



URclaims
Utility Claims Experts

UNDERGROUND UTILITY INCIDENTS”

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Urclaims aims to be the top of mind consulting company providing expert solutions on preventive risk management, training and utility claims. The following article is an informative educational piece detailing examples of concrete situations and how to take protective steps to minimize the dollar value of claims. The article provides a plan of action in dealing with risk in the utility sector, steps to take if a utility claim occurs, and provides a chance for reflection to review one’s risk management plan to ensure that risk is minimalized to keep operating costs low.

When an excavator comes in contact with a utility such as a pipeline, telecommunication cable, water, gas or hydro services significant disruption, safety, damage, injury or even death can occur. For example in 2016, Canada had 10,107 reported utility strikes with Ontario leading the way with almost half the reported damages in 2016, approximately 4,434 utility damages. The societal cost of damages across Canada in 2016 were estimated at being in excess of \$1 Billion. Seventy-nine percent of services were disrupted across the country. Deaths related to hydro contacts were six alone in the Province of Ontario in a one year period. Insurance companies have recognized the cost of injuries in relation to excavation work is in the tens of millions of dollars in payouts.



Claims relating to underground utilities remains a significant Employer’s and Public Liability exposure.

your employees’ work actions? For the majority of claims the direct damage costs are covered however you may be on the hook for costs such as: legal fees, loss of contracts, penalties, environmental damages, reduced bonuses etc.

Ensuring you have established a risk management plan for each project and you actively use the plan during your project will not only avoid such situations from occurring, it will manage your costs and protect your company’s reputation/brand.

Everytime you disturb the ground you are likely to encounter existing underground utilities. Examples of this includes preparing a site when placing fences, installing signs, the placement of street furniture, resurfacing a road or driveway, removing old sidewalk bays, repairing water services, and installing deeper utilities and privately



underground networks such as Telecommunication lines. It is a good common practice to always assume utilities are going to be in your excavation site; so, plan your methods and procedures around this reality.

How many times have you damaged a cable TV line or drop wire? How many times have you damaged a telephone cable and thought these are just minor incidents so no need to worry? These damages may be low cost to

repair compared to the overall project however had you considered the services being supported by the cables? A serious event occurs at a public school which involves a fire, this fire erupts, and students are injured. The fire alarm is pulled and the school engages their emergency evacuation plan. Unknown to the school, the alarm is going unanswered as the communication line between the school and 911 services was cut off. Another potential event occurs downstream from the damage. Several businesses telecommunications were cut off as a result of the damage. These businesses were cut off from conducting sales transactions and are losing business, you could be liable for these business losses. The broker who lost the ability to conduct trades had no more connection to the markets and this created a loss which you may be faced with. These are real possibilities and the cost can escalate into the millions. Insurance companies will have to consider these possible events when setting rates. Company owners need to review their “Risk Management Plans” to ensure employees are trained, monitored for conformance and respect the utilities while doing their work. All underground services should be regarded as expensive and/or dangerous to disturb and all possible efforts conducted to identify and avoid the utility.

A damage which is only a nick in a pipeline coating or a nick in a cable’s outer sheath may seem harmless however it can be catastrophic if not properly repaired. Do not cover up the damage hoping it will go away. The location of the dig site is registered with the province’s or state’s One Call Center and when the nick eventually ruptures, triggering the service interruption and a possible environmental catastrophe, the utility’s emergency response team will be sent to repair the damage. The utility has access to the history of who was digging in the area and eventually will find out who was involved. When you nick a cable, pipe, hydro line etc., make the area safe, allow no one access to the area, call the utility and have them come out and complete the repairs. Remember safety first, so when required by regulations or the utility call 911 first!

WHAT NEEDS TO BE DONE?

The provincial Health and Safety Act, Electrical Safety Authority, Technical Standards and Safety Authority, Ministry of Labour and National Energy Board have work regulations which protect employees and general public safety as it applies to the disturbance of underground utilities. More specific requirements are also relevant.

The Ontario Regional Common Ground Alliance has best practices which are driven by industry stakeholders. The practices are only passed as a best practice once consensus has been reached amongst all stakeholder groups. These best practices which are developed by the industry are extremely relevant in the protection of existing utility infrastructure from the planning and design through the construction phase and the ongoing protection of the utility’s infrastructure.

Planning and Design is a critical step in managing risk and in this initial stage you have the first opportunity to engage all stakeholders while you communicate the project details and obtain their feedback on what may be in conflict. In the planning and design stage you should include health and safety for the employees and public as it pertains to disturbing the existing utilities. During the design phase you will come to know the risks and document them. You will then develop a plan to manage the risk which includes emergency planning should an event/incident occur.

Contractors know of the duties and standards that are widely used across the industry however there are thousands of utility strikes occurring. URclaims have noticed the industry damages are being driven by the following activities:

- Water installation and repair work activities



- Installation of fences and landscaping



- New development/building construction work
- Roadwork which includes removal of road bed and bridge work

The cause of the damages are related to assumptions being made rather than sticking to the plan required to avoid such incidents from occurring.

[URclaims can assist you in developing an effective management approach to your utility risks.](#)

You should consider the following when adopting a management plan:

- Identify specific regulations which apply to your project site.
- Review the relevant Health & Safety regulations and company policies.
- Know what Ministry of Labour & Ministry of Environment Regulations apply to your project.
- Identify the specific requirements set by the utilities when working around their underground network.
- Make sure that any risk assessments conducted are relevant to the work being done. Work permits to dig, road occupancy permits, traffic plans, utility locates weather conditions, etc.
- Ensure your risk assessment plans are completed by someone who is “**competent**”. Definition of competent can be found in Ministry of Labour Regulations.
- Ensure proper and effective health and safety plans are managed throughout the work operations. Conduct site audits daily.
- Use your audit data to identify areas of opportunity to improve company processes, procedures, policies, tools/equipment use, etc.
- Ensure all utility locates are reviewed by workers who operate earth moving equipment and general labourer who supports the equipment operators.
- Have your emergency response plan prepared in the event of each type of disaster so those on site

understand their role, actions to take and where to meet (muster point) etc.

- Conduct prework safety talks daily to ensure all workers understand the risks, the precautions and expectations.
- Whenever you are not sure of the location of a utility, stop work operations and seek clarification.



- Communicate with the utility locator on a regular basis to ensure you maintain an open communication channel should you require assistance.
- Provide adequate training to machine operators and supervisors so they understand the risks, the required work procedures, the importance of following safe working practices, the potential cost of damaging a utility, impacts when a minor damage occurs and is not reported and the actions required to gather evidence of pre-existing damages when utility is exposed. Training should be provided to enhance the competence of the workers and supervisors.
- Monitor the site to ensure agreed to procedures and precautions are being followed. Ensure all equipment inspections have been done prior to commencing work, mid tour and end of shift.
- Record all findings of audits so it is tracked to identify any trends regarding workers following policies, equipment inspection results, materials, etc.

- When a damage occurs record all details leading up to the incident. Measure the distance from locate marks to the point of contact. Use tie-in reference points which match the locate report you were provided. This will be the same data used by the utility to determine liability.
- Take photographs of the area not solely a closeup of the damage. You will need to capture the locate marks, position of cable/pipe and the civic address or key reference points and utility representatives on site.
- Complete your incident report. If you do not have one visit www.urclaims.ca and go to the tools page. There you can download a free incident report template.
- Notify your insurer of the damage in accordance with your insurance policy. Should you decide to handle the claim internally when it is below your deductible you may decide to seek outside consultation. You can contact URclaims at www.urclaims.ca for consultation on your file to assist with assessing liability and cost. URclaims can also assist with the field investigation of any incident. This can save you money that you would have paid out on settlements.

URclaims can provide consultations on your claims!

Anticipate the Claim

After the incident there will most likely be a claim issued by the utility owner for damage(s) to their property/equipment. There is also the potential for claims from the public and local business for damages they may have experienced (personal injury, loss of income, loss of business, loss of life, etc.).

As previously mentioned, cost of an incident can be significant, not only for the direct repair costs, but also to replace equipment, including labour costs, management costs, contractor costs, which will all be against you and any third-party costs associated with the repairs.

Although you have a policy in place to protect you, it is important to collect all the data through an extensive investigation and that you keep the investigation report, photographs, locate sheets, work orders and all claim notices/communications in a file which can be provided to

your insurer or claims consultant. The information will be used subsequently to determine your liability and amount of compensation to the service provider who was affected.

Most claims are not issued for weeks, and in many cases, months before you receive anything. You could also receive claims from parties who are seeking damages for either personal injury, property damage or loss income or even a loss of life. These claims may not appear until months or even years after the incident occurrence. Therefore, maintaining all relevant information is essential in determining whether there is a legal obligation to settle the claim or not.

Typical documents may include:

Incident details relating to:

- Any person injured, if so, their names and contact details.
- Extent of injuries.
- Circumstances of the disruption, location, environment conditions at the time, duration of the disruption of service.
- Details of sub-contractors used and identify if you offered to provide services to help expose the damage.
- Sketch of the area, location of locate marks, location of utility, mark damage location with an x and place arrow stating damage location.
- Photographs of the damaged utility, depth of utility (place ruler in picture or a tool/material that is to scale and can be used later as evidence eg. shovel handle, fence t-rail, place paint on bottom end and mark a line where utility is and where ground grade is)
- Have witnesses write down their statements (include names, contact details, date and ask for business cards when appropriate)
- Record when the utility repair person(s) arrives on site, how many employees came, how long they were on site, materials they used, example how many meters of cable, also note if they were standing around, watching or waiting.



Internal investigation documents should be preserved with the file. These can be field incident reports, supervisor's log book, first aid reports and meeting minutes where the related events were discussed. Ensure any field incident reports are clear and factual!

Planning documents should be included:

- Construction design plans
- Utility locate stakeout reports/sketches
- Any shut off plans which were reviewed with you by the hydro representative(s)
- Specific risk assessment plans you have conducted
- Plans or pictures of test (key) holes that were done to assess existing utility location and depth
- Onsite inspection/audit forms completed by inspectors
- Training records of employees who were on site
- Provide the model/serial number of the equipment involved in the incident



URclaims can assist you in assessing your risks, help you design a risk management plan, build risk assessment templates for your field teams, provide training on the plan and consult with you on current and future claims to help assess liability and the repair cost.

Being prepared is critical to being successful! Why would you dig without a sound "Risk Management Plan"?



Hire a consultant to review your plan and conduct an assessment to ensure it meets all the necessary requirements.

If you do not have a plan NOW is a good time to start.



Call or Click Before You Pay!

For more information on our services and how we may support your organization regardless of your size please reach out to us through our web site at www.urclaims.ca or email customer-service@urclaims.ca.

Written by URclaims