SOCIETY OF CHARTERED SURVEYORS IRELAND

A Guide to Risk and Insurance for Property and Facilities Managers

Information Paper

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SCSI / RICS Information Paper

This is an information paper (IP). Information papers are intended to provide information and explanation to SCSI members on specific topics of relevance to the profession. The function of this paper is not to recommend or advise on professional procedure to be followed by members.

It is, however, relevant to professional competence to the extent that members should be up to date and have knowledge of information papers within a reasonable time of their coming into effect.

Members should note that when an allegation of professional negligence is made against a surveyor, a court or tribunal may take account of any relevant information papers published by SCSI in deciding whether or not the member has acted with reasonable competence.

Document status defined

SCSI and RICS produce a range of standards products. These have been defined in the table below.

Document status defined

Type of document	Definition	Status
SCSI practice statement	Document that provides members with mandatory requirements of the Rules of Conduct for members	Mandatory
SCSI code of practice	Standard approved by SCSI that provides users with recommendations for accepted good practice as followed by conscientious surveyors	Mandatory or recommended good practice (will be confirmed in the document itself)
SCSI guidance note	Document that provides users with recommendations for accepted good practice as followed by competent and conscientious surveyors	Recommended good practice
SCSI information paper	Practice based information that provides users with the latest information and/or research	Information and/or explanatory commentary

Risk & Insurance Information Paper: For Property & Facility Managers
Section 1: Introduction

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1.0 Introduction

This Information Paper was developed to inform Property and Facilities Managers in relation to insurance when providing professional services.

Aon insurance was chosen to contribute to this guidance note, given their ability to provide members with a long-term sustainable solution to insurance & risk needs, with bespoke programmes giving members maximum control. Aon can also provide value to clients' needs through:

- Proven experience in successfully placing large, similar-type risks
- Maximum Insurer leverage, both Global & Local (Aon controls €54bn premium worldwide)
- Aon's Local/ Global presence & reach in all areas where you operate
- Security from one of the world's leading financial institutions
- Global Risk Insight Platform (GRIP) – Benchmarking Data
- Highly competitive premiums
- Unrivalled Client Expertise
- Dedicated Local Claims Resources
- Supporting Risk Management Team
- Strong Team Commitment

Aon is the leading global provider of risk management services, insurance and reinsurance brokerage, and human capital consulting. Through its more than 36,000 colleagues worldwide, Aon delivers distinctive client value via innovative and effective risk management and workforce productivity solutions. Aon's industry-leading global resources and technical expertise are delivered locally through more than 500 offices in more than 120 countries. Named the world's best broker by Euromoney magazine's 2008, 2009 and 2010 Insurance Survey, Aon also ranked highest on Business Insurance's listing of the world's largest insurance brokers based on commercial retail, wholesale, reinsurance and personal lines brokerage revenues in 2008 and 2009. A.M. Best deemed Aon the number one insurance broker based on brokerage revenues in 2007, 2008 and 2009 and Aon was voted best insurance intermediary, best reinsurance intermediary and best employee benefits consulting firm in 2007, 2008 and 2009 by the readers of Business Insurance. For more information on Aon, log onto www.aon.ie

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1.1 Purpose of this guidance note

The purpose of this guide is to provide relevant details of a typical Insurance Programme. In our endeavours to ensure that the document is clear and concise, we have not included the full policy wordings and would therefore remind you that only the policies themselves can provide the full text. Consequently, any information supplied within the guide remains subject to your own specific policy terms, conditions and exceptions.

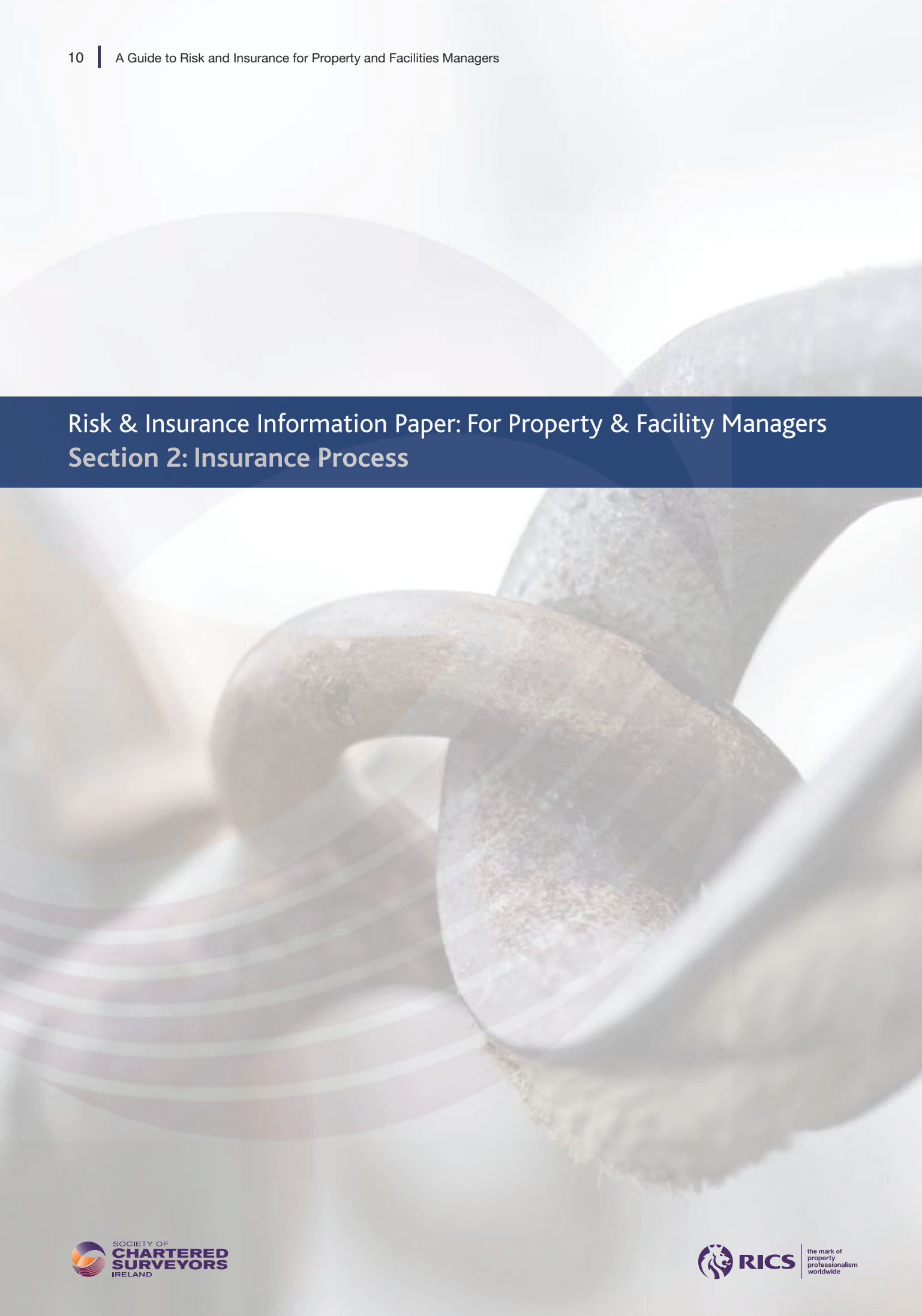
It is now commonplace for insurers to restrict cover for Property risks, which can include restrictive endorsements, increased excess, warranties, limitation of perils insured or withdrawal of cover.

At Aon, teams are structured around clients' businesses, enabling them to take a fresh look at every aspect of a client's covers. This includes their approach to programme design, peer benchmarking and the generation of competition for your business within the insurance market.

1.2 Disclaimer

Aon has made all reasonable efforts to ensure that the contents of this guide are correct. However, Aon cannot accept any liability for any error or omission. You should not rely on the guide in deciding whether to take a particular course of action or not. In that event, you should take the appropriate professional advice.

Risk & Insurance Information Paper: For Property & Facility Managers
Section 2: Insurance Process



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2.1 Insured

It is imperative that the title of the Insured is shown correctly on all policies.

All Companies and Associated Companies need to be included in order to properly protect your interests

2.2 Business Description

It is imperative that your Business Description/Occupation is shown correctly on all policies, as any activities outside this may not be covered.

Have you provided your Broker/Insurer with a detailed description of all activities undertaken?

Ancillary Building works/services, Security Providers, or, on occasion, Property/Facility Managers may assume the role of "Project Supervisor Construction Stage." These or other activities/roles must be catered for in the Business Description on your policy.

2.3 Insurance Contracts

All insurance policies are legal contracts based on "utmost good faith". This is a legal principle which requires the Insured/Proposer to divulge all relevant information about the risk before the Insurers accept it. In general terms, any information which could reasonably be expected to affect the Underwriters acceptance of the risk or the level of premium they require for it is deemed to be relevant. If in doubt, disclose.

2.4 Duty to Disclose Material Information

Material information is information that would influence an Insurer in deciding whether a risk is acceptable and, if so, the premium, terms and conditions to be applied.

Failure to disclose all such information could result in the policy being rendered void, so that CLAIMS WOULD NOT BE PAID.

Before inception of cover:

All material information must be disclosed to Insurers to enable terms to be negotiated and cover arranged. This is not limited to answering specific questions that may be asked. Any changes which may occur or come to light after a quotation has been given must also be notified.

After inception of cover:

The duty to disclose is an on-going duty, when there are changes or variations in cover and when the policy is renewed or extended.
In addition, changes which substantially increase the risk, or relate to compliance with a warranty or condition in the policy, must be notified at once. Examples can be seen under Section 2.8 of this guide.

To ensure that cover is not prejudiced, please refer to your Broker/Insurer if you have any doubt regarding what information should be disclosed.

2.5 Renewals and Alterations in Risk

It is essential that you advise your Broker/Insurer of all material alterations in risk during the period of insurance.

While this list is not exhaustive, the undernoted alterations should be considered as examples of material changes which may affect your policy cover and should be notified immediately to your Broker/Insurer.

1. New Premises or Change of location
2. Alterations or changes in your business activities.
3. Capital additions to buildings or plant.
4. Changes to any systems of check or control
5. New processes or business activities.
6. Alterations in the construction and size of buildings.
7. Alterations in the use of buildings.
8. Unoccupied buildings. (Properties that become Fully or Partially Unoccupied)
9. Alterations in heating systems.
10. Alterations in fire fighting arrangements.
11. Sprinkler down time (notified in advance on Sprinkler Impairment Notice)
12. Alterations in security arrangements.
13. Changes to alarm monitoring arrangements.
14. Use of Contractors (refer separate heading).
15. Any other material change in your assets or business activities.

2.6 Regulations

With effect from 1st July 2007, ALL RENEWAL TERMS must be issued to the client a minimum of 15 Working Days prior to renewal date. This includes the insurer's documentation.

In the event that you have provided your Broker/Insurers with the up to date renewal information in time then your renewals should be issued 15 working days prior to renewal.

If you have not submitted the required information to your Broker/Insurer on time then the broker must issue the (temporary) documentation received from the insurer, pointing out the fact that the renewal is based on last year's declarations and details.

2.7 Reasonable Care

A basic and very important requirement of all insurance policies is that you must take all reasonable care to avoid loss, damage or injury. The existence of insurance should not affect your attitude to dealing with exposure to loss. Simply put, you must carry out your business activities as if no insurance were in place. In regard to actions that should be taken following a loss, please refer to section 4 of this guide.

2.8 Warranties

It is vital that you comply literally with all policy warranties. Failure to do so will automatically invalidate the cover. We recommend that you read your policies and schedules carefully to ensure that all warranties and conditions are being fulfilled. Warranties are normally listed to the back of the insurance schedule and should have been pointed out to the insured.

If for any reason you cannot adhere to a warranty, you should contact your Broker/Insurer immediately.

Some sample warranties that might apply to your policy are shown below:

2.8.1 Sample Alarm Warranty

- The intruder alarm installed at the premises must be kept in an efficient working condition, regularly inspected and maintained in accordance with a contract with the installer
- The intruder alarm must be set whenever the premises are closed for business or left unattended, and reset as soon as is reasonably possible after activation.
- No alteration to or substitution of the said intruder alarm and associated maintenance contract should be made without the Insurers written consent
- The insured shall immediately advise the insurer upon receipt of notification of withdrawal of Garda/Alarm Co. response to alarm.

2.8.2 Sample Unoccupied Warranty

It is warranted that in the unoccupied buildings insured by this policy:

- All gas, water and electricity (other than those required for security purposes) mains supplies are to be kept disconnected until the buildings are once again occupied.
- All outside doors are to be kept securely locked to prevent unauthorised entry
- All windows are to be firmly secured at all times
- Regular visits shall be carried out by the Insured to physically check the premises and to carry out any work necessary to maintain the security arrangements
- All trade waste and combustible materials must be removed from the premises

2.8.3 Sample Sprinkler Wording:

Cover by this section is contingent on the sprinkler system at the premises being fully operative and maintained in full working order at all times.

2.8.4 Sample Money Warranty

In respect of Money in Transit to & from Insured's bank the following Transit Warranties apply:

1. Amounts up to €3,809 to be accompanied by one able-bodied adult employee.
2. Amounts between €3,809 and €7,618 to be accompanied by two able-bodied adult employees.
3. Amounts between €7,618 and €12,697 to be accompanied by three able-bodied adult employees.
4. During Bank Holiday Week-ends amounts between €12,697 and €15,237 to be accompanied by four able-bodied adult employees.

2.9 Terms Explained

2.9.1 Indemnity

Where property claims are settled on an Indemnity basis, Insurers will take into account deductions for depreciation or wear and tear depending on the age and condition of the damaged or destroyed property.

Sums insured on an indemnity basis should represent the current new value of the items, with an allowance for depreciation. It is not sufficient to use the 'written down' or 'book value' of the property as these will probably represent the original purchase price and not the current new value.

2.9.2 Reinstatement

Claims settlements will represent the replacement cost of the insured property. The replacement property must be of a similar type but not better or more extensive than its condition when new.

In calculating the replacement cost, we would point out that it is not sufficient to insure for today's cost but the anticipated cost at the time reinstatement may occur taking into account inflation/deflation and the period necessary to complete the reinstatement.

A loss at your premises could foreseeably occur on the last day of the insurance year. Therefore, your sum insured should represent (unless otherwise endorsed) the replacement cost of the property taking into account the period necessary to complete the reconstruction of the premises.

It should also be pointed out that reinstatement valuations should be regularly sought by policy holders on average at every 2-3 year intervals, hence ensuring that the sums insured are accurate for renewal purposes. There may be considerable changes to rebuilding costs depending on prevailing economic conditions.

2.9.3 Average

When a policy or item is 'subject to average' settlement of any claims will be based on that proportion of the loss that the sum insured bears to the actual value of the insured property:

- At the time of reinstatement, if cover is on a reinstatement basis or at the time of the loss, if cover is on an indemnity basis

Therefore, to avoid being penalised by this Clause, it is essential that the sums insured are maintained at an adequate level at all times.

An Example of where average may apply (where the policy is written on a reinstatement basis) would be where an insured has a partial loss for €10,000. On investigation by the insurers' loss assessors it was found that on a total loss basis the reinstatement cost would be €500,000, however the premises was insured for €250,000, then the Insurers will only pay 50% of the loss i.e. €5,000

2.9.4 Claims Made and Claims occurring policy wordings

Claims Made Basis: *covers claims first made against you and reported to the insurer during the policy period. The event/ instance giving rise to the claim does not necessarily have to occur during the policy period, but may have happened in the past, subject to certain retroactive date and prior litigation date thresholds. Policies written on this basis include Professional Indemnity/Errors and Omissions, certain Liability wordings, Management Liability and others.*

Put simply, the policy must essentially be in force at the time when the claim is made against you. It is important to consider this if for some reason a claims made policy is not renewed or is changed to a losses occurring wording, you may require run-off cover for an extended period.

This run off cover is a policy normally written for a period of between 1 to 7 years after the main policy has expired. The reason for this, where your main policy was insured on a claims made basis is that the policy must be in force when the claim is made for cover to operate. Claims can be received even after a business has ceased trading.

Claims Occurring Basis: *covers liabilities and losses arising from events that occur during the actual policy period.*

2.10 Use of Contractors

Where work is carried out by Third Parties (such as outside Contractors) you should submit the following information to your Broker/Insurer prior to the contract being signed and prior to work commencing:

i. Copy Contract
ii. Name and Address of Contractor
iii. Name and Address of Contractor's Insurance Broker.
iv. Contractor's Certificate(s) of Insurance

The contractor should be required to implement a "work permit" system in respect of all dangerous activities such as hot work (See appendix 1), work in confined spaces, work at heights and the like. We would recommend you ensure strict compliance with this system.

Do not sign the contract or allow work to commence until your insurances and the insurances of your contractors have been checked and approved. See section 3.2 of this guide for further details on control of contractors.

2.11 Purchase of Goods and Services

Many contracts for the supply of service goods or equipment contain onerous obligations regarding indemnities, insurances and other liabilities.

Public/Products Liability policies exclude liability assumed by you under contract or agreement where such liability would not have attached in the absence of such contract or agreement.

We recommend you consult with your Legal Advisors regarding the contract terms and conditions, and your Broker/ Insurer regarding the insurance requirements / implications before contracts are signed or accepted.

The following is a list of available insurance classes, some of which you may not have in force and which you may wish to consider purchasing.

Fire & Perils	*Excess Products Liability*	*Marine* *(a) Hull* *(b) Cargo*	*Legal Expenses*
Business Interruption	*Excess Umbrella Liability*	*Marine Consequential Loss*	*Bloodstock/Livestock*
Material Damage All Risks	*Products Recall*	*Theft*	*Directors & Officers Liability*
Terrorism	*Products Guarantee*	*Money*	*Kidnap / Ransom*
Claims Costs	*Professional Liability*	*Fidelity Guarantee/Crime*	*Libel/Slander*
Increased Cost of Working	*Product Contamination/ Extortion*	*Glass/Neon Signs*	*Customs or other Bonds*
Loss of Book Debts	*Financial Loss*	*Exhibition*	*Employment Practices Liability*
Sprinkler Leakage	*Non-Negligence*	*Personal Accident/Sickness*	*Pensions Trustee Liability*
All Risks *(a) Contract Works* *(b) Office Equipment* *(c) Documentation*	*Motor* *(a) Private Motor* *(b) Commercial Vehicles* *(c) Special Types* *(d) Hired in Plant* *(e) Motor Cycles* *(f) Trailers – detached/ attached* *(g) Legal Expenses &/ or uninsured loss recovery.*	*Credit* *(a) Domestic* *(b) Export*	*Engineering, including but not limited to: -* *(a) Computer & Ancillary Equipment* *(b) Boiler/Pressure Plant* *(c) Lifting Plant* *(d) Electrical Plant* *(e) Refrigeration Plant* *(f) Hired in Plant* *(g) Storage Tank/ Containers* *(h) Contamination/ Spoilage Risks* *(i) Machinery (Dismantling, Transit, Erection)* *(j) Consequential Loss.*
Employers Liability	*Environmental Impairment*	*Repatriation*	*Keyman Cover*
Excess Employers Liability	*Motor Traders* *(a) Road Risks* *(b) Internal Risks*	*Travel*	*Critical Illness*

Risk & Insurance Information Paper: For Property & Facility Managers
Section 3: Property Risk Management Process

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3.0 Property Risk Management Process

As Property and Facility Managers your organisation/property is vulnerable to a diverse range of risks, from minor incidents such as malicious damage and glass breakage, through thefts and industrial accidents, to a major fire which could destroy your premises. This is why insurance is required.

But insurance alone is not enough. A large number of companies that do have a serious incident/loss do not fully recover despite having adequate insurance cover. This can be due to a number of reasons, but highly competitive market conditions are undoubtedly a common factor, with a company's market share being quickly eroded in the event that a business is unable to operate or perform due to a loss.

Safeguarding the business assets and potential liabilities should be seen as a partnership of insurance and control of risk or risk management. This is something which all companies, regardless of size, should seriously consider.

Managing the risk by controlling and reducing it not only makes your business less vulnerable to disruption, but carried out in sufficient depth, can increase availability of insurance cover and improved insurance terms. This guide will help you control and minimise losses by use of risk management.

To achieve this, it is important first that appropriate risk assessments are carried out to establish:

- The hazards
- Who or what might be harmed
- If the risk is already adequately controlled
- What further action is necessary to control the risk

You should record the findings of this assessment and review them on a regular basis.

Amongst the areas to be considered in the risk assessment should be:

- Arson
- Electrical installations
- Housekeeping
- Control of contractors
- Hot work
- Fire protection
- Water damage control
- Security
- Business continuity planning

Once the assessment is complete all businesses should nominate a risk control manager.
This individual should be made responsible for the creation and overseeing of loss prevention programmes.

3.1 Fire & Perils

3.1.1 Arson

Arson is fast becoming one of the main causes of fires within commercial and industrial properties in Ireland. The potential arsonist can often be frustrated by taking the following precautions:

3.1.1.1 Secure combustible materials

- Fence and gate all yards
- Remove combustible waste and materials from open yards or keep them in an area well clear of the perimeter and the buildings (minimum 10m)
- All flammable liquids and gases should be locked away in secure stores at the end of the day.
- Petrol and diesel pumps should be immobilized

3.1.1.2 Improved security

- Make sure all windows and doors are secured at night and kept in good repair. Replace broken panes of glass
- Provide lighting to the yard (shining away from the building)
- Consider having a burglar alarm installed, including remote signalling to an alarm receiving centre
- Consider having a closed circuit television system installed, covering the exterior of buildings
- Instigate a formal written inspection of security on locking up
- Control the access to the premises both during and out of business hours. All visitors should be monitored and supervised

3.1.1.3 Staff

- Prepare a policy on the prevention of arson and make staff aware of it
- Get staff agreement and co-operation to carry out the recommendations in this guide
- Carry out the normal pre-employment checks on new staff

3.1.2 Electrical installations

Electricity is commonplace in all buildings and we all use it. But electricity is the second most common cause of fires and can also cause injuries and fatalities if not properly used and maintained. The installation, use and maintenance of electrical installations is governed by the Safety, Health and Welfare at Work Regulations 2007 which give the minimum legal requirements.

To reduce the risks the following standards should be put in place:

- Work on electrical installations should only be undertaken by a competent trained electrician or a suitable electrical contractor such as RECI/ECSSA members. Staff should only undertake simple operations such as changing light bulbs
- Special advice should be sought before installing equipment where flammable vapours or explosive dusts may be present
- Be aware of hazards when replacing or updating equipment, e.g., more powerful equipment may overload circuits
- Consider the fitting of residual current devices as a safety feature
- Separate power and data circuits
- Train staff in:
  - the dangers
  - effective isolation of electrical equipment immediately a problem is recognised
  - correct methods of fighting electrical fires
  - to report possible hazards e.g. damage to flex, as soon as they are noticed
- Avoid the use of portable electric heating appliances wherever possible
- Fixed installations should be inspected and tested at least every five years for commercial premises and three years for industrial premises, as recommended by current Institute of Electrical Engineers (IEE) rules
- Portable appliances should be inspected, with the frequency determined by the type of equipment and area of use. As a minimum, visual inspections should be undertaken annually
- If hand tools are used consider the use of either air tools or electrical tools operating on 25, 50 or 110 volts
- Thermographic surveys of electrical equipment should be undertaken periodically to identify areas of weakness such as loose connections, overloads and phase imbalances

3.1.3 Housekeeping

Good housekeeping is an essential part of good management, as it:

- Improves efficiency
- Aids production & reduces downtime
- Reduces fire risks
- Reduces risks of injury
- Leads to employees having a greater pride in their work place

The following areas should be targeted:

Cleanliness and tidiness

- Staff should be encouraged to tidy their own areas
- Combustible process waste should be cleared from the premises at least daily (more frequently in some cases)
- Waste containers should be incombustible, preferably with lids. They should be removed or emptied before the close of business
- Waste should be stored in a safe area away from buildings or boundaries prior to removal from the site
- Dust should not be allowed to build up on ledges and sills
- Institute a clear desk policy and make sure it is followed

3.1.4 Storage

- Fire exits to be kept clear
- Clear aisles must be maintained for access by both fire fighters and personnel
- Goods should be stacked safely, the recommended safe storage height should not be exceeded
- Adequate clearance should be maintained around heaters, electric switchgear and fork lift truck chargers (minimum 1m). Consider using barriers or floor hatching
- Portable heating presents a specific fire hazard. This should not be used in storage areas containing combustibles. Fixed heating providing localised heat, such as wall-mounted electric infra-red or quartz heaters, may be an acceptable alternative
- Adequate gaps should be maintained beneath light fittings and sprinkler heads.
- Highly flammable liquid on the premises should be limited to one day's supply, with a minimum amounts being stored within a metal bin with a tight fitting lid, or metal cabinet with tight fitting doors. Bulk supply should preferably be in a suitable external store, or if not in an internal store with fire division from other areas. Adequate ventilation should be provided and lights and electrics should be suitable for use in an inflammable atmosphere. The store should be suitably bunded
- Flammable gases should be stored in an external cage, away from any ignition source. If possible storage should be away from buildings. Oxygen should be stored separately

3.1.5 Maintenance

- Buildings and machinery should be subject to a planned maintenance schedule
- Mineral absorbent granules, not sawdust, should be used for oil leaks. Leaks should be promptly repaired
- Contractors should be supervised on the premises
- Fire equipment should be maintained and kept freely accessible

3.1.6 Smoking

- Establish a smoking policy and ensure it is adhered to
- Smoking should be prohibited in hazardous areas such as those containing flammable liquids or significant amounts of combustible materials and in all storage areas
- Ashtrays or sand filled buckets should be provided in other areas. These should be emptied before close of business
- A thorough inspection of smoking areas should be made before the close of business or consider prohibiting smoking in the last half hour of the working day
- A self inspection check list is to be found at the back of this guide and this should help you monitor many of the above features at your premises.

3.2 Control of contractors

3.2.1 General

Many fires are caused when activities in your plant are outside of normal operations. Often these activities involve the employment of contractors, and they are responsible for such incidents. In practice, incidents occur due to a lack of planning, unfamiliarity with the working environment, a lack of leadership, shared responsibilities and a lack of effective control procedures. Planning and training are therefore very important.

3.2.2 Choice of contractor

Approved – wherever possible contractors should be chosen from an approved list.

Insurance – all contractors must provide evidence of adequate public and products liability insurance. Contractors on the approved list must provide evidence of this insurance annually. For individual contracts/contractors their insurance must be inspected. You should ensure that insurance coverage is adequate and in place for the whole period of the contract including the maintenance period.

Large contracts – Your insurer/broker should be informed of all large contracts to ensure that any extra insurance is arranged as necessary.

Competency and method statements – contractors should be competent to undertake the work involved. Method statements should be obtained from the contractors, these should be reviewed to ensure the proposed working practices are safe and in compliance with local site standards. The performance of contractors should be monitored to ensure compliance with the method statements that have been submitted and agreed.

3.2.3 Induction

Every contractor should receive a short induction training session (at least every 12 months) to ensure he is aware of the operations and hazards on site and to be informed of the site procedures and restrictions, and the site fire/accident emergency procedures. Induction should also include site security and waste arrangements and permit procedures including hot work.

3.2.4 Procedures and restrictions

All contractors should be subject to all the normal site rules including site security, smoking restrictions, housekeeping for their area, waste management and permit procedures. Their own tools should be fit for purpose and should where appropriate meet legislative as well as national standards. Contractors should expect to be subject to random audits by the safety co-ordinator, permit authorisers and/or management.

3.2.5 Permit to work system

The general permit should define the areas where the contractor is allowed access, the work they are authorised to carry out and the precautions they are required to take. The general permit should highlight the need for additional permits. Additional permits will be required for authorisation of hot work, high voltage electrical work, entry to confined spaces and roof access.

3.2.6 Security and supervision

All contractors are to be controlled from the point of entry to the site and adequately supervised at all times.

3.2.7 Permit to work systems

Increasingly in industry, means are being sought to reduce the exposure of workers to known hazards and the permit to work system is a valuable tool available to management for this purpose. Certainly, its value has been recognised not only by the Health and Safety Authority but also by the courts where the operation of permit systems by employers has been effective in the defence of employers' liability claims.

Many conditions or hazards are encountered in work places where the introduction of a permit to work system could demonstrate the employer's determination to comply with the requirements of both the Health, Safety & Welfare at Work Act 2005 and the Health Safety and Welfare at Work General Application Regulations 2007.

Examples of situations in which a permit could be used include:

- Hot work, i.e., welding, flame cutting, use of bitumen heaters or other naked flames, in areas not specifically designed and equipped for the purpose. A sample hot work permit can be seen in the appendix of this document.
- Entry into confined spaces where there may be toxic fumes present or a lack of oxygen. Additional information regarding working within confined spaces can be obtained from the Health and Safety Authority Website. Click here
- Work in hazard areas, i.e., under pressure, where explosive, flammable, corrosive, toxic, radioactive material or other hazards to health may be present
- Work on vessels, pipes or plant where flammable, explosive, corrosive material may be present or there may be substances under pressure e.g., air, steam or oil
- Work on roofs or at high level. Additional information regarding Safety in Roofwork can be obtained from the Health and Safety Authority Website. Click here
- Work on powered plant and machinery such as conveyors, hoists, travelling cranes or process plant, particularly if safeguards need to be removed

These are examples only and do not constitute an exhaustive list. Indeed, the use of permits should not be confined to any restrictive list of activities.

The need for a permit system to be used should always be a matter for consideration by management when work is being planned. The use of permits should impose a discipline on management to fully assess the hazards associated with the job to be done and also the precautions that need to be taken.

Situations requiring permits arise particularly in connection with maintenance, alteration and cleaning operations where work within or on plant is frequently necessary.
The aim of the permit to work is to ensure that known hazards are removed or overcome and that in the course of the work to be done, no hazards are created, there is no exposure to existing hazards and no statutory or works regulations are breached.

The introduction of a permit to work system requires careful planning and particular attention should be given to the following points:

- There should be consultation with and training of the persons who will use the system
- The system should ensure that the isolation of known hazards is adequate and secure, and also that residual hazards are identified, controlled and understood
- The extent and levels of authority of the persons who will issue and receive permits should be clearly defined
- The place of work and plant concerned must be specified in the permit
- The precise description of the work to be done and the equipment to be used should be shown
- All safety precautions and protective clothing or equipment to be used should be specified
- The time limits for the operation of the permit should be clearly defined
- Permits should be numbered, returned on completion of the work and retained in order to provide a record

Note

It is essential that the time limits and the extent of the work originally authorised should never be exceeded. When a system has been established, management should continue to monitor its operation by:

- Carrying out spot checks of controlled operations
- Analysing permit records
- Investigating accidents or incidents
- Consulting on systems and their effectiveness

The use of permit systems is of particular value in helping to control the activities of contractors who undertake work on your premises. It should be remembered that contractors and their employees cannot be expected to be as familiar with the hazards present as the company's own workforce. Consideration of the use of permit systems in the planning stage of a contract will help focus attention on the risks which are present or which may be created in the course of the work to be undertaken.

3.3 Composite panels

There have been a number of catastrophic losses in premises where there has been substantial use of "non-approved" composite panels in the construction of the building. In the event of a fire, the fire service would consider not entering a building if there were a significant number of these panels present, except to save human life. This would result in greater potential for total fire loss.

3.3.1 What are composite panels?

Composite panels are a prefabricated insulated system delivered to site ready for installation, typically having an internal and external metal skin bonded to an inner insulation core. They are in widespread use in modern buildings in Ireland, either as external walls and roofing, or internally as compartmentation or linings. They are an inexpensive, efficient building system, conforming to building regulations and having good insulation and hygiene qualities.

3.3.2 Fires in composite panels

A relatively small fire in a building containing panels with combustible insulation, can grow disproportionately and with the core adding to the site fire load a much greater loss would follow.

Fires rarely start within the panels. A fire in, or outside, the building in proximity to the panel will cause the panel face to heat up. As the temperature of the metal sheet increases, the insulation draws away from the heated surface causing an air gap within the panel. This is known as delamination. This continues as the temperature rises until the insulation material reaches its auto-ignition temperature and begins to burn. We now have a self-propagating fire in the core of the building cladding. Since it is the insulating core of the panel that gives it rigidity, the collapse of the cladding follows rapidly exposing further core to the fire. Due to the fabrication of the panel, a core fire cannot successfully be fought as the panel is designed to be impervious to water penetration.

Enhanced exposure exists if the panel surface integrity is damaged or punctured. Metal-faced panels may offer a good degree of protection against flame. If a panel is drilled or modified on site, the core may be exposed, increasing the risk of fire. Damage to panels may typically be caused by fork-lift truck impact.

Types of composite panel insulation

- Expanded polystyrene (EPS) – combustible
- Fire retardant EPS – combustible
- Polyurethane (PUR) – combustible
- Polyisocyanurate (PIR) (standard) – combustible
- Polyisocyanurate (PIR) (approved) – will withstand fire for longer but ultimately combustible
- Modified phenolic – combustible but with a good degree of fire resistance
- Glass fibre – regarded as non-combustible
- Mineral wool – regarded as non-combustible

3.3.3 Approved panels

Certain panels with mineral wool/glass fibre, modified phenolic or PIR insulation are approved by the Loss Prevention Council, or Factory Mutual. There are various gradings and levels of panel approval, including differentiation between external and internal panels, and wall and roof panels. The approval bodies provide a fire resistance (integrity and insulation) for some panels, indicating how long they may resist fire.

3.3.4 Panel selection

Panel selection should be based on risk assessment. In reaching a decision on the suitability of a panel system due regard should be taken of the likely chance of ignition as well as the nature of any inception risk, fire load in the building and the potential to involve the panels.

Good standards of fire safety management can substantially reduce the risk. Panels with combustible insulation should not be used in high fire risk areas.
Insurers prefer panels that have non-combustible insulation (mineral wool and glass fibre).

They will normally insist that any new installations use suitable "approved" panels.
It is of note that panel manufacturers do not recommend use of mineral wool/glass fibre insulated panels in cold stores with a negative pressure envelope.

3.4 Fire safety management

The risk of panels with combustible insulation contributing to the spread of fire may be significantly reduced by the maintenance of a good standard of fire safety management.

- There should be no process involving the use of heat (including welding) or generation of sparks (including grinding) undertaken on composite panels
- Processes which are a potential fire hazard should be located well away from panels, and preferably in fire compartments providing at least 60 minutes fire resistance
- Fork-lift truck battery charging should be located away from panels and/or combustible material.
- Flues used to extract hot gases (including heater flues) should not pass through panels with combustible insulation unless adequately protected
- Service penetrations of panels should be avoided. If not possible, gaps should be fire stopped, electric cabling should be enclosed in metal conduit
- Electrical equipment near to panels should be examined and tested annually. Thermographic imaging is a cost effective method of achieving this
- Attaching items to sandwich panels should be avoided. If unavoidable, fire stopping should be used to protect insulation
- Inspections of panels should be undertaken at least monthly, with any damage being reported and repaired (without welding or other heat application). Written records should be maintained
- External storage of pallets and other combustible material should be well away from buildings containing composite panels
- Automatic fire suppression systems should be considered for specific hazards such as heating and cooking equipment
- Automatic fire detection, with remote signalling, should be considered

3.4.1 Fire protection

The main types of fire protection equipment are listed below. It should be noted that the services of competent companies must be employed for the installation and servicing of all fire safety equipment.

3.4.2 Fire extinguishers

These should be installed in sufficient numbers in line with applicable Irish Standard, IS 291. The main types are:

- Water – suitable for most fires except those involving flammable liquids or live electrical apparatus
- Dry powder – suitable for fires involving flammable liquids or electrical apparatus
- Carbon dioxide – suitable for fires involving flammable liquids or electrical apparatus
- Foam – suitable for most fires including flammable liquids

3.4.3 Hose reels

Hose reels are a good fire-fighting tool because of an almost unlimited water supply. They are particularly useful in large open plan areas. Care must be taken to train staff not to put themselves in danger when using hose reels. Personal safety should not be compromised.

Extinguishers and hose reels should be maintained at least annually by a competent company to ensure they remain in a satisfactory condition.

3.4.4 Automatic sprinklers

Sprinklers provide an excellent means of protecting against fire. In Ireland they are usually installed in accordance with the Loss Prevention Council Rules. A sprinkler system is particularly suitable for premises with high fire loads, processes which involve a high risk of fire and for larger buildings.

A sprinkler system, when correctly designed and installed, will not only detect a fire, it will attack that fire and hold it until the fire brigade arrives. It is therefore important that activation of the sprinkler installation is signalled off site to an alarm receiving centre, from where the fire service will be contacted without delay.

In order to ensure the system continues to function in accordance with design, weekly bell testing of the valve sets should be carried out.

3.4.5 Fire suppression systems

Specific key equipment may be protected by fire suppression systems. This could include the provision of gas suppression to computer server rooms containing essential equipment. Plant that provides a high risk of fire, such as equipment that uses highly flammable liquid or has extensive hydraulic oil systems, may also be protected. These systems would need to be maintained to ensure they continue to provide satisfactory protection.

3.4.6 Fire detection systems

- Manual systems give a warning of a fire when the premises are occupied to allow safe and prompt evacuation
- Automatic fire detection systems usually consist of a combination of heat and/or smoke detectors linked to a central control panel. These systems are of greatest benefit when linked to a central monitoring station, as this would give early warning of a fire at all times. In Ireland these systems should meet the requirements of IS 3218.

Regular bell tests (normally weekly) and evacuation tests (normally twice a year) should be carried out. The alarm should be maintained under contract with a competent company.

Fire break walls, shutters and doors serve to divide the premises and thus restrict the spread of fire and smoke. It is particularly important that fire doors and shutters are shut when the premises are unoccupied. Automatic closing devices on doors and shutters should be regularly tested to ensure they continue to function correctly.

3.4.7 Conclusion

The level of fire protection required will vary according to the type of business, size of premises and their location. Key staff should be given training on how to safely use fire equipment (these would normally be fire wardens or similar persons).

Automatic sprinkler systems can additionally attract a sizeable insurance premium discount.

Appendix 3 of this guidance provides for a basic fire safety checklist that may assist property and facility managers in reviewing fire safety precautions within their respective premises.

3.5 Water damage control

Experience shows that damage caused by water is very common in commercial premises and in extreme cases can be severe.

The types of incident can vary considerably but they are likely to include bursting of water pipes, flooding, storm damage or result from poor maintenance. The following precautions should be considered:

- Ensure regular maintenance and repair of the building structure, particularly the roof, gutters and down pipes. A pre-winter check is recommended. Any defect should be remedied as soon as possible after it is identified
- Ensure regular maintenance and inspection of water systems. Any minor leaks or signs of corrosion should be immediately repaired. It is suggested that a full six monthly or annual inspection programme be introduced
- Any alterations or maintenance work to water installations should be carried out with the water supply turned off and the system drained down
- Water pipes, storage tanks and other water apparatus in unheated or exposed parts of the premises should be adequately lagged to reduce the risk of freezing
- Heating should ideally be operated on a frostat to maintain a minimum temperature of 4oC within the building, portable heating is not recommended
- During times of cold weather additional inspections of all vulnerable areas to ensure there are no bursts and leaks
- Be aware of the position of the main stopcock within the building. If a pipe freezes turn off the stop valve and thaw the pipe slowly using hot bottles or a thick cloth soaked in hot water. Never use a naked flame
- Stock susceptible to water damage should not be stored under valley gutters or any other areas with roofs which may be prone to leaks
- Wherever feasible stock should be stored on stillages or pallets at least 15cm off the floor. This is particularly important on the ground floor or in the basement
- Wet sprinkler systems should never be installed in unheated areas. If you have an alternate sprinkler system ensure the system is turned over onto air in October and back onto water in April

3.6 Security

Businesses may be unoccupied at night and weekends, and this is when they are particularly vulnerable to thefts. However, the risk of "walk-in" theft during business hours should not be over looked. Security of the whole site, not just the individual areas should be appraised. When considering security, do not just consider what could be stolen. Consider also malicious damage and the safety of staff.

3.6.1 Site perimeter

- Consider if there is a need to control access to the site by fences and gates both in business hours and at night
- Security lighting may also assist in deterring unwanted attention at night
- Closed circuit television can be useful to monitor the perimeter of a larger site
- For very large sites consider permanent manned security presence, perhaps using both lighting and closed circuit television to assist

3.6.2 Building perimeter

- Doors and windows will need to be of sturdy construction
- Doors should be secured by mortice locks conforming to BS3621 at least, or heavy duty padlocks and bars. Fire exit doors will need to be openable from the inside without a key. Arrangements for securing these doors may need to be discussed with the fire prevention officer
- Windows should have key operated locks fitted as a minimum. High security areas containing goods attractive to thieves may need grilles or security bars
- The construction of the building itself should be able to resist attack
- An intruder alarm may also be necessary to actually detect an attempted entry into the building. Systems should usually be installed by a competent company. The system should normally signal to an alarm receiving centre

3.6.3 Internal protections

- Key stock or plant may need extra protection by means of secure stores, secure cabinets, security marking and additional alarm protection to the area concerned
- Particular attention may need to be paid to the security of computer and other electronic equipment. Consideration should be given to security marking equipment and the provision of security enclosures for higher value items. As a further precaution computers, wherever possible, should be kept away from vulnerable areas such as near doors or windows
- Buildings containing computers should also be alarm protected
- Cash held on premises should be kept to a minimum and held within a secure area, usually in a safe. Transits of a significant amount of cash to or from the premises should be avoided wherever possible, or a professional security company should be used
- Keys should be removed from the premises at night
- Do you know who has keys for your premises?

3.7 Vacant Buildings

Buildings need appropriate protection at all stages of their life, from initial construction through to demolition. Empty or vacant buildings are always at risk from various forms of criminal activity and deterioration, which increase the longer the building isleft empty.

Buildings become empty for many reasons, e.g. during construction or refurbishment, awaiting letting, or pending sale or demolition. Precautions taken at the time a building becomes empty and subsequent follow-up action can minimise the risk of loss or damage.

3.7.1 Dwellings

Where dwellings become vacant, owners/managers should take immediate action to clear and secure the building. Where various risk factors are present, such as, the nature and location of the building, it may also be prudent to ensure that the building is boarded up, further securing the building against the risk of squatters, vandalism, graffiti, theft etc.

3.7.2 Shops/Offices/Commercial Buildings

These buildings are vulnerable to similar risks faced by dwellings, but due to their prominent locations may be at higher risk. The best solution to these problems is to maintain signs of continued occupation and care of the premises.

3.7.3 Industrial Buildings

Outside normal business hours these buildings are generally located in quite areas, leaving them especially vulnerable to the risks posed to vacant properties and if left unchecked, can create an air of dereliction in the locality which can be very expensive to rectify.

To reduce the risk the following measures should be considered.

- Remove all sources of ignition
- Minimise the amount of combustible material both internally and externally.
- Remove, as far as is possible, fixtures or fittings which may be of value or architectural interest.
- Optimise levels of physical security, e.g. improved locks to entrance doors.
- Maintain or upgrade the efficiency of protective installations such as fire/intruder alarm systems. E.g. look to have the systems monitored off site if not already in place.
- Redirect post and seal letter plate apertures
- Remove graffiti and carry out repairs on a prompt basis.
- Retain internal and external lighting
- Remove unused or derelict vehicles or skips.
- Provide the local fire service with details of the building and key-holder information
- Maintain close links with local Gardai.

3.8 Business Continuity Management

Even with a well-planned risk management and loss control programme undesirable events can still occur. Statistics show that more than 40% of businesses suffering a major fire loss cease trading within a short period thereafter.

A clearly defined action plan will provide an effective response to the event and allow the business to recover in the shortest possible time. It should be based on a Business Impact Analysis (BIA) where:

- The critical activities of an organisation have been identified
- The impact on the operation if critical activities could not be carried out is established
- The time available to recover the operation on loss of an activity determined

The BIA will also consider the threats to the identified critical activities. These might include:

- fire
- flood (internal and external)
- storm/weather
- terrorist related
- criminal activity
- failure in the supply chain
- loss of IT and communication systems
- loss of utility supplies
- loss of key personnel

A concise, response orientated action plan should be drawn up to include:

- responsibilities – who does what
- activities – what they do
- layouts – where things are
- hazards – identification
- services – location

This should enable the business to continue at a minimum acceptable level while full recovery takes place.

Plans should be exercised on a regular basis to ensure not only that they are comprehensive, but that those involved in the implementation know what is expected of them. Plans should be reviewed regularly to ensure that they are up to date.

The documentation may also include:

- preparation of a full equipment inventory
- list of potential suppliers of plant, equipment and stocks
- list of facilities which may be available in other locations
- contact details of agencies through whom alternative premises can be obtained
- service and equipment suppliers:
- specialist contractors. E.g. salvage companies or emergency repair companies
- vehicle and equipment hire options
- specialist production equipment suppliers
- emergency finance
- (alternative) suppliers of raw materials and components
- communications and records

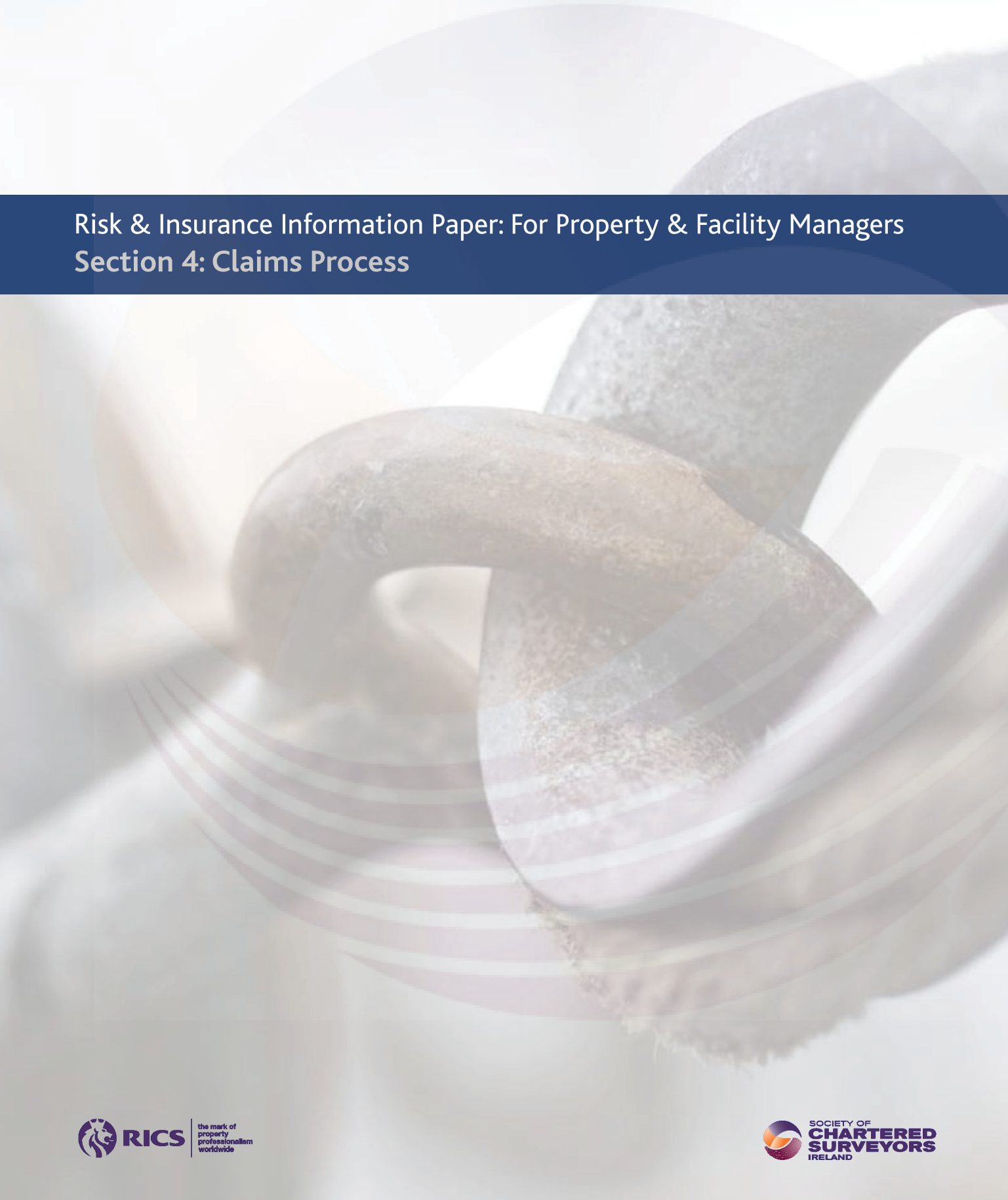
The plans should include actions to be taken to restore:

- internal communications
- employee, customer/client communications
- critical data, information and records including plans, drawings and patents
- computer processing

The plans should also address the:

- recording of evidential information of the incident
- dealings with media
- Contractors

Risk & Insurance Information Paper: For Property & Facility Managers
Section 4: Claims Process



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4.0 Claims Process

The best result in respect of any claim will be obtained on the basis of work done well before a loss arises, and a clear understanding of the roles and responsibilities of the parties.

There are a number of areas where Property and Facility Managers, working with their Insurance Broker, can take steps to ensure that when the loss happens they are well placed to obtain the best result, with the minimum disruption.

Property and Facility Managers must have a clear understanding of their Client's exposure and needs when requesting cover, and inform the Broker accordingly.

The Broker must then place cover in accordance with the Property/Facility Managers needs.

4.1 Property Claims

When insurances are being placed the member should ensure with the broker and insurance provider that there is a clear Claims Protocol agreed.

- That the covers are placed to cover widest possible assets
- That the basis of cover and method of operation of any excess is clearly understood
- That an agreed nominated adjustor (adjustor panel) is used
- Property/Facility Managers must remember that the loss adjustor is appointed to represent the Insurer in the process.
- The precise reporting and handling procedures are clearly laid out in the protocol.
- That effort is made to get the cost of preparing the claim covered in the policy.
- Understand the exact role of the Insurance Broker in the claims process, and the level of specialist support that the broker will provide.

In the absence of cover for the cost of preparing the claim, there are still methods that can be investigated to assist in the claims process. Use of quantity surveyors or public loss adjustors are amongst these. If such services are to be used, the Property/Facility Manager needs to have clear terms of engagement and understand where some costs incurred may not be recoverable against the policy.

When a loss occurs the protocol will give clear guidance on all aspects of the procedure to be followed, covering areas such as

- Reporting procedures – Broker or Adjustor?
- Emergency works
- Minimising the loss
- Nominated adjustor/s
- Interaction between Property/Facility Manager, Adjustor, Broker and Insurer.
- Estimation and presentation of loss
- Notification should any cover difficulty arise
- Dispute resolution
- Interim payments
- Operation of excess
- Payment guidelines and timetable

4.2 Liability Claims

Liability claims can also pose problems for a Property or Facility Manager. It is vital that great care and expertise are exercised in the purchase of cover, so that the Manager is fully protected.

The money held by an Insurer as reserves on these cases, which may take many years to resolve, can affect the premium that will be paid. In the event reserves are overstated, there will be no rebate, in usual circumstances. A Property/Facility Manager must therefore ensure they have expert support from their Broker in assessing reserves, and challenging insurers where necessary.

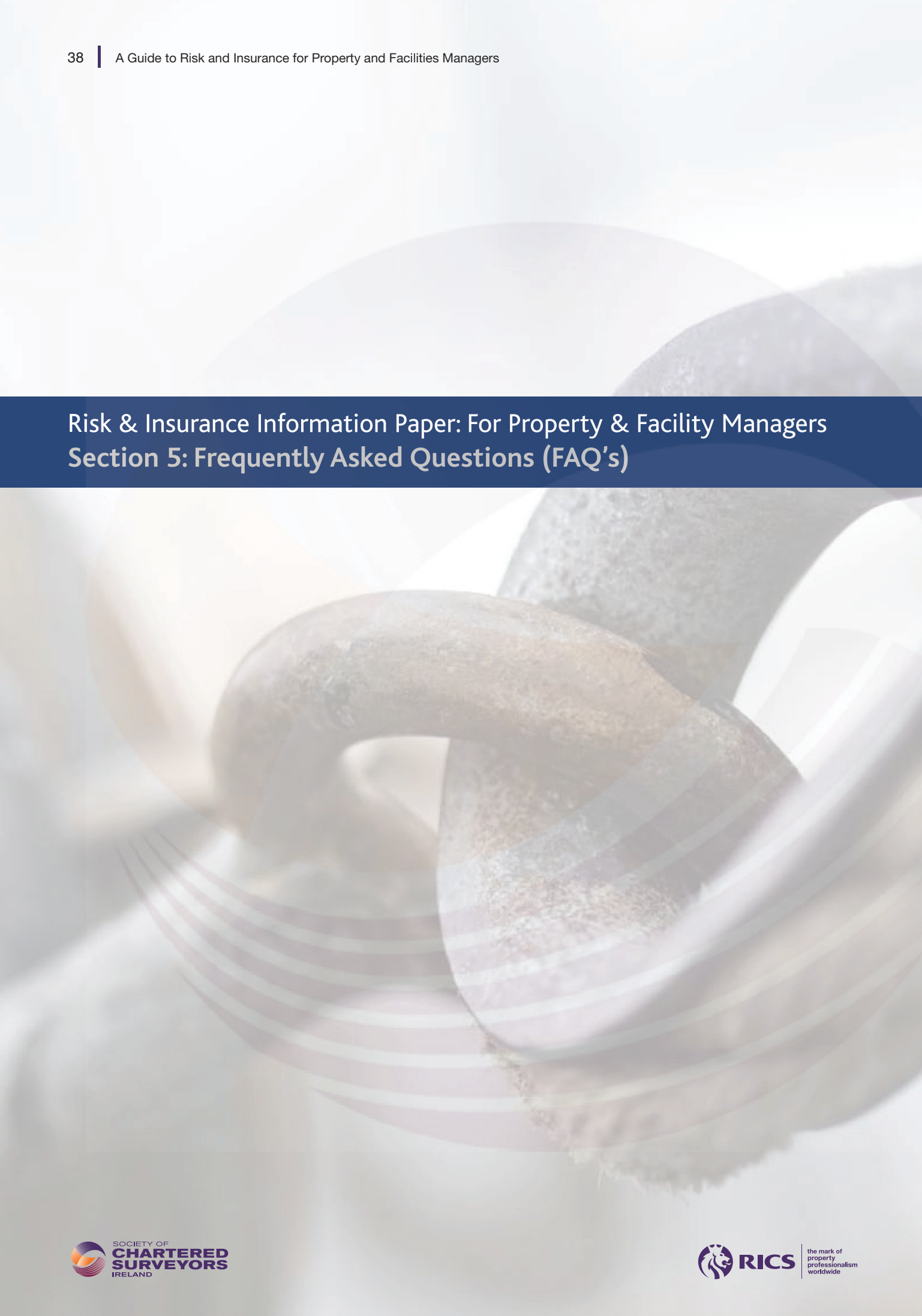
There would be substantial benefit in having an agreed protocol for this class of cover also, to give clarity on key areas to include

- Reporting requirements for incidents
- Incident Management protocol
- Claims Investigation process
- Production of Claims Reports by Insurer.
- Review of cases with Insurer throughout life of case.
- Reserving philosophy of Insurer.
- Settlement process – consultation without the Property/Facility Manager prior to settlement.
- Exact excess arrangements.

4.3 Handbook.

Each of the headings above, in respect of the Property and Liability covers, should be expanded fully, in conjunction with an expert broker, so that the Property/Liability Manager has a 'Claims Handbook' specific to their operation to follow where any loss or accident happens. Clients often see this as an extension to the Risk management documentation that they collaborate with their brokers to produce.

Risk & Insurance Information Paper: For Property & Facility Managers
Section 5: Frequently Asked Questions (FAQ's)



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5.0 Frequently Asked Questions (FAQ's)

1. ***What is an Insurance peril?***

   There are many perils in business, a number of which can be insured. A non-exhaustive list of these include:
   - Property - Fire, explosion, flood, lightning, Aircraft, riot, civil commotion, escape of water, storm, flood etc.
   - Legal liability - Employers liability, Public Liability, Products liability, Professional Indemnity, Motor etc.

2. ***If there is damage following an incident, should I commence repairs straight away, or wait until an assessor is appointed?***

   Actions should be taken where necessary to mitigate the loss, i.e., preventing further damage and securing the premises should be undertaken immediately. Ensure that all evidence of loss is retained e.g. Photos, video and the retention of damaged items for inspection if required.

3. ***If the claim is acceptable, what would be a reasonable length of time before the claim should be paid?***

   When all necessary documentation has been supplied and all investigations concluded, payment should be reasonably expected within 14 - 21 days.

4. ***If I know the property will become vacant, how much notice should I give to the insurance Company?***

   As soon as you become aware you should make the insurer aware, as cover levels may be reduced or withdrawn, or specific warranties may apply. The more notice you give your broker/insurer the more time available to resolve cover issues.

5. ***Should I get all contractors approved who attend site including cleaners, waste disposal etc?***

   Yes, best practice stipulates that any party carrying out work activities on your behalf should have appropriate insurances. The value of the contract may not reflect the potential damage/loss that the contractor could cause.

6. ***How often should I carry out a re-instatement valuation?***

   It should also be pointed out that reinstatement valuations should be regularly sought by policy holders on average at every 2-3 year intervals, hence ensuring that the sums insured are accurate for renewal purposes. There may be considerable changes to rebuilding costs depending on prevailing economic conditions.

7. ***What happens if not all the correct information is handed over, unintentionally?***

   Any fact that is material to an insurer's decision to provide cover or the premium attached must be disclosed and failure to do so may invalidate your insurance policy.

8. ***Do all Insurance companies carry out insurance surveys on site?***

   Depending on the nature/size of the premises or business it is common for all insurers to carry out site surveys.

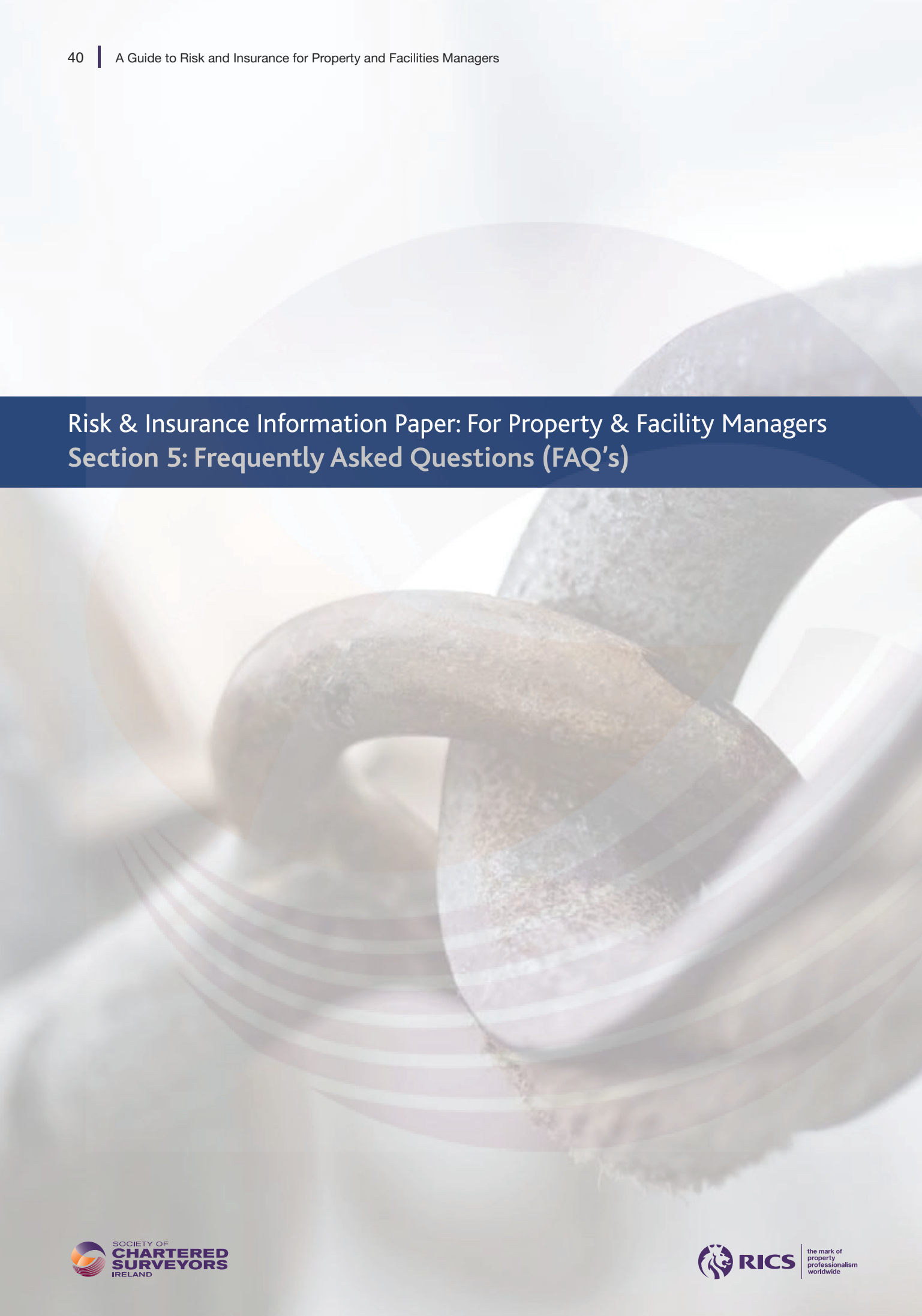
9. ***What is Directors and Officers Liability Insurance?***

   The purpose of Directors and Officers Liability Insurance is to insure directors and officers (and in some cases other employees) for defence costs and legal liability incurred to account for claims and prosecutions against them in their personal capacity for wrongful acts or omissions in their role in the insured organization. It is also intended to insure them for representation costs in investigations of them by regulators and other authorities.

10. ***What is the difference between a loss adjustor and loss assessor?***

    In regards to the processing and dealing with a claim, the loss adjustor is employed by the insurer to adjust the claim in line with the policy cover in place, while a loss assessor is retained and paid to prepare and submit claim information on the policyholder's behalf.

Risk & Insurance Information Paper: For Property & Facility Managers
Section 5: Frequently Asked Questions (FAQ's)



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Appendix 1 – Insurance Checklist

Title	Comments
Guidance Notes and Definitions in Preparation for Renewal	
Title – are all companies listed and named in your current schedule? (see Definitions)	
Business Description – Is this accurate and does it reflect all the activities undertaken by the company? (see Definitions)	
Review Current sums insured as listed below	
Material Damage 1. Is cover on a Material Damage All Risks including theft or is the policy limited to Fire and additional Perils? 2. Are all locations included on my Policy? 3. Do the sums insured represent the Reinstatement values on Buildings, Contents, Machinery, Fixtures and Fittings and all other Contents? 4. Have there been any material alterations to the risk? 5. Cover may be reduced to Fire only when properties are unoccupied. 6. Have you read all the relevant Clauses and Warranties listed on the Policy schedule? 7. Specific cover is required for Sprinkler Leakage 8. Is Subsidence cover included? 9. Have you Trace and Access cover	
Business Interruption 1. Loss of or reduction in gross profit including additional expenditure necessarily incurred to minimize a loss following destruction or damage to the premises caused by and insured peril. *What basis of cover does your Policy provide?* a) Gross Profit b) Loss of Rent c) Loss of Revenue d) Increased Cost of Working 2. What Indemnity Period is on the policy and what is required under the terms of my contract/lease? Is it 12, 24 or 36 months 3. Is cover for Denial of Access included in your policy.	
Employers Liability Indemnity in respect of Legal Liability for claims made by employees for illness/injuries sustained by them arising out of and in the course of their employment in the business €13,000,000 Any One Accident including Costs and Expenses/Unlimited Any One Period It may be a condition of your policies that a declaration of the actual wages be supplied to insurers after the expiry of the period of insurance and the premium may be adjusted accordingly	

Public & Products Liability Indemnity in respect of your Liability at law to pay claims and expenses arising out of or in consequence of a) Accidental death or bodily injury to or sickness contracted by any third party b) Accidental Loss of or damage to third party Property Indemnity Limits vary and need to be discussed with your insurance advisers The Limit of indemnity for Public Liability Insurance is for "Any one Accident/ Unlimited Any One Period"	
Have you included details of: a) Payments to contractors including Labour only and Bone Fide Sub contractors?	
Claims – Have you notified your Brokers/Insurers of any incidents which could give rise to a claim under your policies?	
Engineering Have you arranged all the statutory covers required by Law i.e. Lifts etc	
Environmental Impairment Liability The Enviornmental Liability Directive, which came into force on the 30th April 2000 specifically implements the "polluter pays" principle. Its fundamental aim is to hold operators whose activities have caused environmental damage. This may need to be addressed in your insurance arrangements.	
Directors and Officers Liability Limited Liability protects shareholders to the extent of their investments – Directors Liability is Unlimited – they may have to compensate with their entire estate. Have you protected yourself with a D&O policy?	
Is there a requirement for you to have a Professional Indemnity Insurance policy?	
Additional Insurances which may be required and not yet in force are listed in the attached document. (See section 2.12)	

Appendix 2 – Hot Work Permit

Applicable to all operations involving flame, hot-air or arc welding and cutting equipment, brazing and soldering equipment, blow lamps, bitumen boilers and other equipment producing heat or having naked flames. This Permit applies only to the Job, Period of Time and exact Location as specified herein. Fresh Permits must be sought and issued for each shift/day, where work carries on from one shift to another or overnight. Only an authorised Person can issue a Permit.

EMPLOYER/SUPERVISOR:	
MAINTENANCE /CONTRACTOR:	
N.B.: This Permit applies strictly to the job, the period of time and the area specified below only. Fresh permits should be sought and issued for each shift/day.	
1. DETAILS OF WORK:	
Period of Work:	From: a.m./p.m. To: a.m./p.m.
Exact location:	
Equipment for the operation:	
Fire hazards:	
Other hazards:	
Comments:	

2. FIRE PRECAUTIONS (to be ticked in each case by person carrying out check).

General Conditions:

- ❑ Any sprinklers installed are operative.
- ❑ Hot Work equipment is in good repair and adequately secured.
- ❑ There are no combustible liquids, vapours, dust or gases present.
- ❑ The work will be carried out by, and under the supervision of, trained personnel.

Precautions within 15m of work:

- ❑ Floor swept of combustible materials.
- ❑ Combustible floors protected by wetting down and/or covering with damp sand or sheets of non-combustible material.
- ❑ Combustible materials & flammable liquids protected with non-combustible curtains / sheets.
- ❑ All wall and floor openings covered with sheets of non-combustible material.
- ❑ When work is above floor level, non-combustible curtains or sheets suspended beneath the work to collect sparks.

Work on Walls or Ceilings:

- ❑ Combustible constructions protected by non-combustible curtains or sheets.
- ❑ Combustibles moved away from opposite side and clear of any metal likely to conduct heat.
- ❑ Where metal beams/pipes are being worked on, and extend through walls or partitions, precautions must be taken on the far side of such a wall or partition.

Work on enclosed equipment (tanks, containers, ducts, dust collectors, etc.):

- ❑ Equipment cleaned of all combustibles.
- ❑ Containers free of flammable vapours.

Fire watch:

- ❑ Provision for the attendance of an employee of the contractor during and for one hour after completion of work. Such employee being supplied with extinguishers or small bore hose and trained in the use of such equipment and in sounding an alarm.
- ❑ He and the operatives have had the nearest fire alarm and telephone pointed out to them and has been told what to do in the event of fire.

3. AUTHORISATION BY EMPLOYER	
Permission is granted to:	
To use:	
In the (exact location):	
Between:	From: a.m./p.m. To: a.m./p.m.
Company Representative (print name):	
Signature:	
Position:	
Date:	

4. ACKNOWLEDGEMENT BY CONTRACTOR		
I understand the hazards of this work and the precautions to be taken. These have also been explained to the operatives carrying out this work and I consider them competent to do it safely. I will return my copy of this permit to the Safety Officer when the work has been safely completed.		
Contractor's Supervisor (print name):		
Signature:		
Telephone:	Ext. No.:	
Date:	From: a.m./p.m.	To: a.m./p.m.

5. CANCELLATION		
Work areas and all adjacent areas to which sparks and heat might have spread were thoroughly inspected on completion of the operation, and one hour later no smouldering fires were discovered.		
Contractors' Supervisor Signature:		
Date:	From: a.m./p.m.	To: a.m./p.m.
Company Representative Signature:		
Date:	From: a.m./p.m.	To: a.m./p.m.

Appendix 3 – Fire Safety Checklist

Title	Yes	No	Comments
Fire Protection			
Hydrants, Hosereels, extinguishers, sprinkler valves present and accessible			
Clear Space below sprinkler heads			
Fire Alarms & Sprinklers			
Weekly tests Completed?			
Mains and Battery Supplies healthy			
Panel Lights OK			
Fire Doors			
Close Satisfactory			
Unobstructed and undamaged			
Automatic closing devices are OK			
Smoking			
Are rules obeyed			
Non-combustible receptacles			
Escape Routes			
Clear and unobstructed			
Properly signed			
Storage of Combustibles			
Heaters are clear			
Battery chargers are clear			
Tidy storage arrangements			
Storage off floor to limit water damage			
Packaging materials are tidy			

Flammable Liquids			
Working quantities only inside			
Containers properly closed			
Empty containers removed			
Use in safe places only			
Storage arrangements OK			
Drip trays/bunds			
Housekeeping			
General order and neatness is OK			
Building clear of waste			
Yards clear of waste			
Extraction system operating			
Pallet storage OK (10M from Building)			
Dust and oil deposits are minimal			
Title			
Electrical and Maintenance			
Wiring OK and fittings not damaged			
Machinery clean			
Oil spillages soaked up and removed			
Cleaning cloths in metal bins			
Portable appliances tested and labeled			
Switchgear is clear			
Gas Cylinders			
All Secured, empties removed			
Hoses OK, flashback arrestors fitted			
Compound is secure			

Contractors			
Hot Work permits are secured			
Works in progress are secure			
Briefed on site safety procedures			
Security			
Perimeter walls and fences OK			
Gates can be closed; locked at night			
Security guard log completed and OK			
Building security is without defects			
Intruder alarms are operational			
Movement detectors are unobstructed			
CCTV is operational			
Training			
New employees have been instructed in fire procedures and escape routes			
Fire Wardens have been appointed and trained.			
Other			
Inspected By;			**DATE**
Reviewed by Management;			**DATE**

Appendix 4 – Vacant Building Checklist

Title	Yes	No	Comments/Action Required
Administration			
Is there a plan controlling the shutdown?			
Have the building's insurers been notified?			
Have any requirements or recommendations made by insurers been implemented?			
Have arrangements been made for carrying out and recording routine external and internal inspections?			
Has a redirection of mail been set up and any letter plate aperture(s) sealed?			
Have keyholders been nominated?			
Has any alarm monitoring centre been given keyholders details?			
Have the local emergency services been given keyholder details?			
Has the advice of the local emergency services been sought?			
Have any requirements or recommendations made by the emergency services been implemented?			
Has the local council been consulted regarding any proposed external security alterations (Planning permission)?			
Health and Safety			
Have suitable risk assessments (fire, security and general safety/building condition) been done?			
Has the health and safety of visitors and potential trespassers been addressed?			
Has the health and safety of security staff been addressed?			
If there are means of escape from or through adjacent property, has the means for maintaining access to these routes been discussed with the local fire service?			
Have suitable signs been displayed to warn visitors or trespasser of any health and safety hazards?			
Fire Safety			
Has all combustible and non-combustible waste been removed?			
Have all non-essential contents been removed?			
Where possible, have any temporary buildings and skips been removed from the site?			

Have all non-essential services been disconnected or isolated?			
Are any water supplies that are likely to be needed for firefighting suitably signed and accessible?			
Have any flammable liquid stocks been removed from the building?			
Have any tanks, pressure vessels and pipework containing combustible, flammable or explosive liquids or gases been properly drained and purged, and have appropriate safety measures been implemented?			
Is any existing automatic fire detection system operative?			
Is any existing automatic sprinkler installation operative?			
Are any fire hoses operative?			
Are any portable fire extinguishers operative?			
Physical Security			
Are existing perimeter barriers in good repair?			
Are existing doors and door hardware adequate?			
Are existing windows in good repair?			
Are accessible windows adequately protected?			
Are all keys accounted for?			
Have all potentially vulnerable access points been suitably protected and has boarding up been considered?			
Other Security measures			
Is any existing intruder alarm operative?			
Is any existing CCTV system operative?			
Has the need for a manned security presence been considered?			
Is there external security lighting?			
Is interior lighting appropriate?			
Is there a method of recording authorized visitors?			
Inspected By;			**DATE**
Reviewed by Management;			**DATE**

Appendix 5 – Claims Process Checklist

Title	Completion date
To be completed following an incident which may lead to a Property claim	
Mitigate your loss and protect the property from further damage.	
Move quickly to save high value/special property including computers/other electronic equipment	
Notify your Insurance Company/Broker	
Control access to the premises, for safety and to prevent further loss	
Retrieve any computer data from backup or hard drives; data is often retrievable if you act quickly.	
Photograph and/or videotape the damaged areas of the premises	
Should items require immediate replacement, retain any damaged items	
Establish a claim management team with a chairman to act as spokesperson (Consider structure of group in advance of any loss)	
Evaluate the insurance policy and prepare a claim strategy to protect your operations and market. Make sure all team members know their responsibilities.	
Channel all communications through the designated spokesperson.	
Notify your customers, banks and suppliers.	
Pre prepare a public relations programme to inform all stakeholders and the general public.	
Document your activities in a log and maintain detailed records	
Set up a special general ledger account to track all loss-related costs	
Integrate the claims management programme with the post loss operation of the premises/business.	

Know the players; know who the insurer's representatives are.	
(Have contact listings for major stakeholders, prepared in advance)	
Understand your duties and requirements	
Take a proactive position; you must make the claim	
Hire your own experts, where needed, being careful to try to keep the costs within policy cover, and understand the costs involved.	
Be aware of the impact that your preliminary estimates might have on the insurance company's reserves for your claim	
Do not rely solely on your historical records, you should obtain current replacement estimates, most policies provide cover for replacement cost.	
Understand that your claim needs to be verified; understand the negotiation process, and the role of the loss adjustor, acting for the Insurer.	
Coordinate and integrate the property, business interruption and extra expenses claims	
Concentrate on maintaining your operations and not on preparing claim details, as far as possible (Easier if Claims Preparation allowed for in insurance cover)	
Refrain from quick, spur of the moment settlement deals. Take time to evaluate the settlement offer thoroughly.	
In first meeting with the appointed Adjuster cover : a. Immediate work required b. Requirements of Adjustor c. Prime contacts for future queries d. Any statutory obligations e. Timescales for progression of the claim f. Interim payment needs g. Possible mitigation expenses h. Consequential loss reduction i. Possible recovery from culpable party j. Schedule follow up meeting as required k. Cover limitations and excesses	

Appendix 6 – Accident Liability Checklist

Title	Completion date
To be completed following an incident which may lead to a Property claim	
Immediate Actions	
Establish the exact location and details of the accident.	
Protect the area and render safe.	
Ensure adequate aftercare for the person involved.	
Consult relevant people on site – Cleaners, security, supervisors etc.	
Identify any possible witnesses, record contact details, get statements where possible.	
Photograph and/or videotape the area and retain any CCTV that may exist, in order to track injured parties movements or circumstances of the incident.	
Points to note at time of incident include but are not limited to; • Weather conditions • Type of footwear worn by injured party • Age profile • General demeanor	
Follow Up Actions	
Complete a report form as fully as possible.	
Assemble and retain any relevant records – Cleaning, maintenance, training, Disciplinary, Attendance in EL cases etc.	
Notify Broker or Insurer, as required under your policy.	
Do not allow access for any Engineer or other Third party representative without prior consultation with broker or Insurer.	
Forward any Claims correspondence received, immediately and unanswered, to the Broker/Insurer.	

Additional Steps for Employee Claims	
Liaise with HR on training records, and monitor absence closely	
Consider medical rehabilitation to reduce lost time, and effect of injury, in lost time accidents	
Maintain an organized process of contacts with absent employees	
For All Cases	
Where there may be any other entity to blame for the accident 1. Highlight this to your Broker/Insurer 2. Agree with Broker/Insurer what notification should be made 3. Where the liability may relate to equipment on site, do not allow unsupervised access. 4. Provide full information of the proper legal title to Broker, and copies of engagement documents, details of Insurances if previously vetted The early involvement of any such party is essential in deflecting a claim from your company.	
Should you have information on the current activities of a person claiming, especially gainful employment, inform your Broker/Insurer	
When an engineering Inspection is arranged, attend early and ensure the areas are maintained to usual standard.	
Respond fully and factually to all enquiries made in the defence of the claim.	

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