

Contractor General Liability Buyer's Checklist

A step-by-step audit to evaluate general liability proposals, spot hidden exclusions, and ensure your policy meets strict commercial contract requirements.

1. Trade Classification & Appetite

- Have you verified that the carrier actually underwrites your specific, primary trade (ISO class code)?
If NO: You risk immediate application denial or future claim rejection if your work falls into their restricted categories.

- Does the policy's business description accurately reflect *all* your operations, including any new ancillary services?
If NO: A "classification limitation endorsement" could leave secondary activities (e.g., a landscaper doing light excavation) completely uninsured.

2. Subcontractor Risks & Exclusions

- Is the proposed policy strictly free of an "Action-Over" exclusion?
If NO: You could be forced to pay out of pocket if an injured subcontractor's employee sues your firm for an unsafe job site.

- Does the policy readily offer contractual risk transfer endorsements (Additional Insured, Primary/Noncontributory, Waiver of Subrogation)?
If NO: General contractors will likely reject your bids and deny you access to commercial job sites.

3. Project Types & Residential Restrictions

- Does the policy cover the specific structures you plan to build (e.g., custom residential, heavy commercial, public works)?

- Have you checked for a "residential unit limit" (like a 10-unit rule) or a tract housing exclusion?
If YES: And you plan to build multi-unit developments, you will need a specialized Excess & Surplus (E&S) policy or Wrap-Up to be covered.

4. COI Delivery & Policy Management

- Can you generate Certificates of Insurance (COIs) instantly through a digital portal or mobile app?
If NO: Waiting 24 to 48 hours for a broker to issue a COI manually could delay project starts or hold up your progress payments.

- Can the policy seamlessly scale, allowing you to add Professional Liability (E&O) or Inland Marine (tools/equipment) coverage as you grow?
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Interpreting Your Results

All Checkmarks: You have identified a robust policy that aligns with your operational risks, limits vicarious liability, and meets external commercial contract mandates efficiently.

Missing Checkmarks: Pause before binding coverage. Missing features—especially an unendorsed Action-Over clause or incorrect trade classification—signal dangerous coverage gaps. Consult an independent insurance broker to negotiate better terms or seek out a carrier with a wider construction appetite.

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