

# HETI Horizons

## Construction Industry: Recent Trends In Safety & Insurance

What's new with respect to safety trends and insurance in the construction industry? From the Occupational Health & Safety Administration (OSHA) citation perspective, not much has changed. According to the latest (2015) statistics, OSHA's "Top 10" most frequently cited standards have not changed much over the past decade and most of these citations continue to be related to construction activities. Unfortunately, the construction industry also still remains one of the leaders in both serious and fatal accidents at work.

### The Construction "Fatal Four"

Out of 4,379 worker fatalities in private industry in calendar year 2015, 937 or 21.4% were in construction. The leading causes of private sector worker deaths (excluding highway collisions) in the construction industry were falls, followed by struck by object, electrocution, and caught-in/between. The Bureau of Labor Statistics reports that these "Fatal Four" were responsible for 64.2% of construction worker deaths in 2015. So, eliminating the Fatal Four would save some 600 worker lives in America every year.

A recent report released by the New York Committee for Occupational Safety and Health (NYCOSH) alleges that employers routinely violate OSHA standards. Entitled "*Deadly Skyline: An Annual Report on Construction Fatalities in New York State*," the report is available for download at [nycosh.org](http://nycosh.org) and via [bit.ly/deadlyskyline17](http://bit.ly/deadlyskyline17).

### Other Findings

Worker fatalities do not exclusively occur at large uncontrolled work sites either; many are suffered in residential type settings where smaller employers may tend to cut corners to save money.



Unfortunately, OSHA has been lagging behind regarding new regulations. They again recently extended the deadline for crane operator certification requirements in the Cranes and Derricks in Construction Final Rule. First published in August 2010, the requirements were originally scheduled to become effective November 2014...but extended by three years to November 10, 2017 – with an additional extension pending. The Rule expands employer responsibility to ensure that crane operators are competent to operate a crane safely. After publication of the Final Rule, a number of parties raised concerns about the Standard's requirement to certify operators by type and capacity of crane and questioned whether crane operator certification was sufficient for determining whether an operator could operate their equipment safely on a construction site.

**So, what is the construction industry and OSHA doing about reversing these downward trends?**

### Awareness

OSHA recently sponsored a "National Safety Stand Down to Prevent Falls in Construction" which took place May 8-12. It was a voluntary event during which employers were asked to take a break – or "stand down" – and have conversations with their workers about fall hazards and fall prevention. It should have been an opportunity for employees to talk to management about fall hazards they see on the job.

Another stand down sponsored by The National Utility Contractors Association (NUCA), with the full support of OSHA, requested all contractors, municipalities, military, and others involved with trenching operations to hold a Trench Safety Stand Down during the week of June 19-24, 2017.

## Technology

One of the best things construction owners/operators can do to control losses is keep on top of new technology. For example:

**Drones:** How can one of the latest recreational crazes in the U.S. improve construction safety?

Many in the construction industry are already using this technology for reducing the potential of putting employees in harm's way. Drones and other UAVs (unmanned aerial vehicles) can offer a much safer alternative for surveying and/or otherwise evaluating elevated work zones and structures. This technology is also very valuable for monitoring jobsites to ensure safe practices or to inspect bridges and other structures. There are some drawbacks, including ensuring compliance with state and local rules with regard to registrations, no fly zones and operator safety. [See [https://www.faa.gov/news/fact\\_sheets/news\\_story.cfm?newsId=20516](https://www.faa.gov/news/fact_sheets/news_story.cfm?newsId=20516).] However, these issues pale in relation to the hazards associated with climbing tower tanks and other extremely elevated work zones.

**Crash Trucks:** Another "new" technology that has already found its way into highway construction work zones is the "Truck Mounted Attenuator" (TMA) better known as "Crash Trucks". Used as energy-absorbing devices attached to the rear of trucks or trailers, crash trucks act as a barrier between workers and traffic. These "devices" have been around for a few years; however, the new twist is that they are now being designed as driverless remote controlled vehicles or "CAVs" (Connected and Automated Vehicles) – taking injury to the crash truck driver out of the equation. However, this does open up some additional questions concerning driverless vehicles.

**Smart Vests:** One way to mitigate these risks is the use of the "Smart Vest" – an enhancement to the standard construction zone "High Visibility" vest with added technology including GPS (Global Positioning System) vehicle tracking and short-range radio communication. These vests can also be equipped with vibration alerts as well as LED lighting.

**spot-r:** The spot-r by Triax cloud-based dashboard enables on-site supervisors and off-site management to see and analyze construction operations and safety incidents in real-time without having to be physically present at each project. The spot-r wearable worn on each worker's belt automatically logs slip, trip and fall incidents in real-time; has a self-alert button for workers to report unsafe conditions; and emits an evacuation alarm in case of emergency. Aggregated spot-r safety and productivity data can be filtered and analyzed by individual worker, subcontractor, trade, accident type or geographic location and can be automatically sent to key stakeholders. All labor and safety data collected can integrate into project management software for one seamless, automated process. [See [www.triaxtec.com](http://www.triaxtec.com).]

## Resources



So, how can an employer/owner afford to spend more money on safety? One way is by paying less for other costs, such as work site insurance.

The traditional method for insuring construction consisted of each general contractor (GC) and subcontractor obtaining their own insurance policies from any provider of their choosing. In turn, they would build their policy premiums into their cost structure, which then became part of their bids. This meant that by accepting a GC's successful bid, the property owner was indirectly paying for insurance administrative overhead as well.

An insurance program for a construction project would typically consist of general liability, workers' compensation, builder's risk, and umbrella coverage, as a minimum. The amount of coverage and terms and conditions of such coverage can be explained by a retail insurance agent and/or broker.

As an alternative, an owner controlled insurance program (OCIP) is a policy held by a property owner during the construction or renovation of a property, which is typically designed to cover virtually all liability and loss arising from the construction project (subject to the usual exclusions). These policies are written by product line, i.e. general liability, workers' comp, etc.

OCIPs are also frequently referred to as "wrap-up insurance" or "wrap policies". And a Contractor Controlled Insurance Program (CCIP) is similar to an OCIP, except that the GC or construction manager sponsors the insurance program. Usually, there's a cost saving of paying one premium for all of the contractors being named onto the same policy. Also, having one policy in place should streamline the claims process.

There are numerous insurance carriers available to assist with placing these types of products.

## HETI...Here to Help

The environmental health & safety (EHS) professionals at HETI can provide guidance and valuable technical support with respect to construction site safety. HETI specializes in providing the resources needed to build construction safety and risk management programs...the right way. Whether it's helping establish a new work site, or performing a gap assessment on an existing one, HETI is available to support those efforts.

**For more information about HETI's EHS services, please contact us.**

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