



# PREVENTATIVE LOSS CONTROL

Risk transfer is a critical component of any enterprise risk management strategy. Relying on insurance alone though may expose your company to increased costs that could have been avoided if preventative loss control measures had been in place.

## Preventative loss control for a construction site can take many forms, including:

- Perimeter fencing and lighting
- Site security and/or electronic site surveillance off-hours
- Treating building materials with fire retardant foams or sprays
- Water flow detection sensors and/or shut off valves
- Protocols detailing best practices for hot works and/or water damage mitigation
- Catastrophe and wildfire preparedness plans
- Life safety and fire protective systems such as sprinklers

Implementing the appropriate mix of these measures can avoid increased costs later in the event of a claim by either mitigating damage, accelerating accident investigation and remediation work, or avoiding loss altogether.

When debating investing in preventative loss control measures, consider the following hidden costs of overlooking these measures and added benefits of investing in them:

## Hidden Costs:



You may suffer reputational damage due to missed deadlines or bad press following a loss



You may pay more for your deductible than you would have paid to avoid the loss using preventative loss control (especially as respects water damage)



Developers and general contractors with poor loss runs are likely to face increased premiums, more conservative terms, and difficulty marketing future projects

## Added Benefits:



With preventative loss control measures in place, you can have peace of mind knowing your site is better protected from arson, theft and vandalism, and civil unrest



Implementing loss control may change an insurer's appetite for a risk that was previously declined or deemed uninsurable



Insurers prioritize business with clients who demonstrate a commitment to loss control and may be able to offer more competitive terms

Please consult your underwriter if you'd like to weigh preventative loss control options and how implementing these options may positively impact your builder's risk insurance coverage.