


**What Could You Have Done to Avoid a Lawsuit**

Presented by:  
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**Director of Risk Control Services**

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- Terry Victor has over 50 years of technical experience in the fire sprinkler industry. He is NICET certified Level IV in Water Based Systems Layout and Special Hazards Systems Layout.
- He has served on various industry boards and committees, including as a member of the NFSA Board of Directors, the CFSI National Advisory Committee, and the NFFF Advisory Committee to the Board. He currently serves on the AFSA Apprenticeship and Education, Convention, and Legislation, Committees, and the NFSA ITM, QA, and Training and Education Committees.
- He is a current member of the NFPA technical committees for NFPA 13, 14, 20, 25, and 915 and is a past member of the technical committees for NFPA 3, 4, 11, 13D, 13R, 15, 16, 72, 101, 214, 303, and 5000.
- He received the NFPA Committee Service Award in 2015, the NFSA Russell P. Fleming Technical Service Award in 2017, and the NFPA Life Member recognition in 2024.





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**Agenda**

- Explain the risks every contractor takes when performing their work.
- Identify ways to reduce risks.
- Describe examples provided of actual lawsuits against fire protection companies.

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# CASE #1

## Customer Service Regret

RSP-535

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### What work was being done?

- Continuum of care community.
  - Independent living, assisted living, memory care, skilled nursing care and rehabilitation services.
- Annual test of elevators & associated fire alarm system devices.
- Elevator contractor assisting.
- Testing being performed at night.
  - Smoke detectors only
  - Trouble resetting smokes
  - Last smoke tested had to be reset 11 times before success

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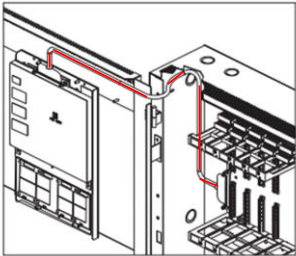

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### What went wrong?

- FA unit froze and would not reset
- Technician decided to use "specific" knowledge he had to reset the panel.
- Due to a tight working space, he removed the hinge screws to access the battery.
- After disconnecting the battery, he left the panel to turn off the AC power.
- When he left the panel, the door fell off and broke the BCL cable as it pulled from the panel.

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### What went wrong?

- The technician advised the owner of the impaired FA system and requested that a manufacturer's representative make the repairs.
- The manufacturer's technician replaced the BCL cable and determined that other long lead-time parts were needed.
- Property was put on fire watch by the local government.
- (24) days later 2nd manufacturer's technician determined the long lead-time parts weren't needed to repair the panel and restored the FA panel to service.

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### What were the damages and costs?

• Fire Watch Demand	\$ 355,804
• Settlement*	\$ ?
• Expenses	\$ 5,808 (so far)
• Deductible	(\$ 5,000)
<b>Total Incurred</b>	<b>\$ ?</b>

\* Contractor acknowledges responsibility for 2 days of a fire watch and has offered to pay \$28,454.

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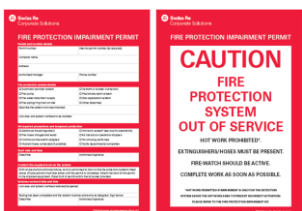

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### What would you have done differently?

- Provide the service you're hired to do.
- Resist the temptation to provide a quick-fix to the problem.
- Understand the potential consequences of your actions (removing the hinge screws).
- Notify the owner\* and the AHJ of the impaired system.

\*or their designated representative

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### What went wrong?

- Two-alarm fire occurred on March 10, 2020, just before midnight in building 6440.
- No alarms sounded in the building.
- Fire department responded to a 911 call.
- Upon arrival the fire department found the FACU had been silenced. Once reset, the fire alarm sounded.
- Fire department records indicate:
  - 3 apartments were destroyed
  - 12 apartments were damaged
  - 35 people were displaced
- Complaint against the contractor.

*“(The contractor) breached their duty of care when it failed to comply with the fire code and refused to notify state or local fire marshals of the Apartment’s inoperable fire safety system.”*



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### What went wrong?

**The facts:**

- Contractor identified the A/Vs didn't work.
- Contractor immediately notified owner
- Contractor notified the owner in writing the next day and provided a proposal to troubleshoot the problem.

**The complaints:**

- Contractor failed to immediately notify the state or local fire marshal as required by four of the five triggers in NFPA 1.
- Had they done so, the fire marshal would have required a fire watch.


**The questions:**

- What level of deficiency becomes an impairment?
- Who is the AHJ?

**NFPA 1-2015**  
**13.7.1.5.1**  
*Impaired fire alarm systems shall include, but shall not be limited to, required systems that are not fully operational, are no longer monitored as required by the AHJ, or are under renovation or repair.*

**13.7.1.5.6\***  
*Fire alarm supervising stations and fire alarm service companies shall immediately notify the AHJ when any of the following conditions exists:*

- (1) A fire alarm system is impaired.
- (2) Required system monitoring is no longer being provided.
- (3) Required testing, service, and maintenance is no longer being provided.
- (4) A fire alarm system cannot be serviced or repaired to make it fully operational.
- (5) A fire alarm system cannot be serviced or repaired to eliminate chronic nuisance alarms.



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### What were the damages and costs?

• PD Demand	\$200,000
• PD Settlement*	\$ 2,500
• Expenses	\$ 65,130
• Deductible	(\$ 2,500)
<b>Total Incurred</b>	<b>\$ 65,130</b>

\*Based on contract terms and conditions with a limit of liability clause.



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### What would you have done differently?

- Consult with the AHJ:
  - Is the system impaired?
  - If yes, advise the owner of impairment procedures.
- Follow up when deficiencies and repairs are quoted.
  - Over 8 months had passed since proposal submittal.
- Weekly at first, then monthly
- Consider "firing" a customer for lack of repairs and maintenance.

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### Lessons learned:

- Determine the severity of the findings from inspections & tests. Notify the owner and AHJ immediately of an impairment and follow up in writing.
- Quote deficiencies and impairments immediately. Provide a timeline for repairs.
- Have protective terms and conditions in:
  - Inspection and test agreements.
  - Repair proposals.
  - Service work orders.

Over 50% of claims are resolved with minimal expense.

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# CASE #3

## Bundle Bungle

RSP-525



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### What work was being done?

- Luxury apartments in Florida
- 32 Stories
- 1688 Residences
- Built in 2003
- Fire alarm system upgrade
- Labor & materials

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### What went wrong?

- Running wire on the 15<sup>th</sup> floor
- Technician threw a bundle of wire above a ceiling in the trash room.
- The bundle of wire hit a 1" CPVC sprinkler pipe breaking it cleanly off.
- Water ran for 21 minutes before the fire pump was located in a remote parking garage and turned off.
- Water damage to:
  - 13 units (all the way to the 1<sup>st</sup> floor)
  - Service elevator
- Rental loss
- Water mitigation expense

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### What were the damages and costs?

• PD Demand	\$ 99,721
• PD Settlement	\$ 93,089
• Expenses	\$ 12,876
• Deductible	(\$ 10,000)
<b>Total Incurred</b>	<b>\$ 95,665</b>

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**What would you have done differently?**

- Be aware of your surroundings.
  - Consider the work of other trades.
  - Follow all safety requirements.
  - Visually inspect workspace before proceeding.
- Prepare for emergencies ahead of time.
  - Know where key components are located such as FACU and fire pump room.

**Lessons learned:**

- Haste makes waste. Emphasize safe work practices with your employees.

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**CASE #4**

**Polling Loop, What?**

RSP-273

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**What work was being done?**

- 3-story medical office building with 14 medical practices.
- Management company hired FP contractor for multiple services:
  - Central station monitoring
  - Annual testing of Class B fire alarm system
  - Quarterly spinkler control valve tamper switch and flow switch testing.
- Flow switches tested in August 2022.

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### What were the damages and costs?

• PD Demand	\$ 17,000,000+
• PD Settlement*	\$ 12,300,000
• Liability Policy	\$ 1,000,000
• Expenses	\$ 162,311
• Deductible	(\$ 5,000)
<b>Total Incurred</b>	<b>\$ 1,157,311</b>

*RSP client contribution	\$ 6,750,000
Liability policy paid	\$ 1,000,000
Excess policy paid (not RSP)	\$ 5,750,000
Monitoring company contribution	\$ 5,850,000


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### What really happened?

- The CID Event Codes as reported by [the monitoring station] for the activated waterflow switches were incorrect and misleading, as the descriptions were not consistent with actual "alarm" signals.
  - 3<sup>rd</sup> floor sprinkler zone water flow switch reported as "Polling Loop Open Fire".
  - Building riser water flow switch reported as "AC Loss Fire".
- The cause was a software template conversion error by the monitoring station.
- The conversion error took place between the August 2022 test of the flow switches and the November 2022 quarterly inspection.
  - The contractor did NOT test the flow switches during this inspection.


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### Lessons learned:

- Perform the services you agreed to in your contract. Provide a means to communicate to managers, supervisors, and field personnel.
- Have adequate insurance, including excess to protect your business. Anticipate potential risks to your business and cover them accordingly.


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# Questions



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# Questions

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