

Equipment Rental

Leasing or renting equipment to others on a short- or long-term basis can open a contractor up to liability issues if the proper controls are not in place. Examples of leased/rental equipment may range from low-risk office machines to high-risk equipment in construction activities, including power tools, mobile equipment, scissor lifts, forklifts, personnel lifts, cranes, loaders, and excavation equipment. Lending equipment to others without a lease/rental contract can be deemed a rental, even if there is no payment, and can therefore be a source of liability exposure.

Exposures:

- The type of equipment offered for lease/rental and its inherent hazards determine the level of exposure
- Special training and skills required for safe use of leased/rented equipment
- Duration of lease/rentals
- Age and condition of leased/rental equipment
- The absence of written contract controls include:
 - Using formal written leasing or rental agreements that an attorney has reviewed. Agreements should include a hold harmless clause in favor of the lessor. Include the need for required operator skills and training as something to be provided by the company/individual renting the equipment to others as part of the agreement.
 - Basing lease and rental guidelines and rules on the initial analysis of the inherent hazards of equipment
 - Providing the manufacturer-supplied instruction manual and warnings for the equipment. Original product documentation should always be enclosed with the equipment.
- Keeping all equipment for rental in good condition and including a preventive maintenance plan. Document all maintenance. Define repair procedures that include product safety features and document for all equipment.
- Tagging defective equipment with "Out of Service" and removing it from service
- Scheduling equipment replacement
- Keeping accurate records of contracts, incidents, and maintenance
- Providing a documented safety inspection of equipment before rental for controls, safety devices, warning labels, and operating instructions
- Determining who will provide delivery and pickup. Ensure the equipment is covered during transit and define who is providing that coverage. Document inspections at delivery and pickup or drop-off.
- Providing adequate and documented training and instruction to the lessee on the proper use of the equipment and related exposures before lease or rental. Include the recommended use of all PPE. Have the lessee sign off confirming that training was received
- Verifying lessee's operator qualifications and operating licenses as applicable and keeping copies for your files

For more information and additional risk management and prevention tools, visit: fwcruminsurance.com