

## COVID-19: Temporarily closing a facility or downsizing operations “Builder’s Risks”

In the event you have to halt construction due to governmental order (or if you voluntarily shut down in the spirit of governmental order) as a direct result of COVID19, in order to ensure continuity of insurance coverage, you must immediately make your insurance broker aware that you’re shutting down (so that they can advise your insurer) and then take steps to protect the site. Additionally, you must visit the property at least once every 3 days (72 hours), and maintain a prudent level of care, control and maintenance of the construction site. This includes adequately maintaining security systems and utilities. If you anticipate remaining shut down past **June 30, 2020** you must inform your broker and obtain a **vacancy permit** on your policy for coverage to continue past this date.

The following actions, once taken, can greatly reduce the potential of loss or damage and will help to ease the transition when the time comes to resume construction:

### Protecting Against Unauthorized Access

1. Have or maintain on-call personnel to assist in emergencies.
2. Install perimeter fencing with locking gates.
3. Secure all building openings (doors, windows, roof access etc.)
4. Maintain and increase frequency of security patrols.
5. Install electronic surveillance and monitored burglar alarm systems.
6. Maintain interior and exterior lighting.
7. Post emergency contact information at the site entrance.

### Protecting Against Fire

8. Maintain all fire protection equipment, most notably fire sprinkler systems and fire pumps in accordance with applicable NFPA standards.
9. Chain, lock and/or supervise all interior and exterior fire sprinkler control valves in the fully open position.
10. Visually inspect sprinkler control valves and portable fire extinguishers at least once per week.
11. Ensure all sprinkler and smoke/heat detection alarm systems are operational and monitored.
12. Close all fire doors and maintain them in good operating condition. If fire doors must remain open, verify that they are operational with automatic closing devices provided.
13. Remove combustible material and residue from machinery.
14. Remove all waste materials from the premises.
15. Disconnect and remove flammable and compressed gas cylinders from the site.
16. Remove flammable and combustible liquids or place in existing flammable liquids storage room or cabinet.
17. Power down all non-essential equipment and disconnect all unnecessary power supplies.
18. Remove all outside storage or relocate a minimum of 10 metres from the building or any exterior equipment.
19. Store all flammable building material a minimum of 10 metres from the building.

## Protecting Construction Sites (Cont'd)

### Protecting Against Water Damage

20. In unoccupied buildings, turn off domestic water supply (not sprinklers) and lock valves.
21. Maintain adequate heat throughout the building to prevent waterlines from freezing.
22. Ensure dewatering/water management equipment remains operational.
23. Protect openings in the building envelope from ingress of rain water.
24. Regularly inspect the building's envelope and drains.

### Protecting Against Other Hazards

25. Ensure that the structural stability of the building has been established.
26. Protect any slopes from erosion.
27. Remove and/or securely store uninstalled equipment.
28. Store uninstalled equipment in accordance with manufacturers' guidelines.
29. Maintain adequate building ventilation.
30. Secure cranes and elevators.
31. Protect partially installed systems from ingress of foreign objects and debris.

**DISCLAIMER:** The illustrations, instructions, and principles contained in the material are general in scope and, to the best of our knowledge, current at the time of publication. Our risk control services are advisory only. We assume no responsibility for: managing or controlling customer safety activities, implementing any recommended corrective measures, or identifying all potential hazards. Note that you may have specific security warranties on your policy which will still apply during temporarily shut down. No attempt has been made to interpret any referenced codes, standards, or regulations. Please refer to the appropriate government authority for interpretation or clarification.