

Risk Insights

Advice for you and your business

Working with Subcontractors



Is your subcontractor insured? If not, then you may be at risk. Help protect your business by asking for a Certificate of Insurance.

A Certificate of Insurance proves that your subcontractor is insured and should contain all of the necessary insurance details of the policyholder. When working with any subcontractor, we recommend always requesting a Certificate of Insurance that details their liability insurance coverage prior to starting a project. If you regularly work with the same subcontractor, reviewing their liability coverage annually or on a project-by-project basis is always a good idea.

Avoid subcontractors costing you your business and your reputation.

● Why is it necessary?

- If the subcontractor has no insurance or insufficient insurance, you may be liable.

● How will your insurance be impacted?

If your client suffers a loss and your subcontractor is not insured:

- Your loss history is impacted
- Your premiums may increase
- Your deductibles may increase
- Your ability to get insurance may be affected
- You may have to pay a deductible

Federated Insurance

We believe that knowing your business matters. With industry-specific expertise and decades of experience, we can provide valuable insights, consulting and training to help keep your business safe.

- We specialize in your market and work with you directly
- 100% Canadian-owned
- Insuring companies for almost a century
- Member of the Fairfax family
- Endorsed by more than 50 trade associations

www.federated.ca | 1.844.628.6800

A Certificate of Insurance proves that your **subcontractor is insured and should contain all of the necessary insurance details of the policyholder.**

Working with subcontractors *(continued)*

Subcontractor Checklist

Here's our Subcontractor Checklist which may help you identify some of the key issues to consider when working with a subcontractor to help keep you and your business protected:

Job Details

SUBCONTRACTOR

JOB

DATE

Coverage

Have you received a Certificate of Insurance from the Subcontractor? Yes No

Work History

Have you identified at least three similar jobs this subcontractor has recently completed? Yes No

Have you verified the quality and timeliness of this subcontractor's work with owners and general contractors? Yes No

Do you feel that the subcontractor's employees can adequately perform the work? Yes No

Have you received documentation? Yes No

Claims History – Insurance & Protection

Does the subcontractor carry adequate liability insurance coverage? Yes No

Have you reviewed the subcontractor's claims history for the past three years as an indicator of workmanship? Yes No

Financial Stability

Have you verified the subcontractor's bonding line of credit (if applicable)? Yes No

Have you requested a Dun & Bradstreet, Equifax or other independent financial report on the subcontractor? Yes No

Notes