



# Snow Clearing Operator Checklist

## Understanding Snow Clearing Contracts

Snow clearing contracts vary depending on the type of work being done, the needs of the property owner, and the capacity of the operator. In order to help manage risks, an operator must have a firm understanding of how their snow clearing contracts work. Below are some key factors to consider when entering into an agreement:

### ■ Clarity

- The contract uses clear language and is easy to understand and follow.
- The obligations of the snow clearing operator are clearly defined.

### ■ Scope of Work and Liability

- Scope of work should be clearly laid out, and operator should be able to discern what they are and aren't responsible for. For example, does the landlord have responsibility to clear snow when the contractor is not required to clear small accumulations?
- The operator must understand the degree to which they are liable should an incident of injury occur. For example, are you responsible for all slips, trips and falls even when you are not doing any work to the site?
- The operator should know if they are subject to a hold harmless-agreement. In this type of agreement, if an operator agrees to these terms, the operator and their insurer remain liable for the loss and would not be able to claim against the other party. This may increase your insurance premiums.

### ■ Contractual Obligations

- The contractual obligations are fair and should not include unreasonable obligations on the party. For example, there should be a more proportional distribution of liability for claims associated with slips and falls between the parties.
- The operator should ensure they are able to fulfil their contractual commitments. For example, is the contract requiring all snow to be cleared from the entire property within 24 hours and is this achievable?

## Tips for Managing Risk

Snow clearing operators work in a hazardous and litigious landscape. In order to minimize their insurance costs, operators must focus on ways to mitigate their risks. Outlined below are some risk management protocols that operators can leverage to improve their risk profile:

- 1) Snow Removal Logs** – Operators should keep comprehensive snow logs that record time of work, who performed the work, location of work performed, customer's name, work performed (scrapping, salting and sanding), condition of site after work, signature of attending worker, and supplementary documents such as photos and weather reports for those days. Logs should be kept for 7 years in case of litigation or contractual dispute.
- 2) Incident Report Logs** – Operators should maintain an incident report database to record any incidents that occur, along with claimant details and description of events. These details should be shared with your broker for review and submitted to the insurers if needed.
- 3) Code of Conduct** – Operators are encouraged to codify their best practices and protocols in a written code of conduct. It can include snow log procedure, incident reporting protocol, and problem solving mechanisms for employees. A written code of conduct can be shared with your broker when approaching insurers for coverage.
- 4) Hire Skilled Workers** – Employees with more experience will reduce risks and may help reduce insurance premiums.
- 5) Consider your Commercial General Liability insurance limit** – Is it adequate? There is a difference between obtaining a minimum limit of insurance (\$2,000,000) that allows you to operate and a limit of insurance that will protect you against large catastrophic losses – this could be \$5,000,000, \$10,000,000 or more depending on the size and scope of your operations, assets that need to be protected, and affordability. Remember, consumers are not limited in the amount of money they can pursue in a legal suit.
- 6) Consider your Deductible** – Understand your options when it comes to insurance deductibles. Accepting a higher deductible will usually result in lower premiums, the opposite also holds true, do what makes sense for your business.
- 7) Put your Best Foot Forward** – If you maintain snow logs, have a code of conduct, and an incident reporting protocol, make sure to convey these details to your broker, insurer or insurance agent. Full disclosure of risk management practices often results in better rates for operators – the opposite also holds true when a lack of details creates uncertainty for the insurer.

## *We are here to help.*

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