

Risk A/T® Work

“An ounce of prevention is worth a pound of cure.” Benjamin Franklin 1736



We are pleased to introduce the next edition of **Risk A/T® Work**, a forum dedicated to sharing safety and loss control tips with our brokers and insureds.

Risk A/T® is our proprietary risk management approach which promotes informed risk analysis based on two behavioral factors — **Aptitude** and **Tolerance**.

ABOUT US

Sompo International Insurance works through a global distribution network of retail and wholesale brokers and MGUs to provide high-quality and responsive services to a broad range of clients from large multinationals to small businesses. We offer diverse specialty capabilities across a broad range of products and industry verticals.

*If you would like to subscribe to **Risk A/T® Work**, please contact Victor Sordillo at vsordillo@sompo-intl.com*

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Builders Risk: Why Buildings Under Construction Are At A Higher Risk Of Loss

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Buildings under construction are typically unprotected until nearing completion, leaving a property exposed to potential damages, including arson and vandalism. Automatic fire-protection systems such as sprinklers, smoke detection, and fire alarms are not operational during a majority of the time the site is under construction, often resulting in small construction site fires getting out of hand and spreading rapidly before the fire department arrives. The outcome can be a catastrophic loss negatively impacting a company's bottom line.

Responsibilities

Most construction site losses are preventable with the appropriate planning activities and establishment of adequate safety measures. It is critical for the property owner or management company to designate a site Loss Prevention Manager to be responsible for the fire prevention program as well as site security, including making sure that a Site Inspection Checklist is completed on a weekly basis. The checklist should address:

- Site security and access review
- Confirmation of the Pre-Fire Plan
- Site housekeeping
- Hot-Work procedures established and actively followed
- Manual fire protection equipment in place and accessible
- Utilities adequately controlled and in good condition
- Crane securement and inspections by qualified employees
- Storm water drainage properly arranged with controls in place

Hazards and Controls

As mentioned, construction sites are often unsecured leaving them vulnerable to trespassing, which can lead to vandalism, theft, and arson. Ignition sources such as hot-work and smoking, are also attributed to many construction fires. Additional contributing factors to a fire's severity during construction include storage of combustible construction materials, lack of debris removal, improper storage of flammable and combustible liquids and gases, as well as a lack of operating fire protection systems maintaining pace with the construction progress.

Whether there is a public fire department or a private fire brigade, the Loss Prevention Manager should develop a Pre-Fire Plan in conjunction with the appropriate firefighting team. The Pre-Fire Plan should be updated as necessary throughout the construction process and include provisions for on-site visits and inspections by the fire agency.

The Loss Prevention Manager is also responsible for ensuring that:

- designated workers are properly trained in the use of the available fire protection equipment,
- there are an adequate number and types of properly maintained fire protection devices, and
- all hot-work activities are managed through the Hot-Work Permit system.

Also, the daily security of the site must be maintained by the Loss Prevention Manager, especially at the end of the day, to ensure unwanted activities are kept out of the site.

If you have any questions about Builders Risk safety and controls, please reach out to your Sompo International Risk Control Specialist for additional guidance and information at: GRSRiskControlQuestions@sompo-intl.com