North Carolina building contractors have many insurance needs, from general liability insurance to workers compensation insurance as well as insurance for their vehicles.

One area that is often overlooked is equipment insurance.

This breaks down into coverage for heavy equipment and coverage for tools.

If you buy tool coverage in North Carolina, there is one catch you’d better know about.

I want to start with a quick look at the types of equipment coverage for contactors in NC. This protection is referred to as inland marine coverage in insurance parlance but since that term makes no sense to the average consumer, I won’t use it in this discussion.

Usually the process of insuring your tools and equipment breaks down into two sections.

The most common coverage is the equipment coverage.

This protection is for your larger types of equipment from cranes all the way down to the lowly bobcat.

When you purchase this type of policy you will list each piece of equipment with a limit of coverage for each item.

The rates for this protection are lower than that for hand tools.

Tool coverage is the other option when you purchase your inland marine policy. This is protection for loss to hand tools that you use in your business.

This type of coverage is normally set up with a total limit for all of your tools rather than an item by item listing.

The rates for tool coverage are much higher as you can imagine since the risk of theft loss is much greater for hand tools.

If you insure your hand tools, be sure to be aware of the theft loss exclusion. This exclusion says that if your tools are stolen from a vehicle, then the vehicle must have been locked and there must be some evidence of forcible entry into the vehicle.

I once had a contractor client of mine take his work van to a movie theater and forgot to lock the van.

When he came out of the movie, many of his hand tools were gone.

He was unable to collect for this loss on from his insurance company because there was no evidence of forced entry to his vehicle.

Insurance policies are full of twist and turns that can get the novice in trouble. That's why it is so important for you to always purchase insurance for your construction operations from an agent who specializes in contractors
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At Clinard Insurance Group, in Winston Salem, NC, we specialize in helping contractors all over North Carolina with their insurance needs.

If we can help you in any way with your construction insurance policies, please call us, toll free at 877-687-7557 or visit us on the web at
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