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October 21, 2009

Mr. Alvaro Avelar,  
Safety Coordinator  
C. W. Construction, Inc.  
8380 Maple Place, Suite 100,  
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[alvaro@cwconstructionframing.com](mailto:alvaro@cwconstructionframing.com)

C. W. Construction, Inc.  
Loss Control Meeting  
8380 Maple Place, Suite 100,  
Rancho Cucamonga, California 91730



Policy Number	023462435
Type of Insurance	Commercial General Liability
	Occurrence Basis
Primary Underwriting Code	905
Effective Date	April 01, 2009
Expiration Date	October 01, 2010

**SUBJECT: LOSS CONTROL SURVEY**

**AuSum #140780-000**

C. W. Construction, Inc, Rancho Cucamonga, California

Dear Mr. Alvaro Avelar:

A Loss Control Survey was completed on Wednesday October 21, 2009, at your office in Rancho Cucamonga, California. The purpose of this visit was to provide our loss control services, to meet with you, review the safety and quality control program, shop operations and conduct job site survey of an active local job that are representative of the type of work performed by your company. Mr. Michael Alberts, Technical Services Manager for Chartis Insurance and I met with you and Mr. Wayne Carey, President for C. W. Construction, Inc, at your corporate office located at 8380 Maple Place in Rancho Cucamonga, California to conduct a Loss Control Survey.

During my meeting with you, we discussed the General Liability and Completed Operation, exposures as well as the Company's Quality Control Process. We reviewed how Loss Control is managed by your company and a review of the company's Accident Prevention Program and Quality Control Programs.

We accompanied you to a local job site where we had the opportunity to review job site operations following our initial meeting. This job site survey allowed us to compare safety and quality control practices on the job site with what has been published in the Safety and Quality Control manuals.

The Scope of the job involved the framing of six town home units in an existing housing complex.

#### **ACCOUNT OVERVIEW:**

C. W. Construction, Inc is a framing contracting company originally established by Mr. Wayne Carey in 1976. The company specializes in the framing residential tract homes, primarily one and two story structures for local and national home builders in Southern California.

Mr. Wayne Carey is the primary officer in the company, Mrs. Debra Carey is Secretary-Treasurer for the corporation. Alvaro Avelar is the Company's Safety Officer who oversees the safety activities of the Company at this time. All of the Company's operations are conducted from their main location 8380 Maple Place in Rancho Cucamonga, California.

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The Company employs approximately 31 Employees Company wide. There are 25-total field employees and 6-Clerical/office Employees. Field workers are non-union employees. New employees are required to complete an application, undergo an interview by foremen/superintendent. The company will check work references, informal background checks are conducted. Many of the employees are related to each other. The company does not have a formal drug testing program for most of their employees. However their Class "A" drivers who are subject to DOT Regulation are required take drug testing.

Sales level for the Company was around \$12 Million during fiscal year 2008. It is estimated that the Company will have approximately same dollar value in sales for 2009 despite the current economic conditions.

#### **COMPANY ORGANIZATIONAL STRUCTURE FOR C. W. CONSTRUCTION, INC.**

Name	Title
Wayne Carey	President/Founder
Debra Carey	Secretary/Treasurer
Alvaro Avelar	Safety Coordinator
Total Employees Company wide	31-Employees

Mr. Alvaro Avelar has the overall responsibility for Safety for the Company. He along with field foremen is responsible for the implementing and enforcing safety programs and standards in the field. Mr. Carey is very interested in seeing that the safety program is followed throughout the Company. There is no special Safety Committee in the company.

All accidents or incidences are initially investigated by the field foreman. If an employee is injured the foreman will ensure that the injured person is taken care of and seen by medical personnel. Mr. Alvaro Avelar will conduct his own investigation of the incidents and complete an accident report.

#### **SAFETY PROGRAM TABLE OF CONTENTS-C. W. CONSTRUCTION, INC, RANCO CUCAMONGA, CALIFORNIA**

Responsibility	Compliance	Communications
Hazard Assessment	Accident/Exposure Investigation	Hazard Correction

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Training and Instruction	Recordkeeping	Code of Safe Practice
Heat Illness Prevention Program	Emergency Medical Services Program	Inspection Procedures

#### **QUALITY CONTROL:**

The Company's Quality Control program is governed by drawings and prints provided by General Contractor and Home Builders. The Company is requiring participating in the builder's preconstruction meetings as they are associated with their scope of work on the job sites..

The quality control report covers major areas as "Under floor" controls, Framing of Structure, Stack, Fire Protection, Sheetrock, Shear Walls Windows, Siding and Close-in Inspection.

The Quality Control and Warranty Program addresses all phase of construction, including Pre-construction, Construction and Post Construction. The project owners are included in on all communications during the entire building process. Any changes are documented and all entities have to sign off on these changes including the owner and subcontractors.

Records are kept on each phase of the project. The superintendents along with the foremen will conduct routine inspections all during each phase of the project. These inspections include review of the blue prints and testing and inspection of critical areas.

#### **SUBCONTRACTOR SELECTION:**

The Company self perform 100% of the scope of work involved in framing a house. They do not subcontract any other type of work. No Subcontractors are used by C. W. Construction.

#### **CERTIFICATE OF INSURANCE AND HOLDHARMLESS AGREEMENT**

The company does not have a requirement to obtain Certificate of Insurance since they do not subcontract work to others.

#### **LOSS CONTROL SITE VISIT:**

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We accompanied Mr. Alvelar to an active framing job in the expansion of an existing subdivision. The scope of work involved the framing of 6 townhouses with three units in each townhouse. The framing crew were framing the first floor area of the six town homes and laying the sheathing for the second level flooring.


The crews were made up of two foremen, one for framing crew and one for the sheathing crew. Both the framing crew and the sheathing crew had five persons in the crew. The crews were framing all six of the townhouses at the same pace to maintain the efficiency of the framing process.

This crew has been on the job for about two weeks framing the six structures. The foreman estimates that the crew will be on the project for another two weeks completing the six town homes. The number of employees on site is not expected to increase.

The following observations were made of the work in progress on the job site.

- Framing was being performed in a uniform manner.
- No other trade or crafts were in the structure while C. W. Construction employees were framing overhead.
- Nail guns are de-energized and disconnected from air supply when not in use.
- Housekeeping on site was good. The clean up crew would remove debris on a regular basis.
- Power cords which were observed on site were in free of cuts or kinks.
- Access ladders on the site were properly tied off for stability.
- Personal Protective Equipment was being worn by employees on the site.
- Tools and equipment used on site was in good condition.

#### **LC VISIT OBSERVATIONS:**

		Amador Subdivision job site of 6-townhomes.
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			Framing of the garage area of the town homes.
			Bracing of the first level of framing until the sheathing is installed.
			Installing the exterior sheath.

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	<p>Access ladder to second level of the town home properly tied off.</p>
	<p>Unused nail gun with the air line removed so that it will not be accidentally activated.</p>
	<p>Sheathing placed on framed structure for the second floor.</p>

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## CONSTRUCTION LOSS INSPECTION REPORT INFORMATION

### A. Pre-Construction

1. Pre-construction meetings are conducted prior to the start of each project.
2. The supervisory personnel are involved in reviewing the drawings, products and material to be used during construction.

### B. Quality Control

1. The company has a good quality control program which includes a formal inspection following each phase of the job. The inspection is documented by both a checklist and foreman/superintendent inspection of work completed.
2. The jobsite foreman and superintendents are responsible for managing the Quality Control Program on each job. The company's quality control records includes, the contracts design specifications, any changes in designs, change orders, and inspection checklist.
3. C. W. Construction, Inc does have a written site inspection program which is part of the company's Injury & Illness Prevention Program.
4. The foreman will conduct his safety inspections on a daily basis. The superintendent will conduct his site inspection on a frequent basis.

### C. Safety

1. A copy of the company's safety program is provided for each foreman and key personnel. The Safety Program addresses all the exposures an employee may encounter on the job site.
2. The Safety program does address Fall Protection, Hazard Communications, Drug and Alcohol Policy, Job Hazard Analysis, Site Security, Accident Investigation and Heat Exposure.
3. Employees are trained in proper protection of leading edge from second level and roof trusses.
4. Safety meeting in the form of Tool box talks is conducted weekly.

### D. Post Construction

1. The written procedure in place for conducting inspection of the finished work includes a thorough testing of all products during post construction; a final punch-list inspection is performed by C. W. Construction warranty department. This is performed with the builder.

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2. There is a review of the "as built" project by the owner before acceptance of the building.
3. All of the phases of framing are accepted and signed off by city or county governmental inspectors as well as the builder.

### **RECOMMENDATIONS:**

No formal recommendations were developed during this survey. A copy of Recommendation/Observation form was provided prior to leaving the job site.

### **Claim Information**

No claims have been identified as a result of this survey.

### **CONCLUSION:**

We concluded the Loss Control visit for this day at the Rancho Cucamonga job I discussed today's survey findings with Mr. Avelar before I left the job site.

- a. Workers observed were wearing the proper clothing and personal protective equipment for their tasks.
- b. Adequate safety measures were in place to protect and warn others working on the job site of any known hazards.
- c. Job site security was adequate for the operation the property was fenced with construction fencing.

The following information is provided to support C. W. Construction, loss control efforts, the listed websites are recommended for review:

- [www.hazard.com](http://www.hazard.com)
- [www.safetycenter.navy.mil](http://www.safetycenter.navy.mil)
- <http://www.constructiondefects.com>
- [www.constructionrisk.com](http://www.constructionrisk.com)
- <http://www.constructionweblinks.com/>
- <http://www.complianceregs.com/index.asp>
- <http://www.cdc.gov/niosh/pubs.html>
- <http://www.consumerhousingalliance.org/index.html>
- <http://www.buildsafe.org/index.htm>

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These websites contain several tools and information that will assist in the development and compliment the programs already implemented.

There are no plans to conduct future loss control visits during the remainder of the policy period. I will contact you after the renewal of this policy year to set up new job site visits.

If you have any further questions or concerns, please feel free to contact me at (916) 798-8010.

Sincerely,

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