MARSH RISK CONSULTING

RISKS ASSOCIATED WITH PARKADES AND LOTS

Parking Lots

Many times, parking garages and lots offer patrons the convenience of longer term parking than metered or on-street parking options. These lots can be metered, pay and display or attended and sometimes designated for monthly parking customers. Moreover, a parking lot can be best described by the design, how and when it is used.

There are no shortages of risks associated with the use of parking lots. The crime rate of a parking lot can be affected positively or negatively by the layout of the lot. For example, often time's large high-rise or subterranean structures have poor visibility due to the walls, pillars, and elevation changes. However, large flat parking lots attached to a regional mall can offer a car-thief easy access, excellent visibility to watch for security and offer an easy escape route. The time of day, traffic, and the use of the parking lot contribute to the degree of safety. For example, parking lots can become remote with no available witnesses to watch over the area during particular hours of the day – particularly during the night.

When damages to vehicles transpire while parked in a parking lot or parking garage, there can be multifaceted problems to tackle regarding liability. When considering your options parking customer vehicle's the issue to be addressed will be determined upon whether or not the damages occurred as a direct result of the parking lot owner, or one of their employees, and if the vehicle was parked under a bailment relationship.

Key Risks

Accidents in or at parking lots cannot always be completely eliminated; however, there are number of ways risk can be mitigated if the appropriate measures are implemented. General maintenance and surveillance becomes a key factor in preventing injury and/ or incident. Some examples of factors that increase the risks include:

This document and any recommendations, analysis, or advice provided by Marsh (collectively, the "Marsh Analysis") are intended solely for the entity identified as the recipient herein ("you"). This document contains proprietary, confidential information of Marsh and may not be shared with any third party, including other insurance producers, without Marsh's prior written consent. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, accounting, tax, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Except as may be set forth in an agreement between you and Marsh, Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party with regard to the Marsh Analysis or to any services provided by a third party to you or Marsh. Marsh makes no representation or warranty concerning the application of policy wordings or the financial condition or solvency of insurers or reinsurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

Copyright © 2016 Marsh Canada Limited and its licensors. All rights reserved. www.marsh.ca \mid www.marsh.com



RISKS ASSOCIATED WITH PARKADES AND LOTS Page 2

<u>Slips trips and falls</u> - An uneven floor, poor lighting, a slippery floor surface or an unseen danger, such as a hole covered up by a rug, may cause a "slip and fall" accident. Circumstances surrounding a "slip and fall" accident are important when determining who may be legally responsible for any injuries.

<u>Theft / Vandalism</u> - The most common crime in parking lots is theft or vandalism. A vehicle is five times more likely to be stolen from an unattended parking lot than an attended one.

<u>Inadequate lighting</u> - Lighting is commonly considered to be the most vital safety attribute in a parking facility. Good lighting not only deters crime but produces a more secure atmosphere for patrons. It is one of the few facility features that have been documented to reduce crime in parking facilities. Improved parking lot lighting can help reduce liability from parking lot crime.

<u>Layout</u> - The layout of a parking lot can sometimes provide an advantage for natural surveillance. Parking lots are generally public space so it is difficult to control access to the property. In some cases, rerouting incoming and outgoing traffic through the parking lot to pass by the more remote areas will increase natural surveillance and the opportunity for crime is reduced.

<u>Criminal activity</u> – the lack of knowledge regarding criminal activity is not be a feasible defense in a tort case, particularly if it is found that owners should be aware about it, or even worse, ignored the situation

<u>Lack of lighting</u> - Provide consistent illumination throughout parking lot areas in order to provide good visibility and safety to all patrons.

Risk Mitigation and Implementation

Mitigating the risks associated with parking requires creative design measures including parking restrictions, perimeter buffer zones, barriers, structural hardening and other architectural and engineering solutions. Operational measures may also be necessary to inspect or screen vehicles entering parking garages.

<u>Install proper lighting</u> - Criminal activity in parking lots continues to be an issue for parking lots, as the possible cost of crime is rising for owners, managers and other responsible parties for parking lots where the crime takes place. Crime victims are increasingly seeking compensation in court in what are referred to as premises liability cases. Improved parking lot lighting can help minimize your liability from possible parking lot crime, and people who use your parking lot (customers, employees, etc.) will appreciate the increased sense of security. Design, installation and maintenance capabilities are required to have an effective lighting system.

<u>Emergency Call Stations/ Intercom</u> – should be installed and strategically placed so they can be used to alert others of an emergency situation. These systems frequently provide immediate voice contact with a guardian, an audible alarm and a type of flashing light to attract attention to trouble spot.

Security

On site security guard – Professional (uniformed) staff allow clients/ patrons a safe/ comfortable environment, knowing that parking lot premises is being monitored. This service is designed to discourage criminals from committing any felony on parking lot property.

<u>Drive through security patrols</u> - the drive-through patrol service is not required to remain on-site and generally uses a vehicle to make the rounds. One purpose of this type of patrol is to observe (or test) all accessible gates, doors, and windows and make sure they are secured, and to report the conditions found on the property to the business owner or the police. Another purpose is to make sure no unauthorized persons are trespassing on private property. Some drive-through security services may also respond to alarm signals, but this requires a more specialized guard force. The primary goal of a drive-through security patrol service is to deter property loss and discover vandalism. Many drive-through patrols consist of only a high-speed pass and offer little in the way of observation or scrutiny of suspicious activity. Because of the nature of the drive-through patrol, customer contacts are infrequent and suspicious groups are not likely to be confronted.

The following considerations may help designers to implement sound parking measures for buildings that may be at high risk:

- Restrict parking from the interior of a group of buildings.
- Restrict unauthorized personnel from parking within the secure perimeter
- Locate general parking in areas that present the fewest security risks to personnel.
- Locate parking within view of occupied buildings.
- When establishing parking areas provide emergency communication systems (e.g.
 intercom, telephones, etc.) at readily identified, well-lighted, closed circuit televisionmonitored locations to permit direct contact with security personnel.
- Provide parking lots with closed circuit television cameras connected to the security system and adequate lighting capable of displaying and videotaping lot activity.
- Reguest permits to restrict parking in curb lanes

document3