

## CHECKLIST

# What to Know Before You Sign: The Contractor's Insurance Provision Checklist

REVIEW THE RIGHT CONTRACT TERMS BEFORE RISK SHIFTS YOUR WAY.

Every construction contract is a vehicle for transferring risk. The insurance provisions in those documents shape how much of that risk lands on your operations and whether your policies are built to support it. Use this checklist when a new contract crosses your desk, and loop in your broker early, when negotiation is still an option.

## 1. Coverage limits & requirements

- Confirm required liability limits are obtainable through primary, umbrella or excess layers — not primary only.
- Review excess limit requirements to make sure they are proportionate to your scope of work and company size.
- Make sure the contract uses current coverage terminology, not language tied to forms or programs that no longer exist.

## 2. Deductibles & retentions

- Understand who is responsible for the deductible when a loss occurs and whether that obligation follows fault or flows down unconditionally.
- Make sure maximum deductible requirements are reasonable for your company size and scope of work.
- Seek deductible terms that assign responsibility to the party at fault or set a reasonable cap.

## 3. Additional insured status & waiver of subrogation

- Make sure additional insured requirements are tied to the specific project and scope, not unrelated operations.
- Look for waiver of subrogation provisions that bind the owner or general contractor on equal terms, not just you.

#### 4. Indemnification & insurance coordination

- Review the indemnification clause to understand whether you are taking on liability for others' negligence, not just your own.
- Pay attention to how defined terms like “damages” or “losses” are written, as broad definitions expand what you are agreeing to cover.
- Work with your broker to align indemnification obligations with your insurance program so your policy responds to what you are taking on.

#### 5. Controlled insurance programs (CCIP/OCIP)

- Review full program policy documents — limits, deductibles, covered parties and exclusions — before agreeing.
- Ask whether difference in conditions (DIC), difference in deductible (DID) and difference in limits (DIL) coverage is available.
- Understand your share of the program deductible and the circumstances under which you are responsible for it.
- Compare the program to your existing coverage to make sure you are not giving up broader protection you currently carry.

### Your contract is only as strong as the insurance behind it

When limits are unattainable, deductibles are unreasonable and indemnification outpaces your coverage, the contract stops protecting the project and starts creating disputes. Reviewing these provisions before you sign is one of the most valuable risk management steps your team can take.

Connect with a HUB International construction specialist to review your contract's insurance provisions before you put pen to paper. Visit [hubinternational.com/construction](https://hubinternational.com/construction) for more information.