




RISK MANAGEMENT ADVISORY
Utica National Insurance Risk Management Department Bulletin

SUBCONTRACTOR PROTECTION

As a subcontractor your firm was hired by a general contractor to perform part of the work of a construction job. You will either relieve the main contractor of part of the building work, and/or will be able to perform work at lower expense and/or at a greater skill level than the general contractor could. Since even smaller jobs involve sometimes complex contractual liability exposures, as the small artisan contractor, you need to take steps to protect your firm. Some steps are as follows:

- Maintain detailed and organized documentation of all transactions, contracts, insurance, and agreements.
- All contracts should be in writing and contain the duties and responsibilities of all parties. **Review all written contracts and agreements with your attorney before signing.**
- Always exercise extreme care when entering into any contract agreement. Do not commence work until the general contractor and subcontractors have obtained all required insurance.
- Maintain all contracts and certificates of insurance indefinitely.
- It is best not to allow other contractors to use any of your firm's equipment. If an employee from another firm is injured, your firm could be held at least partly culpable.
- Your employees should not engage in operations outside the scope of the duties and responsibilities as stated in the contract.
- Employees from other firms should not be permitted to assist your employees in the performance of their duties and responsibilities.

The information contained in this publication has been developed from sources believed to be reliable. It should not, however, be construed or relied upon as legal advice and Utica National accepts no legal responsibility for its correctness or for its application to specific factual situations.

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