



Authority Having Jurisdiction

Why does my insurance carrier require a different standard than what my fire marshal or city building inspector has previously accepted? What does the term "Authority Having Jurisdiction" mean? Authority Having Jurisdiction (AHJ) is defined as "An organization, office, or individual responsible for enforcing the requirements of a code or standard, or for approving equipment, materials, an installation, or a procedure."

The Requirements of Your Insurance Carrier

While local, city, county, state and federal agencies are considered AHJ, your insurance carrier is also considered as AHJ. Government regulatory agencies may require different standards than the other AHJ regarding building codes, electrical codes, sprinkler codes, means of egress codes and other codes. There are instances where these AHJs are conflicting. For example, the city fire marshal may accept a certain condition that is not acceptable to the city building inspector or may be in conflict with state agencies.

Your insurance carrier has developed their own set of underwriting standards to prevent property damage, personal injury or death. Your insurance carrier also may have different requirements than what is required from local, city, county, state or federal agencies. This conflict is due to the fact that your insurance carrier will be paying for a claim, while the other regulatory agencies will not pay for any claim arising from a condition.

For example, local, city, county, state and the National Fire Protection Association (NFPA) accept NFPA 13R (residential sprinkler systems), however, insurance carriers may require the sprinkler system to meet NFPA 13 standards. The difference is that NFPA 13R is designed for life safety, where NFPA 13 is designed for property protection as well as for life safety. The local agencies are mainly focused on life safety and loss of life, however, your insurance carrier is focused on life safety, loss of life and property protection. Insurance carriers may accept a NFPA 13R system for life safety requirements but may not accept the sprinkler system for fire protection.

No one wins in a loss situation. If a building burns down, it means an organization will be out of business for an extended period of time. Additionally, employees may lose their jobs and the business may lose their customer base. If an employee or guest is injured or loses their life, no amount of money can replace this person or relieve the family of its loss. For this reason, insurance carrier recommendations deal with both life safety and property issues.

For additional resources and other safety and risk management subjects, visit the AmTrust Loss Control website:

<https://amtrustfinancial.com/loss-control>



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