

Builders Risk And General Liability

Loss Control Measures

The COVID-19 pandemic has affected each one of us, both personally and professionally. From concerts and sports taking a hiatus to worship services, retail stores and restaurants asked to alter business operations to construction sites being required to temporarily shut down, this has proven to be an extraordinary time of our lives. Construction sites are inherently risky and prove to be an attractive nuisance when occupied and even more so when left vacant. Because of these unprecedented times, the responsibility to protect these sites when shut down falls upon general contractors and subcontractors. To support the closing of a site and then helping in expediting the return to operations once this situation passes, Lockton loss control has assembled the following checklist / recommendations to aid your team through these transitions.

Project: _____

Date completed: ____ / ____ / ____

Completed by: _____

- Site security (fencing/barriers):** Securing the site perimeter is paramount and the first line of defense. Every attempt should be made to:
 - Verify all fence panel seams are properly secured to prevent ease of dismantling
 - There are no voids over, under or through the fence
 - Vehicle and pedestrian gates are secured
 - Proper perimeter signage is present and viewed from all parts of the perimeter
 - Regarding signage, the “rule of thumb” is that at no point along the perimeter should a sign containing “No Trespassing,” “Construction Site – Keep Out,” “Authorized Construction Personnel Only” or one with similar verbiage not be viewed
 - Illumination should be in good working order to allow authorities to view inside and not positioned to adversely affect neighboring properties or traffic patterns (i.e. temporary light towers pointing towards oncoming traffic or residences, etc.)
 - Regarding traffic control, properly maintain your temporary traffic control patterns and ensure they are frequently inspected and repaired when necessary
- Site security (electronic measures):** Levels and types of site security vary between locations, types, capabilities, municipal codes and insurance carrier requirements
 - System(s) is/are in good working order and consider installing new batteries
 - Verify wi-fi, bluetooth or cellular connections are functioning adequately
 - “Communication tree” is current and consider expanding its members
 - Cameras and other detection devices are properly positioned to cover 100% of the viable perimeter
 - Contact your service provider to discuss any special instructions they may have in place

- Site security (guard services):** If your site is using security guard services, communicate with your provider to ensure a guard will be onsite and they have adequate coverage should their team be exposed to COVID-19. Again, ensure your “communication tree” is current and if allowed, rotate your personnel to check on the site
 - In the event authorities issue a “Shelter in Place Order” or similar, this may disrupt private security/guard services’ availability. If your Builders Risk policy requires live guard services as a warranty to coverage under the policy, then underwriters need to be notified immediately in the event of such an order. Please contact your Lockton team immediately and we will affect this notification to your underwriters

- Material and equipment storage:** An unoccupied construction site containing valuable materials and equipment provides a generous opportunity for thieves. Controlling, securing and hiding equipment and materials is paramount. Your team should consider:
 - Securing materials within the site and away from the perimeter. Consider higher or subgrade floors if applicable to reduce the ease of access or view from the perimeter
 - Remove keys from mobile equipment and store in a well-lit and secured area
 - Request subcontractors remove their equipment or secure within the structure or confines of the site
 - Take photos of the storage area(s) before departing highlighting how security measures are utilized, location of the area(s) and the amount/type of materials/equipment in that area
 - Work with suppliers to delay delivery or remove materials/equipment temporarily
 - Make every attempt that storage areas are away from weather-related exposures and secure to prevent being carried off the site during wind events

- Water intrusion:** This is the single most prevalent loss exposure for active construction sites. Since your site could be vacant for an extended period, consider these options **if feasible and/or allowed:**
 - Shut off or limit domestic water supply
 - Shut off or limit fire sprinkler supply. **Understand this may not be feasible depending on the level of project completion, municipal codes or insurance carrier requirements**
 - Ensure temporary heating is working and in key areas to prevent freezing pipes

- Confirm all connected drains are free of blockage or debris
- Ensure roof scuppers are free of blockage or debris
- Consider using leak detection equipment in key areas
- Make every attempt to dry in roof areas
- Secure windows and doors
- Verify grading allows for storm water flow away from the structure
- Ensure SWPPS are in place
- Fire:** This is an extremely devastating loss exposure and can affect neighboring properties and up to great distances. Your team should consider the following loss mitigation protocols:
 - Ensure all hot work is completed and proper fire watch protocols are followed
 - Consider shutting off as many utilities as possible and to the greatest extent feasible
 - If installed, ensure heat, smoke and water flow detectors are in proper working order and consider installing new batteries before departing the site
 - Ensure FDCs are accessible
 - Temporary heating is situated to eliminate fire hazards and carbon monoxide (CO) accumulation;
 - Communicate with your local fire department/district and inquire if they have any special requests or stipulations
- Site inspections and communication:** It is important that your teams visit the site as much as possible and as allowable
 - Remind your team that when going onsite alone, ensure they inform other members of the team and they communicate regularly, specifically when entering the site and upon departure
 - Document altered conditions or if illegal access is noted
 - If any work is required to address the aforementioned items, remind your team to do the work in the safest manner possible. It is “ok” to leave the situation if it cannot be handled in a safe manner and with readily available resources
 - Communicate and partner with your neighbors. When there is a good relationship, they can serve as additional security measures
- Closure of job sites and Builders Risk insurance:** If the root cause of the shutdown is a pathogen/virus (COVID-19), policies are “generally” going to exclude this unless there is a specific give-back for disease (certain permanent Property policies). In the case of Builders Risk, including civil authority, a delay must be caused by a covered peril/cause of loss which thus far, communicable disease has not been classified as a covered cause. Please note that delays in projects may result in possible extensions down the road, and thus will result in additional premiums. Please note that each Builders Risk policy is different in terms of pollution/contaminants/virus exclusions and give-backs as well as job site security and policy warranties

Finally, your Lockton client service team remains available to help. We are able to communicate with your Builders Risk and General Liability carriers and help you manage these exposures and specific carrier requirements during these unusual times. Please call or email any member of your team and we will ensure the appropriate member responds.