

# Third Party Property Exposures

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Serious damage and disruption can originate from incidents outside your premises, or from third parties within shared premises that you have no control over. However, you can take steps to understand and minimise the risks.



# Third Party Property Exposures



## Introduction

Understanding how your business could be affected by fires occurring outside your premises or outside of your control is an important element of the risk assessment process. Taking appropriate mitigation measures can minimise your risk from external and internal third party exposures.

## Key Considerations

When assessing external and internal third party exposures, you should consider a range of issues for all elevations which surround your building(s), including:



- The height of your facility compared to the height of exposing buildings
- Your proximity to other premises
- The construction of all buildings exposing each other, and the combustibility and fire resistance of external walls and roofs
- The fire and smoke compartmentation of any internal exposures to those who share occupancy or adjoin your buildings
- The nature of the activities within the exposing buildings
- Your proximity to yard activities and external storage arrangements, such as waste bins, trees, idle timber pallets, and car parking
- Automatic detection and protection systems
- Atmospheric conditions and wind direction
- The location of air intakes or ventilation system openings and their internal networks
- The nature of windows on your building, and whether they are kept open
- **The nature of your building's construction and eaves**
- The fire, heat and smoke resilience of your operations
- The time of day and year

With so many variables involved, having a good working relationship with your neighbours will help you gain an accurate picture of your exposure.

## Building Height and Proximity to Other Premises

The distance, height and construction of nearby buildings will have an impact on the external exposure risk to your site. A single-storey building located 20 metres away poses a very different exposure risk to a multi-storey building a similar distance away, or to one directly adjacent to yours.

### Proximity

The first thing to understand is the separation distance to nearby buildings and their height in relation to yours. The smaller the distance, the higher the risk of fire, heat and smoke damage. If ignited materials fall or are released from an affected building, or the building collapses, the effects of fire, heat and smoke damage present a severe risk to nearby and surrounding properties.

## Surrounding spaces

In addition to the distance itself, the nature of the space between your building and any nearby affects the exposure to your property. A clean and sterile space represents a different risk to one with yard storage, car parking, and trees. You will also need to consider canopies, extensions, yard storage or externally located equipment.

## Building Construction

**It's important to understand the construction of your building and those nearby.** Consider wall construction, including glazed elements, and the roof construction of both your building and the exposing buildings. Combustibility, fire resistance, conductivity and the ability to radiate heat through the construction should all be considered.

### Modern buildings

Many modern buildings are built using lightweight composite-insulated cladding materials that may have little fire resistance or may even be combustible. Metal panels radiate and conduct heat readily, and glazing allows an internal fire to be radiated out and an external fire to be radiated into a building. Radiation from an external fire is likely to ignite any combustible materials within a building.

### Older buildings

Traditional brick and concrete properties have increased resilience to fire as a source or target building. However, older buildings may have asbestos-containing materials in their construction or internal finishes. Even if asbestos is properly managed from a life safety perspective, in an open fire situation it could become entrained into fire and smoke, potentially distributing asbestos particles over a wide area.

## Adjoining Buildings and Buildings in Multiple Occupancy

Third party exposures also relate to activities within the same building as you (e.g. another tenant), or in directly adjoining properties, that you cannot directly control.

You need to consider shared elements of construction such as the building frame, roof, interior finishes, dividing walls and floors, shared services/ventilation systems, etc., ensuring there is appropriate fire/smoke compartmentation. If this is not appropriate, **a fire anywhere in the exposure's space may have a direct and immediate impact on your operations.** Even if structural damage does not occur, a small fire can lead to a substantial impact from smoke contamination, etc.

In modern buildings, compartmentation between occupants is provided to meet the minimum requirements of the Building Regulations. However, it is important to recognise that the regulations focus primarily on life safety and means of escape and will probably be inadequate for property and business loss prevention practices. Undertaking a compartmentation audit and addressing any deficiencies identified could prevent or mitigate a loss.

## Occupancy Activities

While other buildings or third party activities may be a certain physical distance from your operations and constructed with certain materials, establishing their day-to-day operational activities is key to fully understanding your exposure. A simple office, for example, represents much less of a fire load exposure than a warehouse.

## Explosion risks

If oxy-acetylene gas bottles, aerosols, flammable liquids or combustible dusts are present in a nearby building, they will present an explosion risk that could escalate an incident much faster than a fire. They could also cause other interruptions to your business. For example, firefighters often enforce an exclusion zone of over 200 metres when fighting or damping down fires in buildings that contain gas bottles, so you may have to consider projectiles and denial of access to your premises in your Business Continuity Plan.

## Contractors

Contractors working on nearby buildings may cause fires due to hot work operations, or store waste inappropriately within or outside the premises.

## Unoccupied buildings

An unoccupied building may appear to present less of an exposure, but there could be issues with malicious damage, unauthorised entry and arson.

## Yard Areas

### External exposure risks

**An exposure from a third party doesn't necessarily have to be from their building. Other issues can create or increase your exposure, such as:**

- What is in your yard areas, the yard areas around your building, and in the areas between the buildings?
- How close this is to your building, its height and potential impact?
- Whether any items are combustible, such as idle pallets, raw materials or finished goods, waste materials, and trees?
- How ignition sources in these yard areas are managed, including smoking, arson, security, malicious damage, hot work activities, and vehicle movements?

## Arson

A significant number of all fires involving damage or disruption to commercial premises are started deliberately. Many arson attacks originate from outside the premises through the ignition of combustible items stored or moved close to buildings. You can reduce your exposure to arson by keeping combustible items at least 10 metres away from the external perimeter of your buildings, or putting other mitigation features in place if this clear distance cannot be maintained.

## Automatic Detection and Protection

An appropriately protected exposure is much less of a risk to your activities than an unprotected building. You can protect exposures to your building, exposures within your own building, and any yard exposures, with items such as:

- Automatic fire detection
- Automatic sprinkler protection and other protection systems
- Availability of fire water systems
- Security and fencing systems
- Emergency response plans
- Expected fire brigade response and their activities
- Interlocks with detection and protection systems to minimise the impact of smoke ingress into your building
- Explosion relief systems and their discharge direction

## Atmospheric Conditions and Wind Direction

One of the key aspects to understanding your exposure to a nearby fire is wind direction, which can have a direct impact on whether flame or smoke impingement is likely to impact your building and activities.

## Air Intakes, Ventilation and Windows

Although fire may not necessarily be a direct exposure, smoke contamination may be. Smoke can enter your building through your heating, ventilation and air conditioning systems, as well as windows and roof eaves. It may be necessary to install automatic smoke detectors, shutdown interlocks and fire dampers in air intake systems, and to close and secure any windows that are left open for ventilation.

## Fire, Heat and Smoke Resilience

When assessing how resilient your occupancy is to possible smoke, heat and fire damage, consider:

- The potential impact of a fire?
- How fire damage would be managed?
- How your current fire compartmentation, fire detection, protection and ventilation arrangements help minimise your exposure?
- If more can be done to reduce your exposure?

## Checklist

A generic External and Internal Third Party Exposures – Property Protection Checklist is presented in Appendix 1 which can be tailored to your own organisation.

## Specialist Partner Solutions

Aviva Risk Management Solutions can offer access to a wide range of risk management products and services at preferential rates via our network of Specialist Partners.

For more information please visit:

[Aviva Risk Management Solutions – Specialist Partners](#)

## Sources and Useful Links

- [GOV.UK: Approved Document B: Fire Safety \(Volume 2 – Buildings other than dwelling houses\) Incorporating Insurers' Requirements for Property Protection](#)
- [Fire Protection Association \(FPA\): BDM2 Design Guide for the Fire Protection of Buildings – Core Document - Compartmentation](#)
- [FPA: BDM6 Design Guide The Fire Protection of Buildings – Core Document – Protection of Openings and Service Penetrations from Fire](#)
- [FPA: BDM7 Design Guide for the Fire Protection of Buildings – Protected Zone](#)
- [Fire Protection Association Shop: Passive Fire Protection Handbook](#)
- [NFPA 80A: Recommended Practice for Protection of Buildings from Exterior Fire Exposures](#)
- [RedBookLive: LPCB Approved Installers and Products](#)

## Additional Information

Relevant Loss Prevention Standards include:

- Arson Prevention
- Fire Compartmentation
- Fire Safety Inspections
- Housekeeping – Fire Prevention
- Smoking and the Workplace
- Fire Doors, Fire Shutters and Fire Dampers
- Smoke Contamination

To find out more, please visit [Aviva Risk Management Solutions](#) or speak to one of our advisors.

Email us at [riskadvice@aviva.com](mailto:riskadvice@aviva.com) or call 0345 366 6666.\*

\*Calls may be recorded and/or monitored for our joint protection.

# Appendix 1: External and Internal Third Party Exposures – Property Protection Checklist



Location	
Date	
Completed by (name and signature)	

	External and Internal Third Party Exposures	Y/N	Comments
1.	Has a formal fire risk assessment been completed that considers property damage and business impact to your activities?		
2.	<p>Do you know the construction of your building and its internal finishes, and have accurate building drawings?</p> <ul style="list-style-type: none"> <li>• What are the materials of construction, walls and roof?</li> <li>• Is there any fire resistance?</li> <li>• Is there any resistance to structural collapse?</li> <li>• Is there any ability to resist the passage of fire, hot gases and smoke?</li> <li>• Is there any ability to resist conduction of heat?</li> <li>• Are there openings, roller shutters, doors, windows, etc?</li> <li>• Are there roof lights, roof vents, etc?</li> <li>• Are there ventilation and extraction systems?</li> <li>• Are there other externally mounted equipment or services?</li> <li>• Are there overhangs, canopies, etc?</li> <li>• Are there annexes, temporary buildings, etc?</li> <li>• Is the roof eave sealed?</li> </ul>		
3.	<p>In all directions, are there any buildings that expose your site?</p> <p>State separation distance and building height, including those directly adjoining your building, with a simple sketch plan if appropriate.</p> <ul style="list-style-type: none"> <li>• North</li> <li>• East</li> <li>• South</li> <li>• West</li> </ul>		

	External and Internal Third Party Exposures Contd.	Y/N	Comments
4.	<p>Based on what you can see, your knowledge of the site and your relationship with your neighbours, do you know what the exposing buildings are constructed from?</p> <p>State any areas where you think the construction may be combustible, including features such as walls, roofs, and canopies.</p> <ul style="list-style-type: none"> <li>• North</li> <li>• East</li> <li>• South</li> <li>• West</li> </ul>		
5.	<p>Based on what you can see, your knowledge of the site (including the age of the buildings) and your relationship with your neighbours, do you know or think their construction or internal finishes may include elements of asbestos-containing materials?</p>		
6.	<p>Based on the height and separation distance of the exposing building or buildings, if it collapsed could this impact your buildings or business?</p> <p>If so, how, for example: spread of fire, heat or smoke damage, denial of access?</p>		
7.	<p>Is your building directly attached to any other buildings, or does it form part of a multiple occupancy building?</p> <ul style="list-style-type: none"> <li>• Are any elements of the construction combustible, so that a fire in the exposing area can spread on the fabric of the building into your area or building?</li> <li>• Is there an appropriate fire and smoke compartmentation strategy between you, and these exposures?</li> <li>• Are there accurate fire compartmentation floor drawings for the site, including: <ul style="list-style-type: none"> <li>○ Materials of construction?</li> <li>○ Fire resistance in minutes?</li> <li>○ Structural resistance (ability of the material to resist structural collapse)?</li> <li>○ Integrity (ability to resist the passage of fire, hot gases and smoke)?</li> <li>○ Insulation (ability to resist conduction of heat)?</li> </ul> </li> <li>• Are there any shared services, such as service risers, ventilation systems, cable risers, utilities, or drainage? If so, are these appropriately fire-compartmented?</li> <li>• Are there any heat and smoke vents that could open and expose your activities?</li> </ul>		



	External and Internal Third Party Exposures Contd.	Y/N	Comments
8.	<p>Are there any tenants, sub-tenants or other occupants in your building that are not under your direct control ('internal' third parties)?</p> <p>If so, what do they do?</p> <p>Are they fire-compartmented from your activities?</p>		
9.	<p>Based on what you can see, your knowledge of the site and your relationship with your neighbours, do you know what the business activities are within any exposing buildings?</p> <ul style="list-style-type: none"> <li>• North</li> <li>• East</li> <li>• South</li> <li>• West</li> </ul>		
10.	<p>Outside of your control, are there any combustible materials or activities in the yard areas within 10m of your buildings, structures or your own yard storage or yard-based equipment, such as skips, wheelie bins, combustible waste, storage, trees and vegetation, pallets, gas bottles, gas or oil storage, smoking facilities, parked vehicles, etc.?</p>		
11.	<p>Have you considered the risk of arson affecting combustible items kept in the open or affecting neighbouring buildings?</p>		
12.	<p>Do any of the exposures facing your assets change throughout the:</p> <ul style="list-style-type: none"> <li>• Day?</li> <li>• Year?</li> </ul> <p>Is the exposure cyclical or seasonal?</p>		
13.	<p>Based on what you can see, your knowledge of the site and your relationship with your neighbours, do you know if your exposures have appropriate automatic fire detection or fire suppression systems?</p> <ul style="list-style-type: none"> <li>• North</li> <li>• East</li> <li>• South</li> <li>• West</li> </ul>		

	External and Internal Third Party Exposures Contd.	Y/N	Comments
14.	Are your automatic fire detection or fire suppression systems appropriate for the risks created by third parties or yard exposures?		
15.	Are your activities resilient against fire, heat and smoke? Would any machinery, plant, contents and stock be: <ul style="list-style-type: none"> <li>• Readily ignited by fire?</li> <li>• Resilient to conducted heat?</li> <li>• Susceptible to smoke contamination?</li> </ul>		
16.	Are there appropriate interlocks and automated building management controls to shut down systems where air can be drawn into your building – such as roof vents, heating ventilation and air conditioning systems?		
17.	Do you have an Emergency Plan in the event of fire occurring outside your building or in a neighbouring building, and does it include: <ul style="list-style-type: none"> <li>• Shutdown or closing of air handling services?</li> <li>• Closing of doors, windows, roof vents and other openings?</li> <li>• Removing or moving combustible items and waste in the open?</li> <li>• Wetting-down of combustible items and waste in the open?</li> <li>• Safe shutdown of equipment and services in the event of fire brigade request for premises evacuation?</li> <li>• Other actions?</li> </ul>		
18.	Do you have a working relationship with your neighbours whereby you can raise any issues of their exposure with them?		
19.	Are you aware of the prevailing wind conditions and how this could impact the exposure – especially regarding air intakes, windows, doors, and eaves – into your building?		
20.	Aside from fire risks, are there any other third party exposures that could threaten your activities, such as: <ul style="list-style-type: none"> <li>• Sites with an explosion potential?</li> <li>• Railway lines where a derailment could expose you?</li> <li>• Aircraft or airfield?</li> </ul>		

	External and Internal Third Party Exposures Contd.	Y/N	Comments
21.	Considering all your exposures, could an off-site incident cause you a denial of access issue?		
22.	Additional comments:		

## Please Note

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