

Stolen construction equipment left on tracks derails CN train

Reference: Edmonton Journal, July 2008

RCMP say someone deliberately drove a piece of road construction equipment onto the railway overpass. An 85-car train hit the machine, punting it off the tracks, and then derailed on the other side of the overpass. Fuel spilled from the train and caught fire but fortunately the fire was quickly extinguished. The two people on the train were not injured. The flat bed cars held containers full of consumer goods. "We have problems with vandalism at construction sites and occasionally joy riding, but this is disturbing because it's endangering people's lives."

Controlling Theft and Vandalism at Construction Sites

Construction theft is a big business and requires everyone to take an active role in reducing the opportunity for theft and vandalism.

Sites are most vulnerable on weekends and overnight. Contractors need to take extra precautions to secure their construction sites:

- ✓ Establish theft and vandalism prevention policies and communicate them.
- ✓ Use a chain link fence to secure the perimeter of the site.
- ✓ Walk the perimeter of the site and check for breaches where someone could enter the site, then repair it.
- ✓ Change padlocks on the gates and around the site several times during construction.
- ✓ Keep entrances and gates to a minimum.
- ✓ Use a reputable security company.
- ✓ Install web-based surveillance systems.

Equipment Security

1. Mark it! Is your equipment identifiable? Mark all equipment and paint larger equipment a distinctive color and include your company name or logo.
2. Record It! Keep records including serial numbers. Take photos.
3. Protect It!
 - ✓ Install anti-theft devices: fuel cutoffs, hydraulic bypasses, track locks or alarms, and steering wheel locks.
 - ✓ Use locking gas caps and oil caps on equipment and vehicles
 - ✓ Lock equipment cabs.
 - ✓ Disable vehicles with hidden switches.
 - ✓ Remove keys from large equipment.
 - ✓ Install GPS in large construction equipment left on site.

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THE DEPARTMENT

Garth Lane
Construction Practice Leader
(780) 930-3812
glane@lloydsadd.com

Brian Staden
Surety Practice Leader
(780) 930-3814
bstaden@lloydsadd.com

Patty Fischer
Editor / Broker
(780) 930-3833
pfischer@lloydsadd.com

Christine Tenove
Communications Coordinator
(780) 930-3818
ctenove@lloydsadd.com

C-2008-04
Date: September 8, 2008

17413-107 Avenue
Edmonton, AB T5S 1E5

Ph: (780) 483-4544
Fax: (780) 484-5727
Toll Free: 1-800-665-5243
www.lloydsadd.com

What does an underwriter look for in an underwriting submission?

Written by Patty Fischer

So it's renewal time again and your pesky broker wants updated information so you give them your current vehicle and equipment schedules and you're done ... right? WRONG! Even if you are not looking to find a new insurer, the renewal submission is a critically important document for underwriters to assess the risk and determine appropriate terms and conditions for the renewal.



EXPOSURES

Yes, the schedules are important. We need to have accurate asset listings and be sure to review property values, as you know first hand how project values have escalated and are impacted by increased labour and material costs.



OPERATION DETAILS

In reviewing your project list, an underwriter is wondering if the type or scope of projects has changed. There is a lot of opportunity in construction right now, so underwriters want to be comfortable knowing that you are only taking on work that you have the experience and expertise to handle. If your "typical" project has changed, then it's important for that to be disclosed. Exposures for projects are not all equal and a detailed project list and overview of operations is very important information for underwriters.



GROWTH

Construction companies are experiencing tremendous growth in this economy. How rapidly is your company growing? What steps are you taking to ensure that your workmanship will not be compromised by the pace of growth?



SAFETY PRACTICES

Organizations generally don't remain static. We know you are always looking for ways to keep workers and the public safe, prevent damage to property, and complete projects more efficiently. Whether it's changes to your standard operating procedures or additional training, don't keep these improvements a secret. This good news needs to be shared as it will have a positive impact on how your risk is viewed by an underwriter.



LOSSES

We hope you haven't had any losses over the past year, but if you have then we want to provide as much information as we can regarding the exact circumstances of the loss and what you've done as an organization to help prevent future similar losses.

What is an underwriting submission?

This is the document that is compiled by your broker to represent your risk to insurance companies. It includes comprehensive information on your operations, assets, risk and quality control practices, coverage specifications and loss history.

Managing Mold Exposures



The explosive growth in toxic mold damage claims since 2002 has led to an almost universal exclusion of mold-related claims in commercial property and general liability policies. To close this gap, consider a customized environmental insurance policy, which specifically addresses mold as a covered cause of loss.

TRANSFERRING RISK

For those in the building industry, a contractor's pollution liability (CPL) policy is specifically adapted to address mold as a pollutant. CPL insurance was originally developed in the 1980s for hazardous waste firms before mold was a pollutant of concern. Today, CPL is commonly purchased by those performing environmental and mold remediation work, but any contractor that constructs or works in buildings occupied by people should have a modified CPL endorsement to cover its mold-loss exposure.

CONTRACT PROVISIONS

Anyone entering into a construction, real estate or any other kind of contract concerning real property should consider whether or not the risk of future mold claims and remediation should be allocated by contract and, if so, how. For instance, construction contracts and real estate leases may include indemnity language specifically intended to:

- allocate liability for mold-related personal injury claims;

- include representations and/or warranties concerning absence of mold; and
- name the party(s) responsible for identifying and remediating mold.

If you are entering into a contract, be sure to read the contract language carefully to gain a clear understanding of your portion of the liability.

MANAGING EXPOSURES

In addition to transferring risk through insurance and contracts, it is critical that you develop protocols to identify, prevent and remediate mold. If there is an established standard operating procedure for prevention of mold and water intrusion, underwriters will weigh that favorably. We can provide information to help you to:

- determine if a mold problem exists;
- establish prevention methods; and
- correct the problem through remediation.

The environmental insurance market is constantly changing to meet the needs of the marketplace. We are committed to developing solid relationships with top-rated carriers who are experienced in environmental liability coverages. Contact us today to learn more about how our expertise can benefit you.

Why should a contractor consider pollution coverage?

- 1. Contractual obligations**
- 2. Limited coverage (if any) provided under liability policies**
- 3. Strict Liability**
- 4. Contractors Pollution is readily available and affordable**
- 5. Protect your bottom line!!!**

Below is an article from Today's Trucking Magazine, July 2008 edition. Brian Lowes, Lloyd Sadd's Fleet Specialist, contributed to this article and explains the benefits of keeping a positive Carrier Profile. This article also discusses carrier profiles from several different perspectives. For more information on Brian, please see his profile on page 6.

Fleeting Glances

Your Carrier Profile could be one of your most valuable business tools.

By Steve Macleod

Between the ever-rising costs of fuel, a downturn in the economy, and the increasing price of iron, it's important to find ways to cut costs. A pristine safety record is a good place to start.

While the direct benefits of less maintenance, less downtime, fewer fines and lower labor costs are obvious, the savings that you can realize from having a top-notch safety record are harder to quantify. But they're there all right. And the government has been putting together a tool to help you figure out just how safe of an operation you're running. It's called a Carrier Profile.

"A carrier gets two Carrier Profile reports free of charge each year and it's important to take advantage of that. You can make assessments and implement changes. Most insurance companies will ask for it at renewal, so you can take a look at the halfway point and start making changes prior," says Brian Lowes, fleet specialist with Lloyd Sadd Insurance Brokers.

"It's also a great analytical, PR and marketing tool," he adds.

Depending on where you live, the government has your National Safety Code Profile or Commercial Vehicle Operator Record on file. This Carrier Profile outlines your ability to maintain minimum safety standards. And industry stakeholders are beginning to take notice.

"It really affects insurance premiums," says Denis Prud'homme, president of the Saskatchewan Trucking Association (STA) and former owner of Regina-based Prudhomme Trucks.

Nearly two decades ago, jurisdictions across the country established Carrier Profile lists as part of the

National Safety Code to help ensure carriers were maintaining a minimum safety standard.

Each jurisdiction records data on collisions, inspections and driving violations. The Carrier Profile works on a demerit-point system, similar to a driver's license, and points are deducted based on the severity and safety risk of an infraction.

Each province uses the Carrier Profile as a way to monitor the safety of the industry.

"We intervene with the highest five percent of the industry every month. It starts with letters, then we do audits and possibly apply conditions. It's progressive in nature," says Wayne Lilley, manager of National Safety Code and operating authorities with Alberta Transportation.

"Most come along quite well, although unfortunately there are some we have to put out of business, but those are few and far between. The point is to keep them in business, not to take them out."

As with many things in this industry, technology has helped change the make-up of the Carrier Profile.

On paper, the profile served as a list to determine when a carrier needed to be reacquainted with law enforcement. In the mid-90's, however, the system moved to an electronic form, which allowed provinces to create more structured lists and provide carriers with substance, rather than just a list of don'ts.

"We make sure it's simple and even external people from the industry can read and understand it," notes Lilley.

"We also break it down by industry, like logging and forestry, and see how we can help specific industry sectors if they all run into similar issues."



While the full Carrier Profile is the property of the fleet, there is a summarized version available to the general public. And an increasing number of insurance brokers and shippers are asking to see the profile before doing business.

A LITTLE INSURANCE

“Insurance companies for the most part require it as part of the application and renewal process,” says the Edmonton based Lowes. “The use of the Carrier Profile has increased over the years. There are some insurance companies where it has always been a requirement, but it definitely has increased in demand.”

Collisions on a Carrier Profile are of particular interest because not every collision gets reported to the insurance company as the operator sometimes eats the cost. Insurance companies also look at convictions, the demerit threshold and out-of-service incidents to assess a carrier’s risk, but a positive review could pay dividends.

“We can use it to get insurance companies competing for your business. If your potential for risk and loss is reduced because you’re doing it the right way, then they will compete to get your business because you’re a low risk,” explains Lowes. “If you do it right you reduce costs, the cost of violations, cost of repairs, cost of training.”



5 KEYS TO IMPROVEMENT

WHILE A CARRIER PROFILE IS NOT UP FOR DEBATE, RATINGS DO CHANGE OVER TIME AS INFRACTIONS FALL OFF YOUR RECORD. HERE ARE FIVE WAYS TO KEEP THE PROFILE IN TOP SHAPE:

1. Implement a good safety program.
2. Develop and monitor a good maintenance program.
3. Pay close attention to your internal monitoring system.
4. Ensure staff members are trained properly and aware of company policy.
5. View the Carrier Profile regularly and take appropriate action.

One important way to improve your Carrier Profile is to increase the number of positive roadside inspections. Lowes says he finds that too many times carriers are not getting recognition for positive visual inspections of their vehicles and it’s important to follow up to get them on your profile.

“One thing I encourage companies to do is keep inspections filed in chronological order and make sure all good inspections are recorded on the profile,” adds Lowes.

Creating a positive profile is far from a one-step process (Lowes just finished putting together a 32-page booklet on the subject) and it will likely need involvement from everyone in the organization to pay off.

ON THE HORIZON

“You need to be safety conscious and it all starts at the top. It’s everybody’s responsibility throughout the company and you have to walk the walk, so it becomes a way of doing business,” says the STA president. “The thing I find sometimes that’s tough to swallow is the carrier is responsible for somebody else’s behaviour.”

While fleets alone have been subject to the parameters of the Carrier Profile for decades, that may change in the near future. A Driver Profile similar to the Carrier Profile is on the horizon in Saskatchewan and implementation in Alberta may be just around the corner.

“Alberta is working on a project to create a Driver profile, which would include hours of service, overloads, cargo securement and other non-moving violations,” says Lilley. “It’s been talked about as a response to the industry. They’ve been asking for years for a system that would help in hiring practices of responsible drivers.”

While the Driver Profile is still in its development stages, there is a possibility it will be ready in 2008; and the insurance companies can’t wait.

“We would love to see a Driver Profile,” says Lowes. “You would be able to identify the poor drivers impacting a carrier’s profile. Right now all you can do is take people at their word. With a Driver Profile you’re not dependent on what people are telling you and you can make an informed decision.” ■

Reference: Today’s Trucking Magazine; www.todaystrucking.com



**Brian Lowes, CRM
Fleet Specialist**

Brian specializes in finding risk management solutions for our transportation clients. He joined Lloyd Sadd in 2005 with over 30 years experience in the transportation industry. With experience as a consultant and insurance loss control specialist, Brian has worked with a wide range of fleet types. With his experience as a commercial vehicle Accident Reconstructionist, Brian is very experienced with investigations. With many additional qualifications, Brian has provided assistance and training to industry, insurers, enforcement, and legal personnel.

Key Responsibilities

- Assist transportation clients with compliance (Canadian/US)
- Completion of loss control surveys, as well as loss & violation review with recommendations and direction provided to clients.
- Ongoing assistance in monitoring safety & compliance program

Education / Professional Designations / Memberships

- Canadian Risk Management (CRM) designation
- Level 1 Insurance License
- Member of Canadian Society of Safety Engineering
- Member of Alberta Motor Transport Association
- AMTA Collision Evaluation Committee
- Advanced Commercial Vehicle Accident Investigation
- CVSA Inspector Training
- Motorcoach Inspection Training
- Train the Trainer



With September just around the corner, we are preparing to send our children back to school. With that comes the need to be watchful for children in playground and school zones. Parked cars create nervousness for many drivers, because you never know when a child may dart out from between two parked cars and into traffic! And while we may shake our heads from the panic, please remember, “children are not careless, they are care-free!”

On the highway we must also be aware of children being transported by school bus. Remember that early morning and late afternoon are prime times for school busses to be on the road. Poor weather and visibility create an additional hazard, and you may have difficulty seeing the school bus that is stopped ahead.

Remember that a school bus with flashing amber lights is warning you that it is about to activate its red flashing lights to stop and pick up or discharge children. Some busses are equipped with a roof mounted strobe light to aid in its ability to be recognized.

By regulation, a school bus is any vehicle that displays the words “School Bus”. Regulations state the max. allowable speed for a school bus in Alberta is 90 km per hour. Keep this in mind as you approach a school bus from behind where the speed limit exceeds 90 km per hour; you could be approaching the bus faster than you think. Be extra mindful of this in poor weather conditions.

Here are a couple of staggering facts and statistics regarding drivers and school busses in Alberta:

- A drive-by is referred to as an occasion where a vehicle failed to stop while a school bus was loading or discharging children. A two month survey in 2007 involving 22 school divisions and bus contractors recorded more than 500 drive-by situations!
- In Alberta, if you are convicted of passing a school bus when stopped with its red lights flashing to load or discharge children, the penalty is a minimum \$400 and (6) demerit points on your driver’s abstract. Though this should be significant deterrents, think of the ultimate price that could be paid – by a child!!!