



1-800-362-1011

www.hathomson.com

Snow Removal & Independent Contractors

What does this winter have in store for us? Hopefully this winter will be a mild one, but are you properly prepared if it is not?

In most cases, municipalities alone can't handle the plowing that is required after a major snow storm. Plowing contractors are hired to supplement your staff in order to keep the streets clear and safe for your citizens.

There are several questions you need to ask before hiring a contractor:

- Do they have a valid driver's license? A CDL, if necessary?
- Do they have proof of liability insurance (i.e. certificate of insurance)?
- Do you have a contract or hold harmless agreement with them?

It might be too late or inconvenient to get this information the day before or day of a major storm. Generally, municipalities use the same contractors year after year. It would be wise to have all the above information handled and on file before the big snow.

Ask the contractor for a copy of a valid driver's license or CDL (if applicable). Even if you are familiar with the contractor, his license may have been suspended without your being aware. Failure to check for a valid license can cause liability to fall back onto the municipality.

Ask for a certificate of insurance. It is necessary for all contractors to have proof of liability insurance. Limits of at least \$500,000 per occurrence and \$1,000,000 aggregate are required. Also ask to be shown as an additional insured on the certificate.

Ask the contractor to sign a contract or hold harmless agreement. This will insure further protection from liability for your municipality. Contracts should be drawn up or reviewed by your Solicitor.

Most municipalities have an idea who they will be contracting for emergency snow removal. Make certain you also have a list of "backup" contractors in cases of heavy storms or the unavailability of a regular contractor. We recommend handling the above matters as soon as possible to guarantee that when an emergency situation does arise, you will be properly prepared.

For further information, questions concerning contracts or to request a sample hold harmless agreement, please contact John Johns at 1-800-362-1011, Extension 111.

Mr. G

H.A. Thomson's former leader, Ben Giangiulio, Sr., came by for a visit in September. We had a lunch in his honor and celebrated H.A. Thomson Company's 75th anniversary. During our customer visits many of our clients inquire about Ben and we are always happy to pass along your regards.



We value your business

Joint Ventures

Many of our clients are members of joint regional organizations. Examples include regional planning commissions, police emergency response teams, and regional emergency management agencies. There are liability coverage issues that need to be considered for joint ventures.

Officials that you appoint as your representative to a joint entity may not be included in your municipal liability coverage. Some carriers will provide coverage, others will not. The joint entity itself is not automatically covered by your policy. There are two methods to address this exposure.

One method is that the joint entity could be added to one of the member's policies. Usually this is not the preferred method since it places the responsibility for claims with just one of the member municipalities. These claims can impact that municipality's premium. Also, the various members' policies may not respond to claims asserted against the representatives. Obviously, this is not an ideal scenario.

The second method is that the joint entity can purchase its own coverage. While this adds an additional expense to its budget, it provides a fairer and more cost effective method to handle claims. Currently we handle numerous joint entities this way. Please contact your account manager if you have questions about your participation in a joint venture.

Loaning of Contractor's Equipment

Please contact us if you loan your contractor's equipment to others. While this is never a sound liability risk management practice, it also presents a potential problem regarding the physical damage to your equipment. As we describe in our cover letter that goes out with your EMC Insurance Company policy, you do not have physical damage coverage if you loan your equipment to others. If you do, please let us know so that we can endorse your policy to ensure that you have proper coverage.

Account Managers:

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