

Working with Contractors and Subcontractors

Facilities using contracted construction labor for building projects should be aware of some new claims. Reasonable prudence from the facility would require checking out the contractor's references, asking for a certificate of insurance, and having a written contract. Be sure to read carefully the wording on the contract! Better yet, have an attorney review the contract.

If the contractor uses subcontractors, many times the contractor has them sign a contract that says he is not responsible for damage or destruction that they cause. So, if the subcontractors happen to be unlicensed, uninsured, temporary labor and they burn your building down, you might be stuck with the claim. Your original contract needs to specify the requirements for insurance from the contractor and any subcontractors they use. Your contract needs to hold the primary contractor responsible for all damages. You may also want to specify work safety compliance (OSHA) and what construction standards the work is to meet.

If you have a safety or risk management question or a suggestion for a topic, please contact Markel's Risk Management Department at safety1st@markelcorp.com.