operating effectively in 88% of reported fires where sprinklers were present in the fire area and fire was large enough to activate sprinklers.”*

*Another important fact pointed out by the NFPA that increases risk to property or life safety was “In all structures, not just homes, when sprinklers of any type failed to operate, the reason most often given (59% of failures) was shutoff of the system before fire began.” This shows the importance of properly managing, both before and after (i.e. reinstatement), any fire protection or alarm system. The NFPA publication and others that may be of interest can be found on the NFPA website, under the News and Research tab at:*

<https://www.nfpa.org>

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It should be clearly understood that this document and the information contained within is not legal advice and is provided for guidance from a risk management perspective only. It is not intended as a comprehensive or exhaustive review of the law and readers are advised to seek independent legal advice where appropriate. If you have any questions about the content of this Risk Note please contact your organization's risk manager or chief risk officer to discuss.