Contractors General Liability Insurance

Contractors General Liability Insurance provides financial protection for the builder in the event there is an accident or injury or property damage due to the performance of the contractor.

Why do we need General Liability insurance?

Each Fuller Center Covenant Partner should purchase a General Liability policy because defending a lawsuit and paying a judgment could jeopardize the organization's ability to continue its mission.

What does it cost?

This insurance can be expensive. The premiums are based on the amount of work performed, the type of work performed, the experience of the builder, and the contractor's loss (claim) history. The theory behind the cost is that the more work a contractor performs, the more likely there will be an injury or lawsuit. All subcontractors should be required to furnish to the CP a certificate of Contractors Liability insurance and a certificate of Workers' Compensation insurance. The CP should be listed as a named insured on the subcontractors GL and WC policies. If subcontractors can not provide a certificate of coverage or they have a lapse in coverage, the risk is transferred back to the CP who is called “the general contractor” which will result in additional premium being charged the CP when the premiums are audited at the end of policy year.

In the event that the CP has determined that a General Liability insurance program is cost prohibitive all risk of lawsuits and liability belong to the board of directors of the CP.

How can we get a quote and purchase a policy?

Each CP should work with a local insurance agency that specializes in Contractors Liability insurance as well as the other property and casualty lines.

Working with a local insurance representative can be extremely valuable. The policies are complicated to understand. You should work closely with the agent to determine what the policy covers and, just as importantly, what is not covered. House builders have been the target of numerous lawsuits in recent years that have resulted in insurance companies limiting or charging extra premium for some coverage.

The Fuller Center for Housing does not offer any group property and casualty or Contractors General Liability programs.