

**DAMAGE PREVENTION PROFESSIONAL** INVITES YOU TO SEND US YOUR QUESTIONS ABOUT EXCAVATION SAFETY AND DAMAGE PREVENTION, AND WE WILL HAVE THEM ANSWERED BY A PROFESSIONAL WORKING IN AN APPROPRIATE AREA OF THE INDUSTRY. SEND YOUR QUESTIONS TO: **ASK THE DP PRO**, DAMAGE PREVENTION PROFESSIONAL, 10740 LYNDALE AVENUE SOUTH, SUITE 15W, BLOOMINGTON, MN 55420 OR EMAIL TO **JEFF@EMAILIR.COM**

**Q** Does SUE help in getting insurance coverage against utility breaks while carrying out HDD (trenchless) operations?

**A** Answer by Wayne Jensen

SUE doesn't help you directly in getting insurance coverage, but it definitely helps you get better pricing! So, maybe that does translate into helping you get insurance coverage.

When an insurance carrier is asked by your insurance agent to write coverage for your HDD company, the underwriters for the carrier will want answers to many questions with regard to your company's "practices for drilling" that are all designed to help them rate how likely you are to be responsible for a damage. If the underwriter asks you what you do to prevent damage and you say that you employ the services of a SUE contractor to locate all buried facilities in your work area prior to your drilling taking place, the carrier will know that the likelihood of your company being responsible for a damage will be VERY LOW and the pricing for your insurance coverage will be priced accordingly.

Most HDD companies employ many of the practices of a SUE company at a dramatically lower cost, including physically uncovering facilities in the path of drilling operations to be certain they guide the drill head around those facilities. These same companies use the One Call systems to mark facilities and then they go confirm the location of facilities based on the locate markings they see. What SUE adds to the mix is a "confirmation" that there are no other facilities that were either not marked or marked incorrectly. SUE never depends on locate marking for guidance as to the presence of facilities and, in fact, not many locators will locate any facilities when they know SUE companies are calling for locates. Having a SUE contractor confirm the location of facilities prior to HDD drilling is increasingly important as the consequence of damage increases. If a damage could cost many hundreds of thousands of dollars or cost the life of a worker or the general public in the vicinity of the

drilling, then no "due diligence" less than SUE would make sense.

When HDD contractors are bidding on projects, it would be very beneficial for them to always ask for the quality of information about the location of buried facilities in the construction space. If the data is any less quality than "A", the contractor should always ask the project owner to consider contracting with a SUE provider to be certain there are no mistakes in locating that could have disastrous consequences. Owner requests are critical to both educate and encourage about the importance of high data quality for location of buried facilities. Owners will one day understand that by providing HDD contractors with superior data quality, the cost of drilling will decrease. We want high data quality to be the responsibility of project owners so they can provide it to all HDD contractors bidding on a project. If increasing data quality is left totally in the hands of the HDD contractor then some will bid projects with SUE cost included and some will bid without including such cost.

Insurance underwriters generally recognize the "risk acceptance" of HDD contractors who will bid projects without incorporating best practices such as SUE simply because the cost will likely make them uncompetitive. It is hard to fool underwriters who know that any "risk acceptance" comes with "risk transference" to the insurance carrier.

In fairness to HDD contractors, they are put in many "catch 22" situations that are not of their making. Again, owners should be the provider of "high quality" locate data or require all HDD contractors to include SUE in their bids. It is the only way to be fair with HDD contractors and to prevent damage. (In my opinion). **DP**

*Wayne Jensen is the Director of Safety for Stahl & Associates Insurance and the Chairman of the Tampa Bay Excavation Task Force, which he founded in 2008. Wayne has served on the Board of NUCA and currently serves on the Board of the Suncoast Utility Contractors Association. He can be reached at wayne.jensen@stahlinsurance.com*

## /// READER RESPONSE

We are a Guardrail Company in Eastern Washington State, and I am the current President of the Inland Empire Utility Coordination Council. Recently, I shared Wayne Jensen's article from the Winter 2012 edition of your magazine (The Pivotal Role of Engineers in Utility Damage Prevention) with the president of our company. He found the article to be right on target with his thoughts on how important it is to identify underground facilities during the planning and engineering phases of highway projects.

The purpose of my corresponding with you today is to request permission to use this article in our correspondence with project owners and prime contractors. We currently insert a letter whenever we enter into a contract, and would like to also include a copy of the article.

Thank you for the work you and the CGA do to help us all work safely. **DP**  
– Tom Tantriella, Contract Administrator, Frank Gurney, Inc.

