

## INSURANCE CHECKLIST FOR THE CONSTRUCTION INDUSTRY

### 1. GENERAL LIABILITY

#### QUESTIONS TO ASK:

1. Is your policy Admitted or Non-Admitted?
  - a. If Admitted, was a Broker Fee applied? If a Broker Fee was applied, why?
  - b. If Non-Admitted, check for Broker Fees and Surplus Lines Taxes & Fees (3.2%)
  - c. If Non-Admitted, is there an Admitted Carrier that will write your risk/operations? Has your Broker marketed and exhausted the market to verify no Admitted Carriers will write your risk/operations? Carrier appetites change continually.
2. Is your Insurer A-rated or better? Municipal organizations will not accept lower than an A rating.
3. Does your General Liability policy contain coverage for Employee Benefits Liability?
4. Are all Named Insureds reflected on the policy?
5. If Non-Admitted scheduled forms generate additional premiums of minimum \$250 per form, did your Broker disclose this to you? Did they also pre-negotiate a number of scheduled forms in the upfront cost of your program pricing?

#### ENDORSEMENTS & EXCLUSIONS TO LOOK FOR:

Subcontractor Requirements for Insurance - Deductible  
Wrap Up (OCIP)  
Residential Work  
Fungi, Mold, Mildew, Yeast & Microbe  
Residential Developments & Condominiums

### 2. POLLUTION LIABILITY

#### QUESTIONS TO ASK:

1. Is there coverage for Non-Owned Disposal Sites?
2. Is Transportation Pollution covered?
3. Are your limits being shared with Professional Liability coverage within a combo policy?
4. Is Mold covered? If so, is there a Retroactive Date of coverage?

#### ENDORSEMENTS & EXCLUSIONS TO LOOK FOR:

Copyright or Trademark	Onsite Cleanup
Non-Owned Disposal Site	Wrap-Ups
Third Party Pollution Liability	Total Mold

## CONSTRUCTION INSURANCE VULNERABILITY CHECKLIST (CONTINUED)

### 3. PROPERTY/INLAND MARINE LIABILITY

#### QUESTIONS TO ASK:

1. Are all of your locations reflected on the Statement of Values?
2. Are the limits adequate for Building, Personal Property and Business Income?
3. If you own your Building, was a Marshall & Swift valuation conducted to verify the replacement cost of your Building?
4. Does your policy contain co-insurance?
5. Does your Personal Property include Extra Expense?
6. What is the waiting period for your Business Income? If 72 Hours did your Broker provide you the option to amend the waiting period to 24 Hours?
7. Is all your Equipment reflected on the Equipment Schedule?
8. Do you have coverage for "Equipment Leased and Rented from Others"? If so, what is the limit? Is the limit sufficient to cover the cost of Equipment Rentals such as cranes/bobcats/excavators?

#### ENDORSEMENTS & EXCLUSIONS TO LOOK FOR:

Blanket Building  
Blanket Business Personal Property  
Blanket Business Income/Extra Expense

### 4. COMMERCIAL AUTO LIABILITY

#### QUESTIONS TO ASK:

1. Are all your vehicles listed on the Auto Schedule?
2. Does your policy contain Auto Medical Payments?
3. Does your policy contain Auto Loan/Lease Gap Coverage?
4. Have you reviewed your list of Drivers?
5. Does your policy contain Physical Damage for Owned and Hired Vehicles?

#### ENDORSEMENTS & EXCLUSIONS TO LOOK FOR:

Blanket Primary & Non-Contributory  
Blanket Additional Insured  
Blanket Waiver of Subrogation  
Blanket Loss Payee  
Drive Other Car Coverage  
Racing Exclusion  
Handling/Movement of Property

## CONSTRUCTION INSURANCE VULNERABILITY CHECKLIST (CONTINUED)

### 5. EXCESS/UMBRELLA LIABILITY

#### QUESTIONS TO ASK:

1. Are all Named Insureds reflected on the policy?
2. Are all your primary policies listed under the Underlying Schedule with the correct effective dates and policy numbers?
3. Is defense *within* the limit?
4. Does your policy contain a retention?

### 6. WORKERS' COMPENSATION

#### QUESTIONS TO ASK:

1. Are all Named Insureds reflected on the policy?
2. Are all States which you have offices and employees listed?
3. Did your Broker project your Experience Mod at Unit Stat? (6 months prior to your policy effective date)
4. Did your Broker advise you of a change in your Experience Mod prior to it being published?
5. Do you have a copy of your Claims Kit?
6. Do you know how to access your MPN?
7. Do you know how to report an Injury or Claim?

#### ENDORSEMENTS & EXCLUSIONS TO LOOK FOR:

Blanket Waiver of Subrogation  
Officers/Directors or Managing Members exclusion

### 7. OTHER LINES OF COVERAGE TO CONSIDER

- Executive Liabilities (D&O, EPLI, Fiduciary, Kidnap & Ransom, Cyber Liability)
- Crime – Employee Theft
- Professional Liability (E&O)
- Course of Construction
- Builders' Risk
- OCIPs / CCIPs

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The items outlined in this checklist are just a few of the considerations we dive into when we perform an audit. For a comprehensive audit of your insurance program, contact the Marsh & McLennan Agency **Construction Practice Group** or visit <http://info.mma-west.com/construction>.

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