

Contractor Insurance Requirements Checklist

Review this checklist against the insurance addendum of your next project to ensure your policy limits, endorsements, and exclusions meet the contract demands before you bid.

1. GENERAL LIABILITY LIMITS

- Does your **Per Occurrence Limit** meet the contract minimum (typically \$1M)?

If NO, verify the premium cost to increase your base limits.

- Does your **General Aggregate Limit** meet the contract minimum (typically \$2M)?

If NO, verify the premium cost to increase your base limits.

- Does the contract require a **Per Project Aggregate** endorsement?

If YES, your aggregate limit must apply individually to this project, not shared across all jobs.

- Does the contract require a **Commercial Umbrella / Excess Liability** policy?

If YES, note the required limit (often \$1M–\$5M+) and request a quote before finalizing your bid.

2. REQUIRED ENDORSEMENTS (RISK TRANSFER)

- Are you required to name the General Contractor or Owner as an **Additional Insured (AI)**?

If YES, verify with your broker if your policy has a blanket AI endorsement or if it must be scheduled.

- Does the contract mandate **Primary and Noncontributory** wording?

This ensures your policy pays out first without seeking contribution from the hiring party's insurance.

- Is a **Waiver of Subrogation** required?

If YES, your insurer legally agrees not to sue the GC/Owner to recover paid claims.

- Are there any **Other Required Endorsements** stipulated in the contract?

e.g., Ongoing and Completed Operations, or specialized coverage addendums.

3. POLICY EXCLUSIONS & SCOPE OF WORK

- Does your policy have **Height or Depth Exclusions**?

If the project exceeds your restricted number of stories or excavation depth, your coverage will be voided.

- Does your policy have a **Residential / Tract Exclusion**?

If YES, verify the project isn't classified as a condo, townhome, or subdivision tract that is excluded.

- Are all tasks in your bid covered by your current **Classification Codes**?

Performing tasks outside your stated class codes (e.g., a framer doing roofing work) can result in denied claims.

- Does your policy contain any **Other Relevant Exclusions** that conflict with the contract?

e.g., Multi-family housing, exterior insulation and finish systems (EIFS), or specific geographic exclusions.

4. OTHER COMMONLY MANDATED POLICIES

- Are you required to provide proof of **Workers' Compensation**?

Even in states where you are exempt as an owner/operator, commercial contracts often mandate a policy anyway.

- Does the contract require **Commercial Auto Insurance**?

Typically requires a \$1,000,000 combined single limit.

- Are you responsible for purchasing the **Builders Risk** policy for this project?

Usually held by the Owner or GC, but sometimes passed down for specific installations.

- Are there any **Other Mandated Policies** required for this specific job?

e.g., Contractor's Pollution Liability, Professional Liability (E&O), or Installation Floater.

Interpreting Your Results

Any unchecked boxes represent a gap between your current insurance policy and the contractual requirements of the project. Falling short on limits or missing an endorsement constitutes a material breach of contract and will typically prevent you from getting onto the jobsite or receiving payment.

Next Steps: If you identified coverage gaps, send the contract's insurance addendum to your insurance broker *before* you submit your bid. Calculate the exact cost of the required policy upgrades and build that cost into your overhead so it does not eat into your profit margins.

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This checklist is for informational purposes only and does not constitute legal or financial advice. Always consult with a licensed insurance broker regarding your specific coverage needs.