

Damage to Third-Party Property

Almost every project has the potential to impact those in its vicinity by causing damage to third-party property or injury to bystanders that may be on-site or in the contractor's care, custody, or control. Damage to the property under construction, damage to adjacent property, and injury to non-project personnel are but a few of the liability exposures contractors face regularly. By properly identifying risks during pre-construction, exposure to liability claims can be significantly reduced.

The exposures are numerous, but most claims can be reduced by:

- Developing documented pre and post-construction surveys of physical conditions
- Developing pre-task planning that identifies the exposures
- Developing controls to mitigate the exposures

Water damage

Third-party property water damage typically occurs on renovation projects to existing buildings. Water damage can occur from roof leaks, waterproof membrane failure, flooding caused by water pipe breakage, and other factors.

Third-party vehicles

Third-party vehicles may be damaged by paint overspray, flying debris, physical impact by other vehicles or equipment, or collapse. Controls include:

- Project traffic control and parking plans
- Physical barriers, such as tarps, fences, containment areas, netting, etc.

Adjacent buildings

Adjacent buildings may be damaged in various ways from a construction project. Some examples include:

- Physical impact by materials moved by crane or other lifting devices; by vehicles, mobile equipment, or plants; misdirected directional drill(s); demolition; blasting; or tunneling
- Ground movement caused by excavation, undermining/underpinning, tunneling, ground improvement, ground raising (surcharge), dewatering (intentional or accidental) causing subsidence and/or ground shrinkage, shoring, retaining walls; or subsidence from any source
- Removal of support above ground level arising from demolition, structural alteration, renovation work, or collapse of supporting structure
- Escape of materials from the site by breach or blockage of pipe(s), watercourse(s), or retaining ponds; surface water; drainage; dust; paint; bentonite/drilling fluid; pumped grout concrete (splatter); flooding; or chemicals
- Explosion damage from compressed gases, gas lines, flammable, combustible liquids, vapor clouds, or explosive release of compressed air in tunneling
- Collapse, either partial or complete, of a temporary or permanent project or work structures on surrounding third-party property
- Collapse, either partial or complete, of existing third-party buildings adjacent to or adjoining the project site due to any project activities
- Fire and smoke damage

For more information and additional risk management and prevention tools, visit: [fwcruminsurance.com](https://www.fwcruminsurance.com)