

# Insuring Your Construction Company Liability



## Business liability

Pays costs to defend you for lawsuits and judgements for damages that you cause to others for legal liability for bodily injury or property damage.

## Who's covered

You and your employees while acting on your behalf



## Premises & operations

*\$1,000,000*

Premises coverage applies to the property you own or rent. Your dog may bite someone, or a customer may slip and you're sued for these events.

Operations apply to most contractors because your work takes place away from your premises. You may negligently cut electrical wires that damage a building or your employee may drop something on the inspector visiting your job site.

## Products

A compressor you sold and installed for your customer may be defective and cause a fire. You're sued. This portion of your policy protects you.

## Completed operations

*\$1,000,000*

You finish your job, but four months later, the compressor you installed caused a fire that killed three people and caused \$600,000 property damage. This is the part of your policy that protects you.

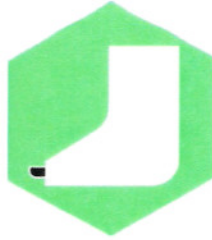
Your limit under this products and completed operations is an annual policy limit.



## Advertising injury

*\$1,000,000*

You advertise to get business. This coverage protects you for suits that arise from libel, slander, and invasion of privacy, misappropriation of advertising ideas or style or doing business, infringement of copyright, title or slogan.



**Premises medical payment**

*\$1,000*

Your policy will pay the medical expenses of guests injured on your premises, whether you're negligent or not.

This limit is per person injured.

**Fire Legal liability**

*\$50,000*

The building you rent burns because of your negligence. This portion of your policy protects you. This limit of protection may be increased.



**Warning**

**The premium basis used to determine your insurance rates.**

We all hate surprises when it comes to money.

Your contractor's liability policy cost is based on any one or all of the following. The boxes checked, along with the amounts shown are used to determine your estimated annual costs.

At the end of your policy year, actual amounts for payroll, sales, money paid to independent contractors, etc. is used to determine final costs.

**Owners' payroll cap**

Most insurance companies use a set figure for owner's payroll. This means that no matter what owners actually pay themselves, the premium is based on the amount shown at left.

**Employees payroll basis**

Employee payroll includes all field payroll. Owners' payroll and clerical payroll is not used to determine the cost of your insurance.

**Gross revenue**

Many insurance companies base the cost of insurance on gross revenues and not payroll. There may be certain circumstances that make a gross revenue type policy less expensive than a payroll policy.

**Amount paid to sub-contractors**

The dollar amount of work you sub out is used to price your insurance policy.



## What you must do to cut your insurance cost

### Sub contractors

Sub-contract costs are not considered payroll. If you don't obtain certificates of insurance from your sub-contractors, though, the insurance company may consider your sub-contract costs payroll and charge you.

We'll be happy to help you collect those certificates and monitor that you have current certificates on file.



### Claims

- A claim is not a claim until you report it.
- Make sure you report all claims to us within 24 hours.
- The quicker the company investigates the claim, the less it may cost to settle.



### What you're not covered for. Major limitations and exclusions

- Pollution
- Asbestos
- Punitive damages
- Wrongful termination
- Sexual harassment
- Injuries to employees
- Subsidence of land or soil, where applicable
- Faulty workmanship or improperly installed devices
- Damage to property you have rented or borrowed