Underwriting High-Rise Frame Construction

An Underwriting/Risk Control Perspective

Our risk control service is advisory only. We assume no responsibility for management or control of customer safety activities nor for implementation of recommended corrective measures. This presentation is based on information supplied by the customer and observations of conditions and practices at the time of the visit. We have not tried to identify all hazards. We do not warrant that requirements of any federal, state, or local law, regulation or ordinance have or have not been met. This report does not create coverage. Only your policy or contract provides coverage subject to its terms, conditions, and exclusions.
Objectives

UWer’s Perspective

RC/LC/LP Perspective

Exposures/Controls

Key to the Health of the Project
First/foremost

- No builders risk is ever any better than the contractor
- Financially sound with solid experience and reputation for what they do.

Spread of risk is a major concern - KNS

- High-Rise Frame Construction tends to negate Spread of Risk: high values in one fire division
- One building / one fire division
- FD construction / wall penetrations / number / spacing / area?

Will there be AS protection?

- At what point will the AS be operational?
- Best-case scenario - as soon as the floor is completed.
- Worst-case scenario - just prior to turning the building over.
Writing High Rise Frame Construction: An Underwriting Perspective – Part 2

Wind clips

- Relatively inexpensive
- Can be a good control against wind loss

Security

- Needs to be appropriate to the stage of construction
- Sizeable losses from copper theft
- On larger projects, CCTV systems or security guards are not unreasonable

Deductible:

- The larger the risk, the larger the deductible should be.
High-Rise Frame Construction
Spread of Risk?
Spread of Risk
Writing High Rise Frame Construction: An Underwriting Perspective

Rule of Thumb for involving Risk Control / Loss Control / Loss Prevention

- Construction is at approximately 30%
- Sides and roof framed
- Building(s) is(are) weathered in

Alternative to the R-o-T

- Depending upon the size/value of the project, get RC/LC/LP involved when coverage is being contemplated/planned or when the BR insurance has been written.
Pre-Plan to Avoid This

Risk Control Perspective – Using the Residual Risk Reduction (R3) Approach

Multi-employer Worksite: Subcontractor Controls

Exposure / Site Controls

Fire Protection

Wind
## Multi-Employer Worksite: Subcontractor Controls

### Selection: Criteria – qualifying the GC, the Sub:
- Track record; loss history; EMR

### Risk Management Controls – Pre-job
- Contractual; RC/Safety program

### Risk Management Controls – During job
- Jobsite supervision

### Risk Management Controls – Post-job
- Post-Job debriefing: Sub performance problems
- What can be done better next time?
Exposure / Site Controls: Materials: Ownership, Delivery, Storage

At what point does the Builder or the Insured take ownership of the materials?

- When delivered?
- When installed?

How are the materials delivered?

- By supplier, the sub, the builder?
- Who unloads?

How are the materials stored?

- On-site/off-site
- What are the considerations?
Materials Security?
Solar-powered Recording Surveillance Cameras and Lights
High-powered Security Lights on the Trailer; Motion Sensors Throughout the Site
Security

Security trailer, white poles are motion sensors

- Chapter 4 Temporary Construction, Equipment, and Storage
- Chapter 5 Processes and Hazards
- Chapter 6 Utilities
- Chapter 7 Fire Protection
- Chapter 8 Safeguarding Construction and Alteration Operations
- Chapter 9 Safeguarding Roofing Operations
- Chapter 10 Safeguarding Demolition Operations
- Chapter 11 Safeguarding Underground Operations

- Will the building be equipped with AS protection?
- At what point of construction is the AS system activated?
NFPA 13R: Covers Residential AS Protection
Fire Protection: NFPA 51B Chapter 5: Hot Work Program

- **Written hot work permit**
  - Defines the work to be done
  - Limited in time frame
  - Pre-issue requirements:
    a. Equipment condition
    b. Housekeeping
    c. Private fire protection
    d. Proximity to combustibles (no touch rule); determines the degree of safeguarding; if can’t meet 35’ requirement then:
    e. Establish a fire watch
    f. Permit-Authorizing Individual (PAI) inspection: at least once per shift while the hot work permit is in effect to ensure that it is a fire-safe area

How often do I see an actual HWP?
Fire Protection: NFPA 241 Chapter 6: Utilities and Electrical

Temporary Electrical
- GFCI-protected
- GFCI testing

Assured Grounding
- Inspection frequency
- Color coding
- Subs included

Extension Cords
- Inspection
- Condition
- Exposure to traffic
- Ground prong cut-off
Temporary Electrical - Spider Boxes
Temporary Electrical – T-Pole
“New Age” Approach to Warming Food on the Jobsite

Better than the “camp fire” with lumber scraps
Fire Protection: NFPA 241 Chapter 7

7.1 Fire safety program shall be developed

7.2 Elements of the FSP

- Good housekeeping
- On-site security
- Fire protection systems
- Organization and training of an on-site fire brigade
- Development of a pre-fire plan with the local fire department
- Rapid communication
- Protection of existing structures and equipment from exposure fires

- **Storage**
  - Plastic or Metal? Cans/drums/tanks?
  - Spill-proof? Spring-loaded caps? Backflash screens?
  - If tanks:

- **Dispensing**
  - Bonding/grounding
  - Static
  - Smoking
  - Controls

<table>
<thead>
<tr>
<th>Construction / spill containment / location from Table 15.3:</th>
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<tbody>
<tr>
<td>IA: 2200 gal</td>
</tr>
<tr>
<td>IB: 4400 gal</td>
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<tr>
<td>IC: 8800 gal</td>
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Fuel Storage Tank
Looking for the diesel fuel for your loader?
Fuel Storage - needs improvement on this site.
Wind

- Has the GC/Builder/Insured developed a plan for this?
  www.windfinder.com/apps/iphone/
Wind Bracing

- Lateral-Force Collectors for seismic and wind
Wind Bracing
Resources / References

- Materials (reference notes):
  - Khou.com- Houston Breaking News Video
  - National Fire Protection Association, NFPA Fire Codes

- Websites:
  - www.windfinder.com/apps/iphone/
Health of the Jobsite

- Safety on the project is only as strong as the GC. What we have discussed can be key exposure areas. The degree to which these exposure areas are controlled can be the difference between:

  this or this
Questions and Comments
Thanks for Your Participation!