

In-house laundry operations

A guide to risk management in your business



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About NZI Risk Solutions

At NZI, we're committed to providing expert risk management advice to our commercial customers – helping them stay in business and operate with peace of mind. This guide uses industry knowledge to help businesses manage risks and keep operations running smoothly.



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Your in-house laundry risk management guide

In-house laundry operations can be advantageous from a cost perspective, but businesses need to be aware of the risks. Whether you own a restaurant, motel, hair salon, or any other small business that does laundry in-house (rather than relying on a third-party service), it's crucial to understand and mitigate these risks.

At NZI, we frequently see fires in laundry operations caused by spontaneous combustion. Other common fire risks include poor electrical safety, lack of equipment maintenance, and inadequate staff training. A fire can be costly, disrupt your business, and damage customer trust. By putting in place good risk management procedures, you could reduce the risk of a fire occurring, and avoid these consequences.

This guide looks at the fire risk of in-house laundry operations and offers tips to help your business operate safely.

First things first – check your insurance policy and endorsements:

When starting your risk management journey, it's important to check your insurance policy and endorsements. These documents set out exactly what your insurer will pay for due to accidental loss and what's excluded. It's important that you understand any exclusions that apply to your insurance policy. Having the right cover and adequate sum insured will help your business survive a significant loss.

If you have any questions, you can discuss them with your insurance broker.



Did you know?

Domestic dryers must have at least a 30 minute break between loads. We recommend using Commercial appliances for your in-house laundry.

Understanding in-house laundry risks in your business

The following section includes information about the most common areas of risk associated with in-house laundries and general risks all businesses should know about.

Spontaneous combustion – A leading cause of laundry fires

Spontaneous combustion is a unique hazard for businesses with in-house laundries. It's a by-product of spontaneous heating, which occurs when residual oils in linens break down through oxidation. This process generates heat, and if the heat cannot escape, the temperature increase can get to a point where the linen catches fire.



Reducing your combustion risk when laundering fabrics

Risk	Control
Residual oil: Contaminants, oils, or fats can remain in fabric, leading to oxidation and an increased risk of fires.	<ul style="list-style-type: none"> ▶ Always use a hotwash to help remove residual oils. ▶ Use correct commercial detergent specifically designed to remove oil and fat completely.
<p>Activation energy: Heat from dryers can trigger the process of oxidation that causes fabrics to catch fire.</p> <p>Average dryer operating levels can leave clothes at temperatures up to:</p> <p>High: 80°C</p> <p>Medium: 70°C</p> <p>Low: 45°C</p>	<ul style="list-style-type: none"> ▶ Never skip a dryer's cool-down phase. ▶ Only remove laundry from the dryer after the final cool down cycle has finished. ▶ Allow laundry to cool completely before stacking, folding or storing. ▶ If you are using a domestic dryer allow a cool down period for the appliance itself before the next load. This break must be at least 30 minutes. ▶ Train your staff in the correct procedure. ▶ Download NZI's laundry risk poster from our website and display it near dryers so staff can easily follow safe procedures.
<p>Incorrect storage areas:</p> <p>Linens can overheat and catch fire if stored incorrectly, especially near heat sources without proper ventilation.</p>	<ul style="list-style-type: none"> ▶ If storing laundry overnight, use a designated storage area. ▶ Ensure the storage area has fire detection and suppression systems, such as automatic sprinklers.
Lint build-up: Heat and friction can ignite leftover lint in vents and filters.	<ul style="list-style-type: none"> ▶ Clean the lint filter before every load. ▶ If you have a ducted machine, inspect often and clean the ducting at least twice a year.

Signs that your dryer may need servicing:

- ▶ Clothes take longer than usual to dry, even when the dryer produces heat.
- ▶ When a cycle is finished, the clothes are still damp.
- ▶ Laundry feels excessively hot after a cycle.
- ▶ The outdoor flapper on the vent hood remains closed when the dryer is running.
- ▶ If the dryer is displaying any of the above signs, it should be assessed by a qualified technician.

Self assessment checklist*

Washing machine safety checklist	Yes	No
Have your machines been set up according to the manufacturer's instructions?	<input type="checkbox"/>	<input type="checkbox"/>
Are your shut-off valves/switches accessible?	<input type="checkbox"/>	<input type="checkbox"/>
Are you using commercial detergents and following the manufacturer's instructions?	<input type="checkbox"/>	<input type="checkbox"/>
Are all cleaning chemicals kept out of reach of children and stored in their original containers?	<input type="checkbox"/>	<input type="checkbox"/>
Have you installed drain hoses directly into the grey water outlet, and do you check for blockages at least twice a year?	<input type="checkbox"/>	<input type="checkbox"/>
Do you regularly check for leaks and replace worn-out hoses when needed?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have a regular maintenance programme and a qualified service technician engaged to perform all tests and repairs?"	<input type="checkbox"/>	<input type="checkbox"/>
Do you check and clear filters at least monthly to prevent flooding hazards?	<input type="checkbox"/>	<input type="checkbox"/>
Are your staff trained in proper machine use and safety?	<input type="checkbox"/>	<input type="checkbox"/>
Dryer safety checklist	Yes	No
Are you using commercial dryers on your commercial premises?	<input type="checkbox"/>	<input type="checkbox"/>
Are your shut-off valves/switches accessible?	<input type="checkbox"/>	<input type="checkbox"/>
Have the dryer lint filters been cleaned before each use?	<input type="checkbox"/>	<input type="checkbox"/>
Have you checked before each use that no rubber-like items are placed in the dryer?	<input type="checkbox"/>	<input type="checkbox"/>
Have you ensured the cool-down cycle has been completed before each use?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have a regular maintenance programme for dryers and exhaust ducts?	<input type="checkbox"/>	<input type="checkbox"/>
Have you stored laundry away from heat sources?	<input type="checkbox"/>	<input type="checkbox"/>
Are your staff trained in proper dryer operation and safety?	<input type="checkbox"/>	<input type="checkbox"/>
General risk management checklist	Yes	No
Are staff trained in spotting hazards, using equipment, fire extinguishers and what to do in an emergency?	<input type="checkbox"/>	<input type="checkbox"/>
Is protective equipment provided to your staff working with machinery and chemicals?	<input type="checkbox"/>	<input type="checkbox"/>
Is safety information displayed, including the New Zealand National Poisons Centre number (0800 764 766)?	<input type="checkbox"/>	<input type="checkbox"/>
Is the laundry area clean and free of clutter?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a maintenance programme for cleaning, equipment checks and supplier training?	<input type="checkbox"/>	<input type="checkbox"/>
Does the maintenance programme also cover the building, including gutters and roof?	<input type="checkbox"/>	<input type="checkbox"/>
Are regular checks done for electrical safety and fire risks?	<input type="checkbox"/>	<input type="checkbox"/>
Is a first aid kit easy to find and up to date?	<input type="checkbox"/>	<input type="checkbox"/>

*this checklist is not exhaustive

If your business answered 'No' to any of the questions on the checklists above, please talk to your NZI representative or insurance broker for support.



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