

Wisconsin Reinsurance Corporation

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Heating Alternatives

In these difficult economic times there has been a dramatic increase in the use of outdoor solid fuel appliances. This idea is especially attractive for those wanting to cut heating costs or use the same heat source for more than one building. There are many potential problems with outdoor heating appliances which has caused a lot of controversy.

Types of heating devices

The two types of outdoor solid fuel burning systems are forced air and hot water. Hot water is the predominant system used. The outdoor wood boiler (OWB) heats water in a jacket surrounding the outdoor fire box. The heated water then circulates through underground water pipes to the building.

Underwriting Concerns

The American Association of Insurance Services (AAIS) provides their viewpoint on several underwriting concerns in an article found at the following link: www.aaisonline.com/Viewpoint/2008/08fall2.html. There are many concerns such as nearby combustibles, maintenance, attractive nuisance, the impact of surrounding air quality and freezing pipes. You may want to review your policy to determine how Coverage A or Coverage B would apply to physical damage of an outdoor appliance. There also may be restrictions from the local municipality regarding the use or installation of an OWB.

The National Fire Protection Association (NFPA) is the authority on fire, electrical and building safety. The NFPA does not currently provide clearance requirements for outdoor solid fuel appliances. The lack of standards allows for a wide range of manufacturer clearances. That leaves insurers with several questions to answer when they find an outdoor solid fuel appliance at a risk. Ultimately, each company must develop their own underwriting guidelines for these appliances.



Outdoor Solid Fuel Heating

- Heating Alternatives
- Types of heating devices
- Underwriting concerns
- Installation
- Maintenance
- Proximity

Installation

Outdoor solid fuel appliances can easily be added to a property without notice to the insurer. Consider adding a question on your application to quickly identify if one exists. Alert your agents to notify you immediately if an OWB is found. Inspect EVERY OWB you become aware of. A detailed inspection checklist is attached and located on the WRC website in the loss prevention download section.

Homemade outdoor wood heaters frequently cause fires. Identify the manufacturer, model and serial number and date of installation. This will make it easier to determine if a unit has a recall. Determine if the heating unit has been tested for safety and approved by a recognized agency such as Underwriter Laboratories (UL).

Many fires are caused by improper installation. Determine if the appliance has been professionally installed according to the manufacturer's recommendations with a non-combustible foundation. Does the unit have proper chimney and pipe ventilation? Is the unit protected from unauthorized people? Should it be?

Maintenance

Determine if regular maintenance is done. Fires commonly occur when creosote accumulates inside. Burning wet a.k.a. "green" wood causes creosote to accumulate. Is creosote visible on the chimney? What type of wood is burned? How often is the unit professionally cleaned? How are the ashes disposed of? How old is the unit? Many hot water tanks corrode and fail in four to six years.

Proximity

Many fires start when a spark ignites nearby combustibles. Examine the area surrounding the unit. Are combustibles such as the wood supply or a structure nearby? Is a spark arrestor on the chimney? Is a fire extinguisher nearby and not on the unit itself? Combustibles should be located a sufficient distance to minimize the risk of fire spreading to another nearby structure.



What is the proper distance for an OWB from a building? Some manufacturers say 10 feet, others say 100 feet. The farther away from the house, the less efficient the heating system becomes. One possible solution is to require the greater distance of the manufacturer's recommended distance OR your company's minimum clearance requirement. Many companies require a minimum of 25 feet clearance to the nearest building.

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Sources:

American Association of Insurance Services

www.aaisonline.com

National Fire Protection Association

www.nfpa.com

Wausau Stettin Mutual Insurance

www.wsmic.com

Heartland Heat

www.heartlandheatllc.com

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