

Did you know that your organization can be responsible for the costs associated with fighting the fire if your operations cause a wildfire or if a wildfire starts on land within your control?

In the 2008 fire season, there were close to 1,700 wildfires in the Forest Protection Area of Alberta. Those fires burned an area of more than 20,000 hectares of land. That's an area twice the size of Red Deer.

The 2009 Wildfire Season is definitely underway. Forest and prairie wildfires spread at an astonishing rate. In Alberta, approximately 60% of all wildfires are caused by human activity and the remaining are caused by lightning strikes.

Over the past ten years, over 70 fires in Alberta were caused by construction workers from activities related to debris piles, refuse, brush burning, and hot exhaust from heavy equipment or ATVs.

The Forest and Prairie Protection Act contains a number of sections, which allow for the prosecution of serious fire violations and cost recovery for Forestry Division suppression action.

Responsibility for fire fighting expenditures

For the purposes of any provision of this Act that entitles the Minister or any other person to reimbursement from any person responsible for a fire for the costs and expenses of fighting a fire or that requires any such person responsible to reimburse the Minister or any other person for the costs and expenses of fighting the fire,

- a) the person who caused the fire,
- b) the person who directed the lighting of the fire,



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- c) the person who was otherwise responsible for the fire,
- d) the person who owned the land on which the fire began and does not establish that the fire ignited or was lit without that person's consent, express or implied, and
- e) the person who was in control of the land on which the fire began and does not establish that the fire ignited or was lit without that person's consent, express or implied,

Forest fire fighting costs can be substantial! A case study on the 2001 fire in Chisholm, Alberta revealed fire fighting costs for the week long blaze came in at \$10 million.

are jointly and severally liable to the Minister or that other person, as the case may be, for the reimbursement of the costs and expenses of fighting the fire.

Forest Fire Fighting Expenses can be covered as an extension to your Commercial General Liability Policy. This insurance applies to third party fire fighting expenses which you become obligated to pay by reason of liability imposed upon you by law or statute pursuant to the relevant provisions of the Forest and Prairie Protections Acts of the provinces of Canada.

If you would like additional information on Forest Fire Fighting Expenses coverage and/or limits, please contact your Lloyd Sadd service team.



construction seminar 2009

On April 8, 2009 Lloyd Sadd held its Annual Construction Seminar at the Edmonton Marriott at River Cree Resort.

The event this year was attended by 72 clients and prospects as well as 16 underwriters.

Each year we strive to bring topics that are relevant and significant to the construction sector as a value-added service to our contractors. This year we had a total of six presentations on the topics of Insurance, Surety and Risk Management.

We appreciate and want to thank our insurer partners who support Lloyd Sadd with their attendance and also the generous sponsors of this years' event:



Project Site Security

Greg Walker is a recognized expert in Security with extensive experience in Law Enforcement, Corporate Investigations and risk and security management. At our seminar he gave an interesting, informative and entertaining presentation on the topic of Securing the Construction Site. He stressed the importance of putting project security into your project planning and discussed ways of “preventing pyromaniacs from having a party on your project site”.

Fire is the most obvious concern regarding project sites, it generally represents a total loss to the project, it's the type of loss that we read about most often in the news and a loss we want to avoid. We are seeing an increase in other property damage losses such as theft and vandalism. We are also seeing an alarming increase in bodily injury losses where third parties are getting injured as they find their way onto project sites.

Here are some general recommendations to protect your project site:

- Chain Link Perimeter Fencing minimum 6' with ingress and egress access control
- Signage appropriate for the project size and location
- Adequate lighting including perimeter lighting to deter vandals
- Site trailer with motion sensor lighting
- Site lock up at the end of each day. A designated individual responsible to physically walk the perimeter of the project to ensure the fence has not been compromised and that all ingress and egress points are secured.
- Toolbox meetings to include site security awareness
- Monitored Video Surveillance
- Loss Control Inspections arranged by Lloyd Sadd

The key focus is to prevent or deter unwanted parties from accessing the project site. In order to most effectively secure the site, a site specific risk assessment should be conducted to address the unique hazards of the particular project and location.

Safety Meetings & You

Along with doing quality work, safety on the job is also a top priority. That's why you should hold regular safety meetings.

At Safety Meetings:

Be an active listener. Even if the topic is something you are familiar with, safety is always changing. Don't be tempted to tune out; you may learn something new, or be reminded about an important safety practice.

Be an active participant. If the meeting leader can draw on worker experiences, that will remind all employees - especially newer ones - of potential dangers in the workplace. So if it's relevant, speak up!

Safety Topics:

Topics discussed at safety meetings are presented because they are potential safety hazards. If you encounter workplace hazards that you'd like to discuss, suggest them to your supervisor.

Site Security:

Include a component of site security in your safety meeting. Keeping the site secure to prevent unwanted third parties from gaining access is something everyone can participate in.

Safety First:

We all need to do our part to promote safety, and safety meetings are an important part of your total safety program.

How's the funding on your project?

We're seeing the impact of the recession on contractors. There are fewer projects, an increased number of bidders on every project, many projects being re-tendered and an increased concern over the speculative risk associated with multi-family residential construction at this time.

The concerns center around availability of funds resulting in stalling of construction operations and also completed buildings that are vacant, either not sold or unoccupied. From an insurance perspective, the increased risks are:

- Moral hazards: losing a building from a fire in this economic time may not be as problematic for an owner as it would have been in the faster paced economy.
- With tighter budgets and thinner margins, there may not be the same priority on loss control and security.
- The construction operations may stall and depending on the stage of the project when this happens, the builders risk exposed at a higher risk time for much longer than originally expected and rated for (i.e.- framing stage).
- Owners may delay substantial completion causing well-meaning contractors to extend coverage on a completed project in an attempt to help out an owner until they can either sell or occupy the building.
- General Contractors may stall turning over the completed project due to not being paid.

There are aspects regarding insurance and contracts that come into play.

Builders Risk Policies insure projects while in the course of construction, they may not cover projects where construction activities have ceased for more than 30 days or where buildings are completed whether they are occupied or unoccupied.

If the project is subject to or based on the standard CCDC 2: 2008 contract, then the contractor is responsible for project insurance from the date of commencement of the work until the earliest of:

- (1) 10 calendar days after the date of Substantial Performance of the Work;
- (2) on the commencement of use or occupancy of any part or section of the Work unless such use or occupancy is for certain purposes listed;
- (3) when left unattended for more than 30 consecutive calendar days or when construction activity has ceased for more than 30 consecutive calendar days.

If you are having issues or concerns on a current project or if you suspect that there may be issues on a project, contact your Lloyd Sadd service team immediately.

