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General Liability in the Construction Industry

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Overview



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- General Liability Definition
- Factors Affecting Liability Risk Management
- Minimizing General Liability Public Exposures
- Questions and Answers

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General Liability Definition


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- Liability can result from civil wrongs or tort cases, including negligence and strict liability
- Liability can also result from a breach of contract or can be assumed under the terms of a contract
- The General Liability insurance contract provides coverage for tort breaches of duty subject to some exclusions

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Factors Affecting Liability Risk Management 

- Premises
- Contractual Liability
- Completed Operations
- Physical Environment
- Operations
- Human Environment





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Factors Affecting Liability Risk Management 

Premises

- Ownership
- Design, construction and maintenance
- Condition, location, operation and protection
 - Roadways, walkways, ramps
 - Parking lots, yards
 - Dumps, retention ponds, ditches
 - Utility poles
- Construction activities
 - New, alterations, additions
 - Excavation and demolition





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Factors Affecting Liability Risk Management 

Contractual Liability

- Incidental contracts
- Hold Harmless and Indemnity contracts
- Purchase and rental contracts
- Liability assumed through a contract
- Written contract and agreements

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Factors Affecting Liability Risk Management
Completed Operations

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- Construction Defects
- Quality Assurance/Quality Control (QA/QC)




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Factors Affecting Liability Risk Management
Physical Environment

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- General life safety considerations
 - Building/Highway construction, occupancy and use
- Evacuation plans
- Housekeeping
- Traffic pattern
 - Vehicles, people, materials
- Emergency systems

Factors Affecting Liability Risk Management
Operations

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- Operations/Process
- Machinery, equipment and tools
- Producing excessive dusts, vapors, fumes or mists
- Environmental impairments
- Maintenance activities




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Factors Affecting Liability Risk Management
Human Environment



- Employees
- Training
- Security
- Public exposures



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Minimizing General Liability
Public Exposures



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Public Exposures



Public exposures include:

- Site perimeter
- Attractive nuisance potential
- Jobsite housekeeping (slips, trips and falls)
- Site security
- Keeping objects from falling onto the public

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Recommendations to Help Address Public Exposures



- 100% site fencing
- Daily inspection
 - Fences, locks, gates
- Clear signage
- Visitors sign-in with personal protective equipment (PPE)
- Housekeeping
- Daily dust control
- Night lighting or security service

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Recommendations to Help Address Public Exposures



- Use of certified flaggers
- Approved traffic control plans
- Daily inspection of traffic control devices
- Use of certified equipment operators
- Back-up alarms on trucks, forklifts and construction equipment

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Problematic Exposures



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Educating for Success - Training



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Exposure Reduction



- Slips, trips and falls prevention for construction
- Protecting the public on or adjacent to construction sites
- Highway Worker Safety Program
 - Traffic Control
- Emergency response plan

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Conclusion



- Depending on the site and operations, contractors face numerous challenges to control hazards, reduce exposures and protect the public from the work activities on their jobsites
- Construction incidents involving the public yield a variety of claims including personal injury and property damage
- The Zurich Services Corporation has a team of Risk Engineering consultants capable of helping contractors assess site-specific exposures and suggest controls to help reduce the exposure

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Questions and Answers

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