

Construction

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Keeping Insurance During Project Cessations

Credit and funding problems can cause project cessation for contractors. Dried-up funding on a project can lead to costly delays, painful layoffs, shattered morale, and a host of other negative side effects.

Project managers, developers and general contractors must keep an open dialogue with their insurance companies to avoid costly contractual violations with respect to the cessation of work. Many insurance policies are designed with warranties that provide a maximum coverage period for cessation. Violation could void the contract and leave the project exposed to non-coverage for losses such as theft,

vandalism, fire and windstorm.

Many insurance companies issuing these policies will negotiate an extended cessation period in return for assurance that the property will be maintained and protected during downtime. The insurance company may require the submission of a formal maintenance plan and solicit periodic updates to ensure compliance.

If you are involved in a project that is in danger of experiencing a slow-down or cessation period,

even if that period is brief, give our service team a call. We can help you determine what steps you must take to avoid losing valuable insurance coverage. ■



Insuring Trailers for Damage and Liability

Some automobile insurance policies provide liability coverage for accidents caused by a trailer that hauls your firm's equipment. However, it is likely that this coverage is contingent on details, such as the size and weight capacity of the trailer. Whether the trailer is owned, borrowed or rented could also affect liability coverage. Check the details on your policy. You may be able to obtain liability coverage for the trailer if none

currently exists.

As for damage to the trailer itself, most automobile insurance policies include little or no coverage. Physical damage coverage will provide valuable dollars to repair or replace a trailer damaged in a covered event, potentially saving your business precious dollars after the accident.

For more information on adequate insurance for your firm's trailers, call our service team today. ■

Tools Not Covered Under Auto



Many contractors mistakenly believe that a commercial automobile insurance policy covers tools and equipment left in a vehicle.

While most commercial automobile policies will offer coverage for equipment and tools that are permanently attached to the vehicle, such as a toolbox or ladder rack, unattached or loose tools in transit must be covered by a separate policy.

Contractors shouldn't rely on standard commercial property insurance to extend coverage. This policy usually only covers tools and equipment while kept at the designated premises, such as in offices, storage yards or warehouses, not while in transit or on the jobsite.

Make sure your valuable tools are covered wherever you go. For information about adequately insuring tools and equipment, call our service team today. ■

More Residential Exclusions for Contractors

Commercial contractors looking to expand operations or simply stay afloat in a turbulent marketplace may consider picking up jobs normally classified as residential. If your firm is considering doing any residential work, even jobs on apartment structures, it is important you proceed with caution.

The reason is that many commercial general liability (CGL) insurance companies seek to limit exposure by amending the policy to cover only certain types of jobs (or in some cases specifically exclude them). For example, some residen-

tial exclusions have been created to eliminate coverage on all types of residential property, including apartments. Others are not quite as

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broad, eliminating coverage for work performed on specific types of projects, such as new condominiums, multi-unit habitations or tract homes.

Before proceeding with residential work of any type, consult your CGL for limiting language similar to that discussed above. For more information or assistance on making sense of the terms in your CGL, call our service team. ■

Cover the Materials You Store On-Site

Many contractors rely on standard commercial property insurance to cover materials stored on-site while awaiting installation, but that could be a mistake.

For example, consider a plumber who takes several days to complete a re-pipe and, in the interest of time, chooses to keep pipes and fittings on-site rather than move materials back and forth between a warehouse or vehicle. Could the loss or damage of these materials result in costly delays? What about the cost of replacing the items if stolen or damaged?

An installation floater is an insurance policy designed for artisan



contractors who frequently leave materials on the jobsite while awaiting use. For more information about this important coverage and how it will benefit your business, call our service team today. ■

Back Protections Are Worth It

Is proper lifting a technique workers on your jobsite really need to learn? Yes, according to the National Institute for Occupational Safety and Health. The organization reports that an estimated \$20 to \$50 billion is spent or lost on back injuries annually. The need for proper back protection is further evidenced by the federal Bureau of Labor Statistics, which reports that back injuries affect more than a million workers annually and account for one in five workplace injuries.

Proper lifting techniques and protective gear can be found at

the website of the Occupational Safety and Health Administration: www.osha.gov. Additionally, con-



tractors hoping to stave off costly worker injuries can use the following tips offered by BLR's *Safety*

Daily Advisor:

- Make it clear that workers absolutely cannot let a back injury go unreported.
- If back pain is frequently reported by employees, consider bringing in a professional for an assessment. Your workers compensation carrier might be a good resource for this. Many will provide assessments at little or no cost.
- Consider requesting an audit with your local OSHA office. Many offices honor requests for audits free of charge. Such audits are not designed to impose sanctions; rather, they assist employers in preventing injury. ■

Limitations on Insured Contracts

Most commercial general liability (CGL) policies extend coverage for liability assumed under an "insured contract." Since these contracts usually include construction and subcontractor agreements, most contractors don't think twice about whether or not coverage is available.

In an attempt to limit exposure to loss, many insurance companies, particularly those in the excess and surplus lines segment, are beginning to attach an amendment to the CGL that restricts the definition of an insured contract. Specifically, the amendment is designed to no longer include common con-

tracts such as construction and subcontractor agreements as insured contracts. Therefore, any liability that is transferred contractually will no longer be paid by the insurance company.

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Why does this matter to you? Review your firm's construction and subcontractor agreements. Are you attempting to transfer liability to someone else, such as a subcontractor? If so, how do

you know if their CGL has this "contractual limitation" amendment attached? If it's there, your subcontractor will not have access to insurance company dollars to pay a claim on your behalf. If that's the case, what are the chances they have the assets to do so themselves?

When requesting proof of insurance, be sure to ask if there is any amendment to the subcontractor's CGL that would remove coverage assumed under contract.

For more information on common CGL limitations and the risk management practices that address them, call our service team today. ■

**Thank you
for your referrals.**

If you're pleased with us, spread the word! We'll be happy to give the same great service to all of your friends and business associates.

Newly Acquired Equipment

Have you recently taken possession of a new piece of equipment? Whether through the acquisition of a competitor firm, a cash purchase, a gift or another avenue, newly acquired tools and equipment can be a valuable addition to your contracting operations.

If lost or damaged, would you want this newly acquired item repaired or replaced? If so, is this newly acquired item covered under your current contractor's equipment policy?

While some contractors equipment policies automatically extend coverage for newly acquired items, many do not. Those that do often set a deadline, such as 60 days, for the newly acquired item to be added to the policy schedule.

Let us know whenever you add a valuable piece of equipment to your inventory. ■
