

## THE RISKS OF VACANT PROPERTY

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Theft, trespassing, fires or other losses are constant threats on vacant construction sites. Losses might include not only the value of damaged or stolen materials but also the liability of an individual being injured on the property and the loss of time if a crucial piece of equipment is damaged or stolen. The insurance risks and liabilities associated with vacant construction sites can be extensive. To ensure that you are adequately protected, it is important to know the risks you face. In addition to purchasing comprehensive insurance coverage, there are numerous preventive strategies you can adopt to maintain vacant properties in a way that reduces risk and liability.

### POTENTIAL RISKS

Like any vacant structure, vacant construction sites are first and foremost an obvious target for theft, trespassing and vandalism. Keep in mind that contractors can be held liable for injuries sustained by children that trespass or play in vacant construction sites. Moreover, vacant construction sites are susceptible to fire. A study by the U.S. Fire Administration reveals that each year, an estimated 4,800 construction site fires and cause \$35 million in property loss; in most cases, the sites are vacant. Firefighters on construction sites are also twice as likely to be struck by debris or objects than firefighters in residential fires.

There are a host of risks and concerns associated with vacant construction sites. Take simple steps to limit your risk and liability.

### OTHER WAYS TO MITIGATE RISK

In addition to extending coverage, there are some simple steps that contractors can take to limit their risk and liability.

- ▶ Prevent vandalism - leaving construction sites properly lit and with sufficient signage can help keep thieves and vandals out.
- ▶ Limit liability - make sure property is free of significant hazards that could cause injuries to anyone on the property - this could include police officers, maintenance workers, firefighters or even trespassers. Walls, equipment, ditches and other physical features could be classified as attractive nuisances should they cause the injury of anyone on the property.
- ▶ Avoid damage - remove all access material and combustibles from in and around the site. Inspect

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the site regularly for potential fire hazards and remediate them as soon as possible.

## BUILDER'S RISK INSURANCE

Many times your contract with the property owner will require you to purchase builder's risk insurance, which protects the property and any insurable materials on site against fire, vandals, lightning, wind and other similar forces while it is under construction.

Because of the increased risks and liability associated with a vacant site, these types of insurance tend to be costly. It is important, though, to look beyond the price and consider the suitability and comprehensiveness of the coverage being purchased.

To obtain vacant property insurance or learn more about risks to vacant property, contact Hardenbergh Insurance Group today.

### For more information, contact:



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