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A Liability Avoidance Quiz for the Structural Building Component Manufacturer by Kendall Hoyd & Kent J. Pagel

What is your Liability Avoidance Score? How do you stack up in the world of risk taking and avoidance? Please review the following questions and mark your answer. After completing your answers see below to tally your score and review the conclusions.

1. I sign my customer's subcontract form.

ANSWER: Always ____ Sometimes ____ Never ____

2. My customers sign an agreement with me which limits my scope of work to truss design and manufacturing.

ANSWER: Always ____ Sometimes ____ Never ____

3. I have developed a form bid/proposal form with terms and conditions approved by an attorney familiar with the structural components industry, which I use with every bid submitted and which I have signed by my customers.

ANSWER: Always ____ Sometimes ____ Never ____

4. I limit my responsibilities with regard to temporary and permanent bracing to the responsibilities set forth in ANSI/TPI/WTCA 4-2002.

ANSWER: Always ____ Sometimes ____ Never ____

5. If I extend my design responsibilities beyond ANSI/TPI/WTCA 4-2002, my customers sign an agreement defining the scope of services to be provided and the compensation to be paid for such services.

ANSWER: Always ____ Sometimes ____ Never ____

6. I provide additional insured endorsements to my customers.

ANSWER: Always ____ Sometimes ____ Never ____

7. If I provide additional insured endorsements to my customers, with the assistance of my insurance agent and insurance carrier, I have devised a means to limit the endorsement provided.

ANSWER: Yes ____ No ____

8. I agree to provide my customers with indemnity or hold harmless agreements as the claims are covered by my insurance.

ANSWER: Always ____ Sometimes ____ Never ____

9. I understand whether I can comply with a customer's request for \$2.0 million liability limits, waivers of subrogation, professional liability coverage, and primary and non-contributory coverage.
ANSWER: Yes____ No____
10. If I have properly set forth my scope of work in my contract with my customer, I need not concern myself with supplying jobsite handling, installation and bracing documents as this is outside my scope of work.
ANSWER: Yes____ No____
11. I have identified "deal killers" for my company where the risks far exceed the benefits.
ANSWER: Yes____ No____
12. My jobsite package is provided on all truss deliveries.
ANSWER: Always ____ Sometimes____ Never____
13. My jobsite package includes information on handling, installation and bracing.
ANSWER: Yes____ No____
14. I regularly use the WTCA Jobsite Safety package.
ANSWER: Yes____ No____
15. I have a documented in-plant quality control process.
ANSWER: Yes____ No____
16. My plant is In-Plant WTCA-QC certified.
ANSWER: Yes____ No____
17. I have a documented plant personnel training program.
ANSWER: Yes____ No____
18. I have a documented training program for designers.
ANSWER: Yes____ No____
19. My designers are WTCA-TTT certified.
ANSWER: Yes____ No____
20. I have a documented safety program.
ANSWER: Yes____ No____
21. I have attended a WTCA-sponsored Risk Management and Liability Avoidance seminar.
ANSWER: Yes____ No____
22. I have implemented many of the recommendations and suggestions included in the WTCA-sponsored Risk Management and Liability Avoidance seminar.
ANSWER: Yes____ No____

WHAT'S YOUR SCORE?

To tally your score, compare your answers with the ranking set forth below and calculate your

total score. If you total +50 (the best possible score), congratulations! You are far ahead of most if not all other component manufacturers, even those companies that focus a great deal of time and resources on risk management and liability avoidance. Many component manufacturers who are diligent in this area may proudly report a score of +20.

If your total score is -50 (the worst possible score) or anywhere near that score, then hopefully this exercise has yielded the conclusion that risk management and liability avoidance is too important for you not to invest some time and effort.

Remember, risk management and liability avoidance takes on many different looks and those recommendations and suggestions you take up will depend on your risk tolerance.

Answer Key for “A Liability Avoidance Quiz for the Structural Building Component Manufacturer”

1. Always -4 Sometimes -3 Never +2
2. Always +2 Sometimes +1 Never -2
3. Always +3 Sometimes +2 Never -3
4. Always +2 Sometimes +1 Never -3
5. Always +3 Sometimes +1 Never -3
6. Always -3 Sometimes -2 Never +3
7. Yes +3 No -3
8. Always -3 Sometimes -2 Never +2
9. Yes +2 No -3
10. Yes -3 No +2
11. Yes +2 No -2
12. Always +2 Sometimes +1 Never -3
13. Yes +2 No -2
14. Yes +2 No 0
15. Yes +3 No -3
16. Yes +2 No 0
17. Yes +2 No -2

- | | |
|------------|-------|
| 18. Yes +2 | No -3 |
| 19. Yes +2 | No 0 |
| 20. Yes +3 | No -3 |
| 21. Yes +2 | No 0 |
| 22. Yes +2 | No -2 |

TOTAL SCORE: _____

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