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Snowplow Operations Risk Management Guide

As you start gearing up for “snowplowing season,” it’s smart to take a good, hard look at your operations. Not only should you make sure that your equipment is in prime condition and your employees are properly trained, but you should also review your practices and procedures.

Here you’ll find some important risk management tools to consider in your snow or ice maintenance operations. These tips and tools could help you reduce your loss exposure. You can print the handouts to post or distribute. You can also copy the list, form and log templates and fill them in with your own business information.

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Snow Removal Operations: Business Practices

“An ounce of prevention is worth a pound of cure.” – Benjamin Franklin

Here are some recommended practices on how you might be able to strengthen your control over daily operations and reduce risks of liability losses altogether for snowplow operations.

- 1. Always use a contract for work agreements and review all contracts with your legal counsel.**

One of the most critical areas of loss prevention – and the most often overlooked – is the contracts you enter into with customers. Often these contracts contain provisions which can make you responsible for the liability of the landowner or the general contractor and require you to pay both liability and defense on their behalf. Still other provisions can make you responsible for things like “24-hour Monitoring” and “Snow and Ice Watch,” further subjecting you to potential unwanted liability.

Do you have a contract you normally use with your snow removal customers or subcontractors? Having a clear and understandable contract makes good business sense. A good contract spells out each party’s responsibilities and expectations and it can help resolve disputes later on if unexpected problems should arise. **We’ve included a loss control bulletin, “Snowplow Contracts,” in this package that discusses snowplow contracts and what to look for in your contracts.**

Have your attorney review your contracts and explain any potentially unfavorable provision to you.

- 2. Obtain Certificates of Insurance from all subcontractors.**

You take the time to ensure proper insurance protection but how do you know your subcontractors do? Require Certificates of Insurance from all subcontractors and require that their liability limits be at least equal to your liability limits. (Don’t forget to keep copies in a convenient place for the premium audit.) **See the enclosed sheet, “Do You Use Subcontracts?” for more important risk management techniques to consider when using subcontractors.**

- 3. Only use experienced employees in your snow removal operation.**

When hiring new employees whose duties will include snow removal, make sure they have adequate experience. On-the-job training for this type of operation can only lead to unnecessary losses. In addition, check driving records for new hires and existing employees on an annual basis. Drivers with poor motor vehicle records have an increased potential for accidents. **See the loss control bulletin, “Personal Use of a Business Vehicle,” for more facts on protecting your business.**

In the unfortunate event that you're notified of a potential accident claim, contact your insurance company immediately! **You'll find a claim information worksheet to help you compile the information commonly requested to properly investigate the claim.**

4. **Have a back-up plan in place for “major storms.”**

Do you have the resources to properly service all snow removal clients in the event of a large storm? It is a best practice to have a few extra subcontractors or experienced employees “on call” so you can comply with all your contract terms.

5. **Document requests for extra services.**

Clients may randomly request services outside the terms of your contract. Make sure the request is properly documented. The date, time and details of the request should be logged.

When it comes to documenting, be sure to keep good records of your snow removal business. **To help you make this manageable, we've included a Snowplow Operations Client List, Snowplow Operations Subcontractor List, a Winter Maintenance Plow and Materials Log, an Incoming Call Log, and Pre-Season and Post-Season Inspection forms in this package.**

6. **Keep employees and subcontractors in the loop!**

Are employees and subcontractors kept advised of client specific contract terms? Many contracts detail when and where to plow at a given location. Losses can be reduced if everyone knows exactly what is required. In addition, spot checking plowed locations for work quality is always a good idea. Also be sure they document any extra services requested by your clients outside the contract.

We can help

We take a personal interest in helping you protect what you value most. Contact your Farm Family agent for more information concerning the services we offer which can help you to improve your risk management activities and help you control costs.

In addition, contact your agent if:

1. Your snowplow operations change or you no longer plow as part of your business;
2. You have started using subcontractors for all or a portion of your snow removal operations; or
3. You plan on increasing the number of snow removal clients you currently have or if snow removal has become the primary source of revenue for your business.

Recommended Audit Practices

There are several steps you can take to ensure that you pay a reasonable premium for liability coverage going forward:

- 1. Separate snow removal payroll and receipts.**

By now you are probably aware Farm Family will be auditing your payroll soon after the policy expiration. You can assist us in determining proper premium **by keeping separate payroll records for your snow removal operations**. This will not only ensure proper premium charge but also make the audit process much easier on both you and our auditors. Did you also know you need to keep separate sales receipt records related to snow removal? The auditor will request this information as part of the audit process. In addition, the auditor will review snow removal contracts which contain an Additional Insured Requirement. This information is important so that we can accurately determine the extent of your snow removal operation compared to your other business operations.

- 2. Have copies of Certificates of Insurance on hand at time of audit.**

If you use subcontractors or independent contractors for snow removal operations, have certificates of insurance on hand for our auditors to review. Use of uninsured subcontractors or the inability to show proof of insurance may result in higher premiums being charged.

- 3. Maintain accurate records of the total cost of subcontracted work.**

If you subcontract snow removal to independent contractors, keep accurate records (separate) of the total cost of this subcontracted work. Being able to accurately and clearly determine the amount of subcontracted work will greatly improve the time it takes to complete an audit and ensure you pay only your fair share.

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Snowplow Contracts

Winter is the time for many landscapers and contractors to begin snowplow operations. The language in the snowplow contract is a key factor in deciding who is responsible for a claim, such as a slip and fall loss. Many times, the contract determines who will be responsible for the loss - is it the snowplow contractor or the property owner?

As with any contract, it is a good idea to consult a lawyer in your state for a legal review before finalizing and signing the agreement. The following five concepts will serve as a starting point toward developing a good snowplow contract:

- The snowplow contractor should define specifically when and where he/she will perform operations.
- Avoid providing 24-hour ice watch or property monitoring.
- The snowplow contractor should not take on the burden of deciding when he/she should go out and perform duties.
- The contract should define the property owner's obligations.
- Avoid accepting responsibility for the property owner's negligence.

Define your obligations by identifying *when* and *where* plowing, sanding or salting operations are to take place, such as:

- "Snowplow contractor will *only* plow the premises upon an accumulation of two inches of fresh snowfall."
- "Snowplow contractor will only apply sand, salt or other melting agent to the premises upon specific request by the property owner. A separate charge for this service will apply."
- "Premises subject to this contract are defined as driving lanes of rear parking lot only (or as shown on the attached diagram)."
- "Premises include driving surfaces and specifically exclude parking spaces and pedestrian walkways."
- "Property owner will direct where snow is to be piled."

(Tip: Create diagrams of the property to capture exactly where your operations are to take place on the property and have the owner initial and date the diagram when the contract is signed. You may also use aerial photos of the premises that can be downloaded free at Google Earth, Zillow.com, or Bing.com.)

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to locate an agent near
you call 1 (877) 840-4400
or visit www.anpac.com

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Define the property owner's obligations under the contract, such as:

- "Property owner maintains the responsibility for monitoring and inspecting premises."
- "Snowplow contractor is not responsible for the melting and/or re-freezing of snow, ice or rain after application of salt or melting agent(s) as directed by the owner."
- "Services of snowplow contractor are deemed to be satisfactory unless property owner notifies contractor of a problem within 24 hours of the services being performed."
- "Snowplow contractor is not responsible for injuries or loss that occur after the contractor leaves the premises."

Never accept wording that obligates you to an almost impossible task, such as "snowplow contractor agrees to perform continuous monitoring of premises."

If the property owner insists on an indemnity clause in the contract, it should not indemnify the owner for anything more than your own negligence. Avoid accepting responsibility in the contract for the property owner's negligence (such as a faulty drain pipe that leads to a reoccurring ice condition). You and your attorney may want to consider the following language:

- "Snowplow contractor agrees to indemnify and hold harmless the property owner from any claims, suits or demands of damage or loss arising out of *the sole negligence of the contractor.*"
- "Snowplow contractor agrees to indemnify and hold harmless the property owner from any and all liability arising as a result of the contractor's own negligence."

Avoid language such as:

- "Snowplow contractor agrees to indemnify, defend and hold harmless property owner from and against any and all claims and liabilities incurred by owner based upon, arising out of or **in any way related** to the services contemplated by this contract."
- "Snowplow contractor hereby agrees to indemnify and hold harmless property owner from and against any and all liability, claims, suits or demands of damage or loss arising out of either **direct or indirect** activity of the contractor."

If you are the one drafting the agreement, consider adding reverse indemnification language:

- "The property owner agrees to defend and hold harmless the snowplow contractor from and against any and all damage and/or liability arising out of any incident that occurs either before the contractor performs his/her duties under the contract or after the contractor has left the premises."
- "Property owner agrees to indemnify and hold harmless the snowplow contractor from any and all liability arising as a result of the owner's own negligence."
- "Property owner will add the snowplow contractor as an additional insured on his/her liability policy."



No one wants to think about suffering a loss. In the unfortunate event you do have a loss, our ANPAC Five Star Claim ServiceSM is designed to provide assurance and confidence to our policyholders throughout the claims process.

24-Hour Claims Hotline 1-800-333-2860

Do You Use Subcontractors?

Below are some important risk management techniques to consider if you use subcontractors in your business operations. A subcontractor is anyone you hire, whether formally or informally, to perform work for you or on your behalf when you are unavailable.

Do you use a written contract with your subcontractors?

1. You should! Contracts set forth the rights and responsibilities of the parties. You should use contracts with each and every sub, every time. No exceptions!
2. The contract should be signed by all parties *before* any work is started.
3. It should contain an effective and enforceable *defense, indemnification & hold harmless* provision, running in favor of you and *your customer(s)* (i.e. the property owner / property manager).
4. It should set forth the insurance that your subcontractor is required to purchase, including, at a minimum:
 - The types of insurance, usually general liability, automobile, worker's compensation and umbrella / excess;
 - The necessary limits on these policies;
 - The ***Additional Insured*** requirements: You and your customer(s) should be specifically listed as Additional Insureds on the subcontractor's policy, using an appropriate endorsement;
 - A statement indicating that the additional insured status will be *primary and noncontributory* over any other insurance you might have.
5. You should consider requiring a particular form of the Additional Insured endorsement. Endorsements with edition dates prior to 2004, such as the *GC 2010 (11/85)* form, are preferred because they give you the broadest coverage.

"Subcontractor shall procure a policy of general liability insurance that specifically names the General Contractor as an additional insured thereon, utilizing an endorsement that confers *at least* the coverage afforded by GC 2010 (11/85)."
6. The contract should contain language that requires the subcontractor to provide you with at least 30 days' prior written notice before cancellation of any coverage.
7. There should be a Waiver of Subrogation clause.
8. You should reserve the right to withhold payment or remove the subcontractor from the job site for failing to provide the required proof of insurance.
9. As with any contract, it is a good idea to consult with a lawyer in your state for a legal review before finalizing and signing the agreement.

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Snowplow Operations Subcontractor List

Name: _____

Date _____

Policy Number: _____

Policyholder's Business _____

1. Subcontractor Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

Certificate of Insurance on file? _____

2. Subcontractor Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

Certificate of Insurance on file? _____

3. Subcontractor Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

Certificate of Insurance on file? _____

4. Subcontractor Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

Certificate of Insurance on file? _____

5. Subcontractor Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

Certificate of Insurance on file? _____

Attach additional sheets if necessary.

Snowplow Operations Client List

Name: _____

Date _____

Policy Number: _____

Policyholder's Business _____

1. Client Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

2. Client Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

3. Client Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

4. Client Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

5. Client Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

6. Client Name _____

Type of Business _____

Written Contract in Place? _____

Additional Insured Requirement? _____

7. Client Name _____
Type of Business _____
Written Contract in Place? _____
Additional Insured Requirement? _____

8. Client Name _____
Type of Business _____
Written Contract in Place? _____
Additional Insured Requirement? _____

9. Client Name _____
Type of Business _____
Written Contract in Place? _____
Additional Insured Requirement? _____

10. Client Name _____
Type of Business _____
Written Contract in Place? _____
Additional Insured Requirement? _____

Attach additional sheets if necessary.

Claim Information Worksheet

In the event you are notified of a potential claim, *you should contact your insurance company immediately*, so as not to compromise your coverage. Your insurance company will likely ask you to provide certain information to properly investigate the claim. This worksheet may help you in compiling the information commonly requested.

Injured Party Name:
Injured Party Address:

Date of Birth:

Injured Party Phone Number:

Date of Accident:

Accident Location:
Description of Accident:

Notified by:
Property Location Contract Person:

Date of Notification:
Phone Number:

Documents Needed:

- _____ Any contracts / agreements you entered into for services at the accident location
- _____ Plow Logs / Tickets for one week before and one week after accident date at the accident location, including any other documentation showing materials used
- _____ Invoices relating to services you provided at the accident location, including the time period at least one week before and one week after accident date
- _____ Any accident reports prepared by you or anyone else, including the property owner / manager, relating to the claim
- _____ Any communications (including letters, e-mails, notes, etc.) between you and *the claimant* or their attorney relating to the claim
- _____ Any communications (including letters, e-mails, notes, etc.) between you and *your customer* (including the property owner/manager) or their attorney relating to the claim
- _____ Pre-Season and Post-Season Property Inspection forms relating to the accident location
- _____ Any photographs you may have of the accident location
- _____ Incoming Call Log, or any other documentation that shows service requests or complaints relating to the accident location for one week before and one week after accident date
- _____ List of all employees (current and former) who serviced the accident location in the period one week before and one week after accident date, including contact information

Pre-Season Property Inspection Form

Date of Inspection:

Performed by:

Weather Conditions at time of Inspection:

Customer:

Property Address:

General Surface Conditions

Please review the surface condition of the following and any other areas that may be serviced:
paved driving lanes, access roads, empty parking spaces, apron surrounding dumpsters, stairs / steps, handicap access ramp areas, walkways / sidewalks, loading docks, apron surrounding handicap parking spaces.

Conditions Noted:

Curbing / Landscape Border

Please review curbing and landscape borders for damage and proper placement.

Conditions noted:

Car Stops

Please review car stops for damage and to confirm whether they are properly set.

Conditions noted:

Lawn / Landscaping / Irrigation Heads

Please review lawn, landscaping and irrigation heads for damage.

Conditions noted:

Drainage

To the extent observable at the time of inspection, please review property for any areas, including structures, that may affect drainage on or from the property, including the areas to be serviced.

Conditions noted:

Note: General photos of the property should be taken, including specific photos of any defects or damage noted, above.

Post-Season Property Inspection Form

Date of Inspection:

Performed by:

Weather Conditions at time of Inspection:

Customer:

Property Address:

General Surface Conditions

Please review the surface condition of the following and any other areas that may have been serviced:
Paved driving lanes, access roads, empty parking spaces, apron surrounding dumpsters, stairs / steps, handicap access ramp areas, walkways / sidewalks, loading docks, apron surrounding handicap parking spaces.

Damage noted / Repairs needed:

Curbing/ Landscape Border

Please review curbing and landscape borders for damage and proper placement.

Damage noted / Repairs needed:

Car Stops

Please review car stops for damage and placement.

Damage noted / Repairs needed:

Lawn / Landscaping / Irrigation Heads

Please review lawn, landscaping, and irrigation heads for damage or disruption.

Damage noted / Repairs needed:

Note: General photos of the property should be taken, including specific photos of any defects or damage noted above. 1/14/2011



LOSS CONTROL BULLETIN

Commercial Operations Safety

Personal Use Of A Business Vehicle

Are You Putting Your Business at Risk?

A real life ANPAC® claim brought to light the risks associated with the personal use of business vehicles. An employee of the insured brought the insured's company-owned vehicle home after work. When pulling into his driveway, the vehicle struck and killed a one-year-old child. The business faced potential exposure as the owner of the vehicle. The family of the child wanted to know whether the business acted with appropriate care in allowing this employee to operate the vehicle.

You could be responsible if you knowingly entrust the use of a company vehicle to a person who is intoxicated, incompetent, reckless, irresponsible or otherwise unqualified or incapable of safely operating the vehicle, and an accident occurs as a result.

What is the Personal Use Exposure to Your Business?

- Injury to your employees
- Injury to occupants of other vehicles
- Injury to pedestrians
- Injury to occupants of the insured vehicle
- Damage to other vehicles
- Damage to structures and other property
- Damage to the insured vehicle and its contents
- Loss of use of the insured vehicle
- Loss of use of the insured's property
- Loss of income to you and your business due to employee injury or damage to your vehicles

Avoid or Reduce Your Business Risk

You can avoid risk for your business by limiting any personal or non-business use of your vehicles. However, providing company vehicles for employees or business owners to use either while at work or while away from work can be very beneficial to the employer as well as the employee.

If you choose to have employees drive business vehicles, act responsibly. Demonstrate reasonable care in the selection and monitoring of drivers. Set expectations regarding the use of business vehicles to minimize your overall risk.

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to locate an agent near you
call **1-877-840-4400** or
visit **www.anpac.com**

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Commercial Operations Safety

Reduce your risk with written guidelines and training for appropriate use of business vehicles.

Consider the following ideas¹:

- Allow only approved company employees with valid driver's licenses are to operate company vehicles
- Allow company-owned vehicles to be used only for the company's business purposes
- Lock company-owned vehicles and secure keys when not in use
- Prohibit towing by company-owned vehicles
- Expressly prohibit alcohol/drug use
- Expressly prohibit use of cell phones and other electronic devices unless 'hands free' and/or legally permissible
- Require approved drivers sign a statement agreeing to abide by all company policies related to the operation and use of company-owned vehicles (vehicle use agreement)
- Set policies regarding borrowed vehicles
- Carefully select approved drivers
 - ▶ Review motor vehicle records of all prospective drivers
 - ▶ Impose a minimum age limit for approved drivers
 - ▶ Examine the overall work habits and level of responsibility demonstrated by prospective drivers
 - ▶ Require a road test of each prospective qualified driver
- Implement a driver training program to include:
 - ▶ Seat belt use
 - ▶ Proper actions in the event of an accident or emergency
 - ▶ Defensive driver training
- Implement a drug and alcohol testing program for all approved drivers.
- Implement a vehicle maintenance and inspection program to include:
 - ▶ Pre- and post-trip inspections of company-owned vehicles
 - ▶ Safety inspections of all company owned-vehicles as required by law, at a minimum
 - ▶ Defect reporting and follow-up procedures
 - ▶ Emergency repair and accident reporting procedures
 - ▶ Proper storing and parking procedures

This information does not address all issues you may face or options to consider. Apply a few or all of the above practices to reduce your company's exposure to loss associated with operating motor vehicles.



No one wants to think about suffering a loss. In the unfortunate event you do have a loss, our **ANPAC Five Star Claim Service®** is designed to provide assurance and confidence to our policyholders throughout the claims process.

24-Hour Claims Hotline 1-800-333-2860

¹Bendickson, Nancy. Fleet Risk Control Guideline. The American Society of Safety Engineers. Retrieved July 20, 2009 from <http://www.asse.org/practicespecialties/articles/bendickson.php>.