

Construction

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It's Built But Not Selling

As the quantity of vacant housing stock continues to grow across the U.S., builders must be prepared to cover their properties for extended periods of time.

Generally, builders insure standing inventory as an extension to a builders risk policy. This policy is designed to terminate at the earliest occurrence of several different factors, many of which revolve around sales and/or occupancy. Many policies will discontinue coverage for the property when it eclipses a certain time period without being transferred to a new owner—the time allotment varies, but on many policies it may be as few as 90 days or less.

If the builder must maintain insurance after

the builders risk policy no longer covers the property, a separate policy designed for vacant property must be obtained.



Both of the aforementioned insurance policies often contain terms and conditions that are difficult to understand. An agent who is familiar with construction-related insurance coverage will be of great value.

If you are concerned that conditions in your area may leave you with unsold inventory, call our service

team today. Our expertise in insuring construction firms like yours will help you protect your inventory while you await the property's sale. Call today! ■

Chemical Transportation

Department of Transportation and Hazardous Materials Transportation Act (HMTA) requirements include a training element for employees who do the following:

- Operate a vehicle used to transport hazardous materials
- Load and unload hazardous materials
- Use, test or mark containers used for storing hazardous materials for transport
- Prepare required documentation for the transportation process.

Training must be received by employees upon the assignment of job duties

related to any of the above and as a refresher every three years or at any time there is a change in the employee's job function or a regulatory change.

Required training covers aspects ranging from general awareness to loading and unloading, safety training and specific schooling for those driving the vehicles.

For more information concerning which businesses, operations and employees are required to conduct or participate in training, how often they must go, and setting up a program for your firm, visit phmsa.dot.gov/hazmat. ■

Your Business Changes Affect Your Policies



Changes in your business, whether drastic or not, will likely have a direct impact on the applicability of your insurance coverage. Consider the following:

- Have you moved or added locations?
- Have you joined forces with a partner, merged with another contractor, or changed the legal status of your business entity (e.g., LLC to a corporation)?
- Have you added or sold equipment?
- Have you increased or decreased your workforce or made changes to the status of your employees?

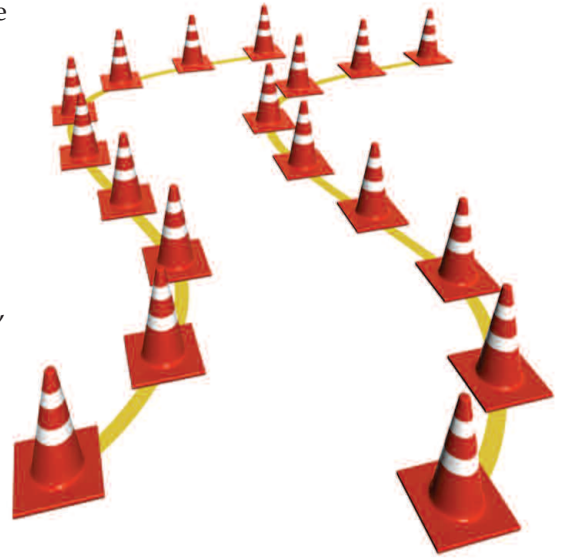
The above, along with other factors, such as increased or decreased sales and additional or discontinued operations, are a sample of the factors that will determine the correct insurance for your firm.

Don't wait for an annual review to update your policies. Give us a call whenever you make changes. And always feel free to touch base with any questions. ■

Defensive Driving

It may seem corny, but when was the last time you took a defensive driving course? How about your employees? Contractors on the road every day may not see the benefit in spending a few hours brushing up on basic driving skills. However, the Insurance Institute for Highway Safety (IIHS) offers the following, startling statistics about injuries occurring on our nation's roadways:

- In the U.S., someone is injured in a car accident every 18 seconds.
 - Of those injuries, more than 2 million annually lead to some form of disability.
 - In the U.S., someone is killed in a crash every 11 minutes.
 - Motor vehicle accidents kill more Americans annually than cancer or heart attack.
 - One fourth of work fatalities involve a motor vehicle accident.
- These statistics should serve as a reminder that driving safety is a critical component for all businesses.



Moreover, those who drive for a living often get complacent and can benefit enormously from a reminder course. In fact, businesses that sponsor defensive driving courses for employees are in an excellent position to reduce the possibility of accidents and potentially save on auto insurance.

For more information on setting up a course for your firm, visit the IIHS website: www.iihs.org. ■

Look Again at Those Certs

As economic conditions worsen, it is important for you to take a second look at the insurance coverage maintained by independent contractors, subcontractors and other partners with whom you normally do business.

Contractors struggling with a growing level of inactivity may attempt to save money by changing insurance companies, rolling back insurance coverage or canceling policies. This could have a direct impact on your business if the insurance they are currently maintaining

does not satisfy a contractual obligation or, worse, puts your firm's liability insurance at risk.

If there is a contractual obligation to maintain specific insurance coverage, consider issuing a reminder to your subs and partners that any changes to their insurance must be communicated to you for the purposes of obtaining updated certificates of insurance as well as additional insured endorsements.

For more information, call our service team today. ■

Inspect the Equipment Your Subs Bring to the Job

Contractors performing any aspect of a job for you represent you to the project owner, general contractor and anyone else with whom you may be working on the jobsite. Often, subcontractors will provide their own equipment to conduct the service for which they have been hired. Old, worn or faulty equipment can lead to costly delays and serious accidents that do significant bodily injury or property damage—accidents for which you might share in damages liability if you hired the sub.

How do you verify that the equipment being used by the

sub is capable of performing the job without flaw? Do you personally inspect the equipment? Do you conduct a safety walk-through

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with the contractors so they can show you how the equipment works and allow you the opportunity to look for obvious signs of danger, such as unguarded motors,

missing bolts or cracked support systems?

It may be impossible to determine if a piece of equipment with which you are unfamiliar is in a condition worthy of use during the project. But having a consistent inspection method in place for every piece of equipment can help identify obvious issues, as well as let the sub know that poorly maintained equipment is unacceptable.

For more information on the value of this practice and for ideas on how to go about establishing an inspection program, visit www.osha.gov or call our service team today. ■

Coverage for Vacant Lots

Much of a contractor's insurance needs focus on general liability, workers compensation and auto. Property insurance concerns tend to focus on tools and equipment and, in some cases, office and warehouse space. A discussion that is often overlooked is what insurance concerns accompany vacant property.

Many contractors own vacant property with the intent of using it as a storage yard or for possible future development. Often the property sits idle for months or years, serving as the occasional spillover storage area for waste, supplies or old equip-

ment. Due to the nature of the property kept there, many of the lots are often unsecured.

This type of property can pose



a serious liability risk if someone ventures onto the lot and is injured or if materials stored there cause damage to an adjacent property or violate envi-

ronmental regulations. In any case, the owner of the property might be held responsible for costs arising out of bodily injury, property damage and litigation defense.

Some general liability policies automatically provide insurance for a vacant lot. With others, it is relatively simple to add the location to an existing policy. Other insurance companies may be more restrictive and require a separate policy.

If you own or are considering purchasing a lot, no matter what the current or intended use, call our service team, and we can help you with your insurance options. ■

**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.

Hydraulic Fire Suppression Systems Drop in Price

Still operating mobile equipment without an installed fire suppression system?

Hydraulic fires, often caused when hydraulic oil comes into contact with hot machine components, are a leading cause of bodily injury to operators and damage to equipment such as forklifts, lift trucks, tractor units and trucks.

Equipment owners are being encouraged to re-evaluate the cost of installing accredited fire suppression systems on equipment, since recent developments have reduced the cost of suppression methods.

For more information on this new technology and how it can help safeguard your workers and valuable equipment, check the Web or give our service team a call. ■
