Contractors work in a world of entanglements. Of course there is your direct relationship with your clients and that is the easy one. But many contractors also work for general contractors or even for projects where a bank or architect is directly involved with the oversight of the project. In these cases the free flow of information from one entity to the next is important and anything you can do to keep these communication channels open and flowing will make your life easier.

General contractors or any other contractors above you in the food chain will need to be able to prove that you have the level of insurance protection required to let you on the job site. Often this detail is overlooked until it comes time for you to be paid. Then your cash flow can be held up while the information flow process is completed. Your general contractor may withhold your payments until all the paperwork is in order. So anything you can do to smooth out this process should be done before you start trying to collect the pay for your work.

Every construction job is different and each one may have different requirements for insurance for all subcontractors. The more efficient general contractors will want to have all of your insurance proof documented before you are allowed on site. Typically these general contractors will need to know about your insurance policies covering your commercial auto insurance, your general liability insurance as well as your workers compensation insurance and perhaps even commercial umbrella insurance. Your contract with them should spell out exactly which limits of insurance are required for each line of insurance. So one step you can take in advance is to double check with your insurance agent, with your contract in hand, to be sure that you have high enough insurance limits and the correct types of policies to satisfy these requirements. Once this has been done, have your agent send a certificate of insurance to your general contractor before you start work.

Now let’s look at it from the perspective of your give and take with your insurance agent. In order for your agent to issue a certificate of insurance to the general contractor or some other party, you will need to be able to provide them with the name and address of the certificate holder. So gather this information before you call your agent. Also, do a quick study of your contract to check and see if any special wording is required for the certificate. Some contracts will require that you add the general contractor as an additional insured to each policy. This may be something that your insurance company is willing to do or they may require an additional premium from you for this policy change. In some cases your insurance company may even say that they will not add this additional insured to your policy. No matter which way this goes, you can speed up the process if you discover any special wording requirements ahead of time and let your agent know about them when you first call.

Doing a little bit of advance work on your insurance certificate requests can save you piles of heartache on the back end. No one wants to discover late on a Friday afternoon that they don't have the correct insurance policies in place to be paid by a general contractor. The pain is compounded for you if you have to pay your employees at that time but might have to spend another week sorting out your certificate problems before you can collect for the job. Talk about avoidable cash flow nightmares.

At Clinard Insurance Group, in Winston Salem, North Carolina, we insure hundreds of contractors located in North Carolina, South Carolina, Georgia and Tennessee. We work very hard to fulfill all certificate of insurance requests from our clients in under 30 minutes. We also have a free phone app for your Android or Iphone that will allow you to request certificates of insurance from us with a few keystrokes on your phone. If we can help you with your contractors insurance, please call us, toll free, at 877-687-7557.