

Primary & Noncontributory Endorsement Verification Checklist

A step-by-step audit for general contractors, project risk managers, and compliance teams to verify primary and noncontributory insurance provisions prior to subcontractor mobilization.

Step 1: Contract & Agreement Execution

- ☐ Is the master subcontract fully executed in writing *prior* to the subcontractor arriving on the jobsite?
If NO: Standard blanket endorsements typically require a signed written contract to be in effect before a loss occurs. Unexecuted or verbal agreements may void coverage.
- ☐ Does the written subcontract explicitly mandate both Additional Insured (AI) and Primary & Noncontributory (PNC) status?
If NO: Securing additional insured status without PNC language can still allow a subcontractor's carrier to demand proportional loss sharing from the general contractor's policy.
- ☐ Have you reviewed the subcontract to confirm it mandates vertical exhaustion for any umbrella or excess liability layers?

Step 2: Certificate of Insurance (COI) Review

- ☐ Does the "Description of Operations" box clearly state that coverage applies on a primary and noncontributory basis?
Acceptable wording commonly reads: "Commercial General Liability policy includes primary and noncontributory status in favor of [General Contractor Name] as additional insured per written contract."
- ☐ Is the general contractor (and project owner, if applicable) correctly listed as the Certificate Holder?
- ☐ Are there any unusual remarks indicating that coverage is "subject to policy terms" without explicit confirmation of PNC status?

Step 3: Physical Endorsement Verification

- ☐ Has the subcontractor provided a copy of the actual general liability policy endorsement (e.g., ISO Form CG 20 01 or a proprietary equivalent)?
If NO: A certificate of insurance is strictly informational. The physical endorsement is generally required to prove the "Other Insurance" condition has been legally modified.

- ☐ If commercial auto liability exposure exists, is an auto-specific PNC endorsement (such as ISO Form CA 04 49) attached?
- ☐ If umbrella or excess coverage is utilized, does the policy contain explicit "follow form" wording or a specific excess PNC endorsement (like ISO Form CX 24 33)?
- ☐ If the subcontractor utilizes a blanket endorsement, does the endorsement document confirm it covers entities required by a written contract?

Step 4: Advanced Risk & Statutory Checks

- ☐ Have you reviewed the subcontractor's policy for unusually high Self-Insured Retentions (SIRs)?
If YES: An unfunded or excessive SIR can delay or block the insurer from defending a claim, potentially forcing the general contractor's primary coverage to step in.
- ☐ Does the project jurisdiction have strict anti-indemnity statutes?
If YES: Confirm with local counsel or a licensed insurance professional. Over 45 states restrict liability transfer; a contractual requirement for PNC status may be void to the extent it violates these laws.

Interpreting Your Results

All Boxes Checked: The documentation indicates strong contractual risk transfer alignment. The general contractor is well-positioned to isolate claims to the responsible subcontractor's policy.

Missing Physical Endorsements: Relying solely on the ACORD 25 Certificate without reviewing the actual endorsement forms (like CG 20 01) leaves significant financial exposure. Compliance teams typically delay mobilization until the broker provides the actual policy form modifications.

Unexecuted Contracts / Missing Blanket Language: Any work performed prior to a signed subcontract often falls outside the protections of a blanket PNC endorsement. Rectify contract signatures immediately to help preserve intended coverage.

This checklist provides general educational information, not insurance or legal advice. Construction Coverage is not a licensed insurance agency, agent, or broker. Confirm your specific requirements with a licensed insurance agent.