



## Risk Management

# The Perils of Not Keeping Up Your Commercial Property

**I**F YOU OWN a commercial property or lease a building, you not only have to be concerned about risks that cause property damage, but also the risk of injury to visitors, customers and tenants.

It's your responsibility to keep your property free of hazards that can result in injury or worse. If you fail to live up to your responsibility, you risk being sued by the injured party.

Commercial premises liability claims can involve a wide range of situations, including:

**Slip, trip and fall accidents** – A slip and fall may have occurred due to wet or damaged floors. Trips and falls may occur due to obstructions in walkways and poor lighting during evening hours.

**Property defects** – If you fail to keep up the property or conduct regular maintenance, hazards can easily develop. When hazards and property defects arise, it's your responsibility to address them as soon as possible. And if it will take a while to make the repairs, you need to alert visitors, customers and tenants about the danger, like cordoning off an area and erecting visible signs warning of the hazard.

**Negligent security** – If your facility is located in an area with a higher than average level of criminal activity and break-ins, you are also expected to keep the premises and everybody visiting the site safe.

Poor lighting, a lack of security personnel and systems, and of other safety measures, can all lead to a negligent security claim.

### Risks of inadequate lighting

There are three ways that inadequate lighting at a commercial property can contribute to a claim against your organization:

**Making a safe area unsafe** – Poor lighting can conceal conditions that would not be considered a hazard under normal lighting as they would be visible. Inadequate lighting makes it harder to see curbs, inclines in walkways, steps, borders for planters and other decorations.

**Masking existing hazards** – Inadequate lighting can be especially dangerous when it serves to conceal the presence of hazardous defects already existing on a property. For example, if a foreign substance has been spilled on the floor, while that would be considered a hazardous condition even when fully illuminated, it becomes doubly hazardous when obscured by darkness.

**Creating a magnet for crime** – Poor lighting can give cover and concealment to criminals intent on mugging or harming individuals at your property in the evenings. If you create conditions for a mugger to sneak up on someone in your dim parking lot or near the entrance to a poorly lit building, they could sue you for negligence.

### How insurance can help

Commercial general liability insurance is an essential part of every business owner's insurance portfolio. It protects you and your business from claims of injury, property damage and negligence related to your business activities.

One of the most essential parts of the policy is premises liability coverage. This portion offers bodily injury and property damage coverage related to the ownership or maintenance of business premises.

Every business owner has some type of premises liability exposure. Any injury on your business premises, no matter how minor, can result in a lawsuit.

The costs associated with defending yourself and paying damages can be devastating for your business. Premises liability coverage gives you — and your guests — the protection you need.

If you are leasing space in a commercial building, your liability typically ends at the front door to your office and anything beyond that is the responsibility of the property owner. If you own and occupy a building, the entire property is your responsibility.

If you want more information on this type of insurance or want to evaluate your current coverage, give us a call. ❖