

**AMERICAN ASSOCIATION OF INSURANCE SERVICES  
INLAND MARINE GUIDE  
RIGGERS' COVERAGE**

**UNDERWRITING**

# **AMERICAN ASSOCIATION OF INSURANCE SERVICES INLAND MARINE GUIDE RIGGERS' COVERAGE -- UNDERWRITING**

## **COVERED PROPERTY**

The riggers' forms are specifically designed to provide coverage for contractors (riggers) who lift and move property of others (i.e., heavy machinery or equipment). The riggers' forms can also provide coverage for contractors (millwrights) who lift and move property of others as well as the installation or disassembly of machinery and equipment. Under the riggers' forms, the insured is a contractor (rigger or millwright) and covered property consists of the property of others in the insured's care, custody, and control for the purposes of rigging or millwright operations.

### **Equipment Rented to Others**

At times contractors will rent their crane, with an operator, to another contractor. The rental of a crane and operator for a lift is not an exposure covered under a riggers form. When a crane is rented, the crane and operator operate under the supervision (control) of the contractor who rented the crane. The property being lifted is not technically turned over to the care, custody and control of the crane operator. The owner of the crane does not enter into a rigging or millwright contract with the owner of the property that is being lifted. Therefore the owner of the crane is not responsible for damage to the load being lifted.

The riggers' forms provide coverage for contractors that are hired to do a lift. The care, custody and control of the property to be lifted is turned over to the hired contractors (the insured). The contractors will then use their equipment (cranes) under their own supervision to accomplish the lift. The hired contractor assumes responsibility for the property to be lifted during the lifting process.

## **TERMINOLOGY**

**Rigger** -- A rigger is a company specializing in the lifting and moving of heavy and/or large loads. Riggers lift and move heavy and/or large commercial and industrial machinery or equipment. For example, a rigger might move manufacturing machinery into or out of factories, ovens into or out of restaurants, or CAT scanners into or out of hospitals.

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**Rigging** -- Rigging means the job of lifting, moving, and transporting heavy loads. Rigging often involves the use of cranes, forklifts and other load movers, and heavy haul trucks. The following is a description of a basic rigging operation:

A rigger will use high capacity jacks to lift a machine off the ground and place it on dollies. The load is then pushed/pulled with a load mover (e.g., forklift) out of a building. Outside of the building, the load is lifted onto a flatbed truck using a crane. The load is then driven to another location.

**Millwright** -- A millwright is a company specializing in the installation or disassembly of heavy and/or large commercial and industrial machinery or equipment. Similar to a rigger, a millwright will lift and move machinery or equipment. However, a millwright will also perform welding, plumbing, and electrical work in connection with the installation or disassembly of machinery or equipment.

## **RISK SELECTION**

To underwrite a riggers' (riggers and millwright) risk, obtain the following information:

1. a description of rigging work that has been performed, a list of jobs performed during the past 12 months could be requested;
2. operating territory;
3. rigging receipts;
4. annual number of jobs;
5. maximum and average values for rigging jobs;
6. experience of contractor in doing rigging work; and
7. maximum height for any rigging job.

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**KEY HAZARD**

The key hazards associated with rigging operations are the dropping of the load (covered property) or the collision of the load with another object. Most losses are a result of human error involving the operation of the equipment (lifting jacks, cranes, forklifts) used for lifting heavy and/or large machinery and equipment. The most frequent errors are:

1. In setting up the lifting equipment:
  - a. improper assembly and erection of a crane;
  - b. incorrect positioning of equipment;
  - c. failure to use outriggers (bracing) on the crane; and
  - d. placement of outriggers in soft soil.
2. In moving the load:
  - a. load exceeds the lifting capacity of lifting equipment;
  - b. quick movement of the load;
  - c. oblique pulling of the load; and
  - d. insufficient clearance for the movement of the load.

Equipment operators should have at least five years of experience in operating lifting equipment when highly valued property, large sized property, or high lifts are covered.

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## **LOSS CONTROL**

The following is a list of possible questions that can be addressed during a loss control survey.

This list is NOT intended to represent a comprehensive and exhaustive treatment of loss control issues that relate to riggers' liability.

UNDERWRITERS SHOULD CONSIDER additional questions that address concerns about specific types of contractors and/or individual risks.

### **Loss Control Survey**

#### **Maintenance Of Lifting Equipment**

Describe:

1. the preventive maintenance program (including requirements and procedures);
2. the frequency of equipment inspection; and
3. the state of equipment records (e.g., operating hours, details on breakdowns, information on damages and repairs).

#### **Management Practices**

Describe:

1. who is responsible for the equipment maintenance program;
2. the extent of written operational instructions for equipment;
3. any safety or training programs;
4. the accident investigation procedures for evaluating the preventive maintenance program;
5. the operators' daily equipment check sheet which is submitted to the maintenance personnel;
6. management practices for transporting covered property; and
7. turn-over of equipment operators, experience level of operators.