



Maximizing uptime, minimizing losses: Loss control best practices for contractors' equipment

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Maintenance

Maintenance

- The maintenance of each piece of equipment is critical to its operation and the safety of those using it at a work site.
- Failure to maintain equipment can lead to equipment failures, which can result in
 - wear and tear
 - damage or loss of equipment
 - project delays
 - additional costs.

“A dime of routine and preventative maintenance is worth a dollar in repairs.”

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

Maintenance best practices



- A skilled and experienced team of workers must be assigned to establish a maintenance program that includes preventative maintenance requirements and procedures for every piece of equipment. This should include:
 - A set routine
 - Adhering to original manufacturer’s recommended equipment maintenance schedule
 - Maintenance requirements based on location and environment in which equipment is operated.

Training and safety

Training and safety



Inadequate supervision, lack of training or negligence may all contribute to unauthorized or improper use of equipment by employees or subcontractors. This can have serious consequences, including accidents, damage or premature wear and tear.



It's crucial to prioritize proper supervision and training to ensure that workers are equipped with the necessary knowledge and skills to safely and effectively use equipment.

Training and safety plans/procedures



- Training programs should cover a wide range of safety topics, including but not limited to
 - equipment operation and maintenance
 - hazard identification and reporting
 - personal protective equipment (PPE) usage
 - emergency procedures
 - and safe work practices.
- It's important for contractors to regularly update and reinforce these training programs to keep employees informed about the latest safety standards and best practices.

Theft or vandalism

Theft or vandalism

- Theft or vandalism of construction equipment is an escalating problem in the industry.
- Theft or vandalism can increase business costs and threaten the timely completion of projects.
- It's vital your clients reduce opportunities that attract thieves through sound risk management practices.

\$300m - \$1bn

Estimated amount of money lost each year in the US due to the theft and vandalism of construction equipment¹.

(estimate does not include business interruption losses [rental costs, project-delay penalties, wasted labor etc.]

How to combat theft and vandalism

Site security



- Store equipment in secure and locked areas when not in use. This can include using fenced yards, locked storage containers, or secure facilities.
- Install security systems such as surveillance cameras, alarms, and access control systems.
- Look out for vehicles “casing” your site.
- Do not leave equipment on trailers and ensure trailers are also secured and immobilized.
- Install bright exterior lighting around equipment storage areas to deter theft and vandalism during nighttime hours and improve visibility for surveillance cameras.

How to combat theft and vandalism

Equipment management



- **Equipment tracking:** implement a system to track and monitor the location and usage of equipment. This can include using GPS tracking devices or asset management software to keep tabs on equipment movement.
- **Equipment identification:** Clearly mark equipment with identification numbers or labels to deter theft and aid in recovery if stolen. Consider marking:
 - each part that can be disassembled
 - in both visible and non-visible locations
 - in several different locations on equipment item.

Overturns

Overturns



Each year, large numbers of equipment overturn, causing significant damage and loss.



Cranes and other heavy equipment can be prone to tipping over if not operated properly or if the surrounding conditions are not considered.



Operating heavy equipment on an unstable surface or with uneven distribution of load can spell serious trouble.

How to avoid overturns

Key prevention tips include...

- Always assess the stability of the ground, avoiding uneven or unstable surfaces, and consider factors such as wind speed and weather conditions.
- Avoid slopes that are too steep for the machine to safely handle.
- When heavy equipment is loaded, It is important to ensure that the load is distributed evenly and within recommended limit.
- Slow down! Speeding on gravel surfaces or over bumps can cause a rollover, as can turning aggressively.
- Don't park equipment too close to the edge of a slope or embankment.



Natural disasters

Natural disasters

- As weather patterns change and become increasingly severe, contractors may find themselves ill-prepared to respond to severe weather and protect their equipment.
- Without sufficient advanced notice, it may not be possible to de-assemble, load, and/or transport large and complex pieces of equipment such as cranes to a safe area in time.
- Hurricanes, lightning storms, flooding, tornados, earthquakes and fires all pose significant risks to contractors' equipment.



How to prepare for natural disasters

At the very least, contractors should...



Create emergency response plan

- Create a comprehensive plan that outlines steps to be taken before, during, and after a disaster.



Conduct risk assessments

- Assess potential risks posed by different types of disaster e.g. in flood-prone areas, contractors may need to elevate equipment or relocate to higher ground.



Secure equipment

- Secure equipment to prevent damage. Anchor equipment to the ground, use locks or security systems, and store equipment in secure buildings or containers.



Backup data

- Regularly back up important data and documents related to equipment. Storing backups off-site or in the cloud can help ensure this information isn't lost in the event of a disaster.

**Are your clients
adequately insured?**

Are your clients adequately insured?



- Ensure that contractors have appropriate insurance coverage for their equipment.
- It's vital to closely review your clients' policies to identify potential coverage gaps.
- Permanent property or commercial auto policies may or may not cover equipment.
- Do their policies include coverage for renting or leasing of equipment? Are they covered for equipment in transit?

How to submit new business applications?

Work smarter with V²

To get a contractors equipment quote, please log in or register for our online portal, V².

Uploading a schedule into the portal

- 1-5 pieces of equipment (Agent enters equipment detail)
- 6 or more pieces of equipment simply upload the schedule

Visit victorinsurance.com to view our recorded V² demo!



You can also quote Builders Risk with V²

Useful guidance

We consider certain submissions as “pass through” risks, which allows for a streamlined process for obtaining a quote.

If your client does not need to increase the limit of automatic additional coverages or add any optional coverages, and you can answer, “yes,” to the following questions in your V² submission, your quote will not generate an underwriting hold and you will receive your quote in minutes.

Q. Is the project ground-up, new construction?

Q. Is the project less than 30% complete?

Q. Does the project type fall within protection classes 1-7?

Q. Is this a new construction project with a completed value of:

- \$1.5 million or less (coastal)

- \$3 million or less (inland)

Q. Does the builder, remodeler, owner or general contractor have at least 2 years' experience?



Q & A

Your experienced contractors equipment team

Get in touch!



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Thank you



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