BENEFITRA

ROOFING INSURANCE

THE 2026

Roofing Contractor Insurance Survival Guide

What Every Roofer Needs to Know About Insurance in 2026

Market changes • Coverage gaps • EMR strategies
Subcontractor liability • State-by-state requirements
Tariff impacts • Storm season preparation
Insurance audit checklist

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Version 2.0 | Published 2026

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How to use this guide. Read it once front to back to understand the landscape. Then keep it on your desk and revisit chapters as you renew, hire subs, or chase new work in unfamiliar states. The audit checklist in Chapter 8 should be completed at least once a year.

This guide is informational only and does not constitute legal, tax, or insurance advice. Coverage requirements and state regulations change frequently. Always confirm current requirements with a licensed insurance professional and your state department of insurance before relying on specific figures or rules cited here.

CHAPTER 1

State of the Market

$31B+	25%	3-5x
Estimated annual U.S. roof repair spend	Steel & aluminum tariff impact	Reinsurance cost increases since 2020

The roofing insurance market in 2026 is under structural pressure that goes well beyond ordinary market cycles. A combination of natural catastrophe losses, reinsurance cost increases, litigation pressure in several key states, material cost inflation from tariffs, and tightened carrier underwriting has created an environment where many contractors who renewed without issue in 2020 are now being non-renewed, surcharged, or pushed into the excess and surplus lines market.

Understanding what is driving these changes is not academic. It directly affects your ability to bid jobs that require specific limits, hold required licenses, satisfy GC contract requirements, and, in the worst cases, stay in business at all. This chapter walks through the forces shaping the market and what they mean for your insurance program over the next 12 to 24 months.

The Five Forces Reshaping Roofing Insurance

Several forces are pushing the same direction at the same time, which is unusual. In a typical hard market, one or two factors dominate. Today, all five reinforce each other:

- **Catastrophe loss frequency.** Hail, wind, and hurricane losses have exceeded long-term averages in most years since 2017. Carriers price reinsurance based on rolling averages, so today's premiums reflect yesterday's losses. Even if 2026 is a quiet year, prices will not drop quickly.
- **Reinsurance cost increases.** The reinsurers who back primary insurance carriers have raised rates substantially since 2020. Those increases flow through to roofers as higher premiums and stricter underwriting, even on accounts with no losses.
- **Litigation environment.** States with high litigation rates — particularly for roofing and property claims — have seen carriers reduce capacity or exit entirely. Even after reform legislation, carriers are slow to return because they have to rebuild reserves and confidence.
- **Material cost inflation.** Tariffs on steel, aluminum, and certain imported components have raised replacement costs. Higher replacement costs increase claim payouts on builder's risk and inland marine policies, which feeds back into higher premiums.
- **Workforce risk.** The roofing labor market is tight, which means more new and inexperienced workers on jobsites. New workers have higher injury rates. Carriers know this and price accordingly.

What Carriers Are Looking For in 2026

Underwriters evaluating roofing contractors today are focused on five questions more aggressively than in any previous market cycle. If you cannot answer all five with documentation, your renewal will be more expensive and your options will be narrower.

- **1. What is your claim frequency, separate from severity?** Five small claims worry underwriters more than one large claim. Frequency suggests culture; severity can be bad luck. Be ready to explain every claim from the past five years and what changed afterward.
- **2. Do you have a written safety program with documented evidence of execution?** Toolbox talk attendance sheets, training records, incident reports, and inspection logs. A binder full of templates is no longer enough — carriers want to see signed sheets with crew names.
- **3. How do you manage subcontractors?** If you use subs, expect your underwriter to ask for your verification process. Spot-check failures here are one of the leading reasons for non-renewal of accounts that otherwise look clean.
- **4. How financially stable is your business?** Revenue consistency, payment history on existing policies, multi-year client relationships, and bonding capacity all factor into pricing. Lenders and bonding agents see the same data, so this number is harder to spin than you might think.
- **5. Where are you geographically concentrated?** Carriers assess catastrophe exposure by ZIP code. A clean account concentrated in a single hail-prone metro will pay more than a similar account spread across three lower-risk markets.

The Documentation Arms Race

Five years ago, a roofing contractor could submit a one-page application and get bound coverage within a week. Today, supplemental applications run 10 to 20 pages and require driver lists, equipment schedules, sub vendor lists, training records, and detailed loss narratives going back five years. Some carriers now require loss control inspections before binding, even on accounts under $25,000 in premium.

Contractors who treat this paperwork as an annoyance to fight against will pay more than contractors who treat it as a sales opportunity. The application is your one chance to tell your story to the underwriter. A well-prepared submission with complete documentation, a coherent loss narrative, and proactive answers to anticipated questions can shave 5 to 15 percent off a quote.

Carrier Tightening: What It Means for You

When carriers tighten underwriting, three things happen at once. First, premiums increase even for clean accounts because the carrier needs to rebuild reserves. Second, coverage options narrow as fewer carriers compete for your business and some withdraw entirely from your state. Third, documentation and loss control requirements multiply.

Contractors who fare best in hard markets are the ones who can demonstrate risk management discipline, not just loss-free history. The single most important shift in mindset is to stop treating insurance as a commodity to be shopped on price every year, and start treating it as a long-term partnership where you give the carrier reasons to keep you on the book. Carriers remember the contractors who provided clean submissions and were easy to work with when claims happened, and they will fight to retain those accounts in hard markets.

Hard Market Survival Tactics

- **Start your renewal process 90 to 120 days early.** Late submissions get rushed quotes from fewer carriers. Early submissions get attention.
- **Build a relationship with your underwriter, not just your broker.** Ask for an annual call. Walk them through your safety program. Be the contractor they remember positively.
- **Maintain a clean claims narrative.** For every claim in the past five years, have a written explanation of what happened, what you changed, and what the result has been. Underwriters do not punish contractors who learn from claims — they punish contractors who cannot explain them.
- **Diversify your geographic exposure where possible.** Even modest expansion into adjacent lower-risk markets can soften your renewal.
- **Use every available premium credit.** Drug-free workplace credits, safety program credits, training program credits, and group rating programs (where available) can collectively trim 10 to 25 percent off a premium.

> **Key takeaway:** The days of shopping insurance on price alone are ending. Carriers are selecting risks now, not just pricing them. Your job is to make your company the risk they want to write — through documentation, safety culture, and a long-term relationship with both your broker and your underwriter.

CHAPTER 2

Coverage Deep Dive

Most roofing contractors carry six to eight separate insurance policies, and most have at least one significant gap they are unaware of until a claim exposes it. This chapter walks through every major coverage line, what it actually covers, where the common gaps are, and what limits to carry.

This is not a substitute for a coverage review with a licensed broker. It is a framework so you can ask better questions and recognize warning signs in your own policies.

General Liability (GL)

General liability is the foundation of every roofing insurance program. It pays for bodily injury and property damage caused by your operations to third parties — the homeowner whose floor you soaked, the pedestrian hit by a falling shingle, the neighboring building damaged by your tear-off debris. It does *not* pay for damage to the work you are performing or for injuries to your own employees. Those exclusions surprise contractors every year.

What GL covers (the basics)

- Bodily injury to non-employees on or near your jobsites
- Property damage to property you do not own that arises from your operations
- Products and completed operations — claims arising after the job is finished
- Personal and advertising injury (slander, copyright infringement in marketing)
- Defense costs, which on most policies are paid in addition to the limits

Where GL almost always has gaps

- **Damage to your own work.** If you install a roof and it leaks, the cost to repair the roof itself is excluded. Coverage may apply to resulting damage (the wet drywall below) but not to the roof itself. This is the single most misunderstood GL exclusion.
- **Open roof / weather damage.** Many GL policies exclude damage that occurs while a roof is open, even from sudden storms. Specific endorsements are needed to fill this gap.
- **Subcontractor exclusions.** Some carriers exclude coverage for losses arising from work performed by subcontractors. If your business model uses subs, this exclusion can wipe out your coverage on most claims.
- **Residential exclusions.** Some carriers writing roofing exclude residential work entirely or require a separate endorsement. Check your declarations page if you do residential work.

Workers' Compensation

Workers' compensation pays for medical care and lost wages when an employee is injured on the job. It is required in every state except Texas, and even there most contractors carry it because non-subscription creates substantial personal liability for owners. Workers' comp is also one of the largest line items on most roofing insurance programs and the area where contractors have the most ability to influence cost through safety performance and proper classification.

Why class codes matter

Workers' comp premium is calculated by multiplying your payroll by a rate per $100 of payroll tied to a class code. NCCI Code 5551 (Roofing — All Kinds and Drivers) is the primary code for roofing operations. It is one of the higher-rated class codes in any state because of the fall exposure. Some operations may also fall under 5547 (Sheet Metal Work), 5538 (Plumbing or HVAC roof work), or 5645 (Carpentry — Detached Single-Family Dwellings) depending on the work.

Misclassification cuts both ways. Underclassifying employees (calling roofers "office staff") is fraud and will trigger an audit assessment plus penalties. Overclassifying (running an entire payroll under 5551 when some employees are office workers, drivers, or material handlers) means you are overpaying. Most multi-employee roofing operations have legitimate class code splits that should be reflected in their policy.

The audit you cannot avoid

Every workers' comp policy is audited at the end of the policy period. The auditor compares your actual payroll, broken down by class code, to the estimates you provided at the start of the year. If actual exceeds estimated, you owe more. If actual is below estimated, you are owed a refund. Audits are also where misclassification gets caught, where 1099 subcontractors with no certificate of insurance get re-classed as employees (and you owe premium on their pay), and where uninsured subcontractor exposure becomes a real bill.

> **The 1099 trap.** If you pay a subcontractor and cannot produce a current certificate of insurance for them at audit, the auditor will treat their pay as your payroll and charge you workers' comp premium on it — sometimes years later, with interest. Always get the COI before the work starts, and keep it on file for at least the policy period plus the audit window.

Experience Modification Rate (EMR)

Your EMR is a multiplier applied to your workers' comp premium based on your three-year claims history compared to other roofing companies of similar size. An EMR of 1.00 is average. An EMR of 0.85 means you pay 15 percent less than average; an EMR of 1.25 means you pay 25 percent more. Chapter 3 covers how EMR is calculated and how to lower it.

Commercial Auto

Commercial auto covers vehicles owned, leased, or borrowed by your business and the drivers who operate them. Personal auto policies almost always exclude business use, which means a roofer driving a personal pickup to a jobsite may have no coverage in an at-fault accident. This is one of the most common gaps in residential and small commercial roofing operations.

Hired and non-owned auto liability

Even if your company does not own vehicles, you have auto exposure if employees use their own vehicles for company business or if you ever rent vehicles. Hired and non-owned auto liability (HNOA) is a low-cost endorsement that protects the business when an employee causes an accident while driving on company business in a personal vehicle. It does *not* cover the employee's vehicle — that is their personal auto policy's job — but it does protect the company from vicarious liability claims.

MVR review — before hiring, every year after

Pull motor vehicle records (MVRs) on every employee who will drive on company business, before hire and annually thereafter. Most carriers will surcharge or non-renew if a driver with a poor record is added to the policy without disclosure. A formal driver acceptance standard (no DUI in 5 years, no more than 2 moving violations in 3 years, etc.) is one of the easiest documented loss control measures to implement.

Inland Marine (Tools, Equipment, and Materials)

Inland marine is a broad category that, for roofers, primarily covers tools and equipment in transit or away from your home base. A nail gun stolen from a job trailer, a generator damaged in transit, materials swept off a job by wind — these are inland marine claims. Most GL policies do not cover any of this; inland marine fills the gap.

Scheduled vs. blanket coverage

Inland marine policies are written either scheduled (each piece of equipment listed individually with its own value) or blanket (a single limit covers anything you own up to a per-item cap). Scheduled is more accurate but harder to maintain — if you forget to add a $5,000 piece of equipment, it is not covered. Blanket is more forgiving but typically has a per-item sublimit that may not cover your largest assets. Most established roofing operations need a hybrid: scheduled coverage for a few high-value items and blanket coverage for the rest.

Builder's risk vs. inland marine. Builder's risk covers the structure under construction. Inland marine covers the materials and tools that are not yet installed. There is overlap and occasional confusion. On large commercial jobs where you supply materials, confirm with your broker which policy responds to material losses before installation.

Commercial Umbrella / Excess Liability

An umbrella policy sits on top of your underlying GL, auto, and (sometimes) employer's liability policies, providing additional limits when the underlying policy is exhausted. For most roofing contractors, the question is not whether to carry umbrella but how much. GCs increasingly require $3 million to $5 million in combined limits before they will let you on a project. A $1 million GL policy with a $4 million umbrella satisfies a $5 million requirement at a fraction of the cost of a $5 million primary GL policy.

How umbrellas can fail to respond

- **Underlying limit gap.** If your umbrella requires $1 million underlying GL and you carry only $500,000, the umbrella may not respond. Always confirm your underlying limits match what the umbrella requires.
- **Coverage exclusions that follow form.** An umbrella that follows the underlying form will inherit its exclusions. If the underlying GL excludes residential work and you have a residential claim, the umbrella will not respond either.
- **Aggregate erosion.** If your underlying GL aggregate is exhausted by other claims, the umbrella drops down to fill the gap, but only if the policy is structured that way. Some umbrellas do not.
- **Self-insured retentions.** Some umbrella policies include a self-insured retention (a deductible specifically for the umbrella) that applies to claims not covered by the underlying. If you have an SIR, you need cash on hand to cover it before the umbrella responds.

Professional Liability / Errors and Omissions

Most roofing contractors do not think they need professional liability coverage because they do not consider themselves design professionals. But the line between installer and consultant is thinner than it looks. If you advise a homeowner to replace rather than repair, recommend a specific ventilation system, or sign off on a moisture analysis, you are providing professional services. If your advice turns out to be wrong and the homeowner suffers damages as a result, the resulting claim is a professional liability claim — which a standard GL policy excludes.

E&O; for roofers is most relevant when you are doing inspection work, providing reports to insurance adjusters, or working as a subcontractor on commercial projects where the GC relies on your technical expertise. If you fall into any of those categories, talk to your broker about a contractors E&O; endorsement or standalone policy.

Pollution Liability

Most GL policies have a broad pollution exclusion. For roofers, the exposures that fall into this category include hot tar fumes, isocyanate exposure during foam roofing, asbestos disturbance during tear-off of older roofs, and runoff of cleaning chemicals into landscaping or storm drains. Contractors pollution liability (CPL) is a separate policy that covers these exposures and is increasingly required on commercial jobs.

Recommended Minimum Limits by Job Type

These are starting points, not absolutes. Always carry limits that match your contractual requirements and your asset exposure. A small residential operation may not need $5 million in limits; a commercial roofer working on hospitals and schools may need $10 million or more.

Job Type	GL Per Occ / Agg	Auto	Umbrella	WC
Residential repair (under $100K avg job)	$1M / $2M	$1M CSL	$1M-$2M	Required
Residential replacement	$1M / $2M	$1M CSL	$2M-$3M	Required
Light commercial (under $500K)	$1M / $2M	$1M CSL	$3M-$5M	Required
Commercial / institutional	$1M / $2M	$1M CSL	$5M-$10M	Required
Storm restoration	$1M / $2M	$1M CSL	$3M-$5M	Required
Inspection / consulting work	$1M / $2M	$1M CSL	$2M+ + E&O;	Required

The Coverage Gap Self-Check

Run through the following questions on your current policies. If you cannot answer any of them with certainty, schedule a coverage review with a licensed broker before your next renewal:

- Does my GL cover damage to my own work? (Almost always no — this is what builder's risk and warranty work fund.)
- Does my GL exclude work performed by subcontractors? (Check the endorsements page.)
- Are my GL limits adequate for the largest contract I might bid this year?
- Do I carry hired and non-owned auto liability if employees ever drive personal vehicles for work?
- Are all my driver MVRs current and acceptable to my carrier?
- Is my equipment scheduled or covered under blanket inland marine, and are the limits current?
- Does my umbrella follow form on every underlying policy, with no surprise exclusions?
- Do I need contractors pollution liability for the type of work I do?
- Do I have any professional liability exposure from inspection or consulting work?
- Are all current subcontractors covered by valid certificates of insurance on file?

CHAPTER 3

The EMR Playbook

Your Experience Modification Rate (EMR) is the single largest variable you can directly influence in your insurance program. A roofing contractor with an EMR of 0.85 pays 40 percent less for workers' comp than an otherwise identical contractor with an EMR of 1.25 — on the same payroll, the same class codes, the same state. Over a five-year period, the difference can run into hundreds of thousands of dollars.

EMR also affects your ability to win work. Most large GCs and almost all public-sector projects require a maximum EMR of 1.00 or sometimes 0.90. Contractors above the threshold are excluded from bidding regardless of price or qualifications. EMR is the gatekeeper.

How EMR Is Calculated

EMR compares your actual losses to the expected losses for a roofing contractor of your size in your state, over the most recent three policy years (excluding the current year, which is still developing). The formula is published by NCCI in 38 states and by independent rating bureaus in the others (most notably California, Pennsylvania, New York, Delaware, Michigan, New Jersey, and Wisconsin). The mechanics differ slightly across bureaus, but the underlying logic is the same.

Three components drive your EMR: actual losses (what you paid out and what is reserved), expected losses (what NCCI thinks a similar contractor should have paid), and a credibility factor that weights small claims more heavily than large ones. Small frequent claims hurt your EMR more than a single catastrophic claim of the same total cost — the system is designed this way because frequency suggests culture, while severity can be bad luck.

What Drives EMR Up

- Frequency of claims, even small ones
- Lost-time claims (any claim where the worker missed at least the state's waiting period)
- Open or reserved claims that have not yet closed
- Claims involving repeat injury types (suggesting an unaddressed hazard)
- Subrogation failures — claims where a third party should have paid but did not

Worked Example: How a Single Claim Moves EMR

Consider a fictional 25-employee roofing contractor in a typical NCCI state with $1.5 million in annual roofing payroll. Their three-year payroll history is roughly $4.5 million in Code 5551. Based on state expected loss rates, their expected losses are roughly $90,000 over three years.

Scenario A: One worker falls from a roof.

Worker breaks an ankle. Three months off work. Total claim cost (medical plus indemnity plus reserves): $75,000. This is a single severe claim. Because the system caps the impact of large claims, the EMR effect is significant but not catastrophic — perhaps moving the contractor from 1.00 to roughly 1.15. The premium impact is real but survivable.

Scenario B: Five small strain and sprain claims.

Five workers file claims of $15,000 each over three years, totaling the same $75,000. Because the system weights frequency more heavily than severity, the EMR impact is substantially worse — potentially moving the contractor from 1.00 to 1.30 or higher. Same dollar cost, much worse EMR.

The lesson: Reducing claim frequency is more valuable than reducing claim severity. A safety program that prevents three minor strains is worth more on EMR than a fall protection program that prevents one severe fall — even though the fall program is more important for human reasons. You need both.

Premium Impact at Different EMRs

Assume the same contractor with $1.5 million in roofing payroll, a manual rate of $12 per $100 of payroll. Manual premium before EMR is $180,000. The table below shows what they actually pay at different EMRs:

EMR	Annual Premium	vs. 1.00 Baseline	5-Year Impact
0.75	$135,000	-$45,000	-$225,000
0.85	$153,000	-$27,000	-$135,000
1.00	$180,000	Baseline	—
1.15	$207,000	+$27,000	+$135,000
1.30	$234,000	+$54,000	+$270,000
1.50	$270,000	+$90,000	+$450,000

Illustrative only. Actual premiums vary by state, carrier, payroll mix, and class codes. Use the Benefitra EMR Score Calculator at benefitra.com to model your own numbers.

How to Lower Your EMR — Specific Actions

EMR moves slowly. Anything you do today affects your EMR roughly 18 months from now and continues to affect it for three years. There are no quick fixes — but there are durable, compounding improvements. Here are the highest-leverage actions, in rough priority order:

1. **Implement a written safety program with documented execution.** The program itself matters less than evidence that you actually follow it. Toolbox talk attendance sheets, training records, incident reports, and inspection logs all create a paper trail that supports your case at renewal — and reduces the underlying claims that drive EMR up in the first place.
2. **Run a return-to-work program.** Workers' comp claims that result in lost time hit your EMR harder than medical-only claims. A formal return-to-work program that brings injured employees back on light duty as soon as a treating physician allows can reduce the indemnity portion of a claim and lower the EMR impact substantially.
3. **Aggressively manage open claims.** Open and reserved claims continue to affect your EMR. Work with your carrier's claim adjuster to close claims as soon as the medical situation allows. Quarterly claim review meetings are a best practice.
4. **Pursue subrogation on every applicable claim.** If a third party (a property owner, a general contractor, a manufacturer of defective equipment) caused or contributed to a workers' comp injury, your carrier may be able to recover from them. Successful subrogation reduces the claim's contribution to your EMR.
5. **Audit your class codes annually.** Misclassification can put higher-rated payroll into your modifier calculation when it does not belong there. Have a qualified broker review your class code splits at every renewal.
6. **Hire and train carefully.** New workers in their first 90 days have the highest injury rates. Formal onboarding, a buddy system, and explicit fall protection training before the first day on a roof all reduce the injuries that drive frequency.

The compounding effect. A contractor who lowers their EMR from 1.20 to 0.85 over three years saves approximately 30 percent on workers' comp premium — permanently, until something changes. On a $200,000 annual premium, that is $60,000 a year, every year, for as long as the improvements hold. Few investments in a roofing business have a comparable return.

CHAPTER 4

The Subcontractor Trap

One of the most dangerous assumptions a roofing company can make is that hiring subcontractors shifts liability away from the company. It does not. When something goes wrong on a project — an injury, property damage, defective work, a code violation — the hiring contractor is almost always pulled into the claim, regardless of which entity actually caused the problem. The homeowner sues the company they hired. The injured worker may have multiple paths to recovery. The GC names everyone in the contract chain.

If your subcontractor's insurance is inadequate, lapsed, fraudulent, or simply not extended to you as an additional insured, the cost of defending and resolving the claim falls on your policy. Your premiums go up. Your EMR goes up. Your renewal options narrow. And in worst cases, your personal assets are exposed because the limits run out before the claim does.

Industry estimate: A significant majority of subcontractor certificates of insurance presented to general contractors contain at least one defect — missing endorsements, expired dates, wrong limits, wrong named insured, wrong project description. The certificate alone is not enough. You need to verify the underlying coverage actually exists and actually responds.

The Three Failures That Cause Sub-Related Claims

- **The certificate is real but the coverage does not extend to you.** Without an additional insured endorsement, your sub's GL policy covers the sub but not you. When the homeowner sues everyone in the contract chain, your policy responds and the sub's policy sits on the sidelines.
- **The coverage was real when issued but lapsed before the claim.** Subs whose policies are cancelled mid-year for non-payment are common. Without ongoing verification, you do not know until the claim hits.
- **The certificate was never real.** Fraudulent COIs are not rare. They are typically issued by the sub themselves rather than by a licensed agent. The phone number on the certificate rings to the sub's friend, not the carrier.

Required Endorsements on Every Sub Certificate

Five endorsements should appear on every certificate of insurance from a subcontractor working on your projects. Anything less leaves a gap:

- **Additional Insured — ongoing operations.** Extends the sub's GL coverage to you for claims arising during the project.
- **Additional Insured — products and completed operations.** Extends the sub's GL coverage to you for claims arising after the project is finished. Many additional insured endorsements only cover ongoing operations — you have to specifically request completed operations as well.
- **Waiver of Subrogation.** Prevents the sub's carrier from suing you to recover what they paid out on a claim against the sub. Should be on both the GL and the workers' comp policies.
- **Primary and Non-Contributory.** Specifies that the sub's policy responds first, before yours, when both could potentially apply. Without this, you may end up sharing the loss.
- **30-Day Notice of Cancellation.** Requires the sub's carrier to notify you in writing if the policy is cancelled. Note: many carriers no longer issue this endorsement, so you may need to monitor coverage independently.

Transfer-of-Risk Contract Language

Your subcontractor agreement should contain explicit insurance and indemnification language. The exact wording should be reviewed by your attorney and tailored to your state, but at minimum it should address:

- Required minimum limits, by coverage type, with the right to require higher limits for specific projects
- Required endorsements (the five listed above), spelled out by name
- Required carrier financial rating (typically AM Best A- or better)
- Indemnification and hold-harmless language to the broadest extent allowed by state law
- Right to suspend work immediately if coverage lapses
- Right to withhold payment if certificates are not current
- Notice requirements for any claim, incident, or material policy change (24-hour notice typical)
- Audit rights to review the underlying policy, not just the certificate

> **The free Subcontractor Compliance Checklist.** Benefitra publishes a printable subcontractor verification checklist covering pre-hire verification, contract requirements, ongoing monitoring, and red flags. Available free at benefitra.com — print it, laminate it, and keep copies in every project manager's truck.

CHAPTER 5

State-by-State Spotlight

Insurance requirements, market conditions, regulatory environment, and rating bureau methodology vary dramatically by state. A roofing contractor operating in three states is essentially running three different insurance programs that happen to share an owner. This chapter profiles the ten states with the largest roofing markets, with practical notes on what to watch for in each.

Profiles cover workers' comp requirements, typical GL limits in the market, climate and catastrophe exposure, current market notes, and a recommended action item for contractors operating in that state. Always confirm current law and current market conditions with a broker licensed in the state before relying on any specific figure here — regulations and carrier appetites change frequently.

Florida

Workers' Comp: Required for construction with one or more employees
Typical GL Limits: $1M / $2M (often higher on commercial)
Climate / Cat Exposure: Hurricane and tropical storm exposure across the entire state; wind is the dominant peril

Market Notes: Florida has experienced significant carrier withdrawals from the property insurance market in recent years, and the contractor liability market has tightened in parallel. Roof age inspection requirements, ongoing assignment of benefits reform, and storm solicitation advertising restrictions all affect how roofers do business. Litigation environment remains a focus for carriers.

What to Do: Maintain meticulous documentation of every inspection and every recommendation. Florida claims frequently turn on what was put in writing. Confirm wind and hail coverage explicitly on every policy and check all sublimits carefully.

Texas

Workers' Comp: Not strictly required by state law (Texas is the only non-subscriber state), but most roofers carry it
Typical GL Limits: $1M / $2M typical; higher on DFW and Houston commercial
Climate / Cat Exposure: Hail exposure across most of the state; hurricane exposure on the Gulf Coast

Market Notes: Texas's non-subscription option lets employers opt out of the workers' comp system entirely, but doing so exposes the business to direct lawsuits from injured employees with no statutory caps. Most roofing operations carry workers' comp despite the technical option not to. Hail-prone regions including DFW and the Hill Country face elevated deductibles and tighter underwriting.

What to Do: If you operate in hail country, model the impact of percentage-based wind/hail deductibles on your own building and equipment coverage. The deductible can be larger than many full claims.

California

Workers' Comp: Required for any employer with at least one employee
Typical GL Limits: $1M / $2M minimum, often higher on commercial and prevailing-wage work
Climate / Cat Exposure: Wildfire smoke exposure inland; earthquake exposure structural; coastal moisture issues

Market Notes: California has the highest workers' comp rates in the country for roofing operations. Cal/OSHA (Title 8) imposes state-specific safety requirements that go beyond federal OSHA, including stricter heat illness prevention rules and more aggressive enforcement. The State Compensation Insurance Fund is available as a workers' comp carrier of last resort. Licensing through CSLB is rigorous and bond requirements are real.

What to Do: Build your safety program around Cal/OSHA standards even if you operate elsewhere — they are stricter than federal and will cover both. Heat illness prevention plans in writing, with documented training, are not optional in California.

North Carolina

Workers' Comp: Required for businesses with three or more employees
Typical GL Limits: $1M / $2M typical
Climate / Cat Exposure: Coastal hurricane exposure; growing inland storm activity

Market Notes: North Carolina uses the North Carolina Rate Bureau (NCRB) rather than NCCI for workers' comp rate-making, which means class code definitions and rates can differ from neighboring states. The market is moderately competitive overall, but coastal counties face increasing carrier scrutiny as hurricane frequency and severity have grown. Licensing is administered by the NC Licensing Board for General Contractors above certain project thresholds.

What to Do: If you cross state lines from a neighboring NCCI state, do not assume your class codes translate directly. Have a North Carolina-licensed broker review your classifications when you start operating in NC.

Georgia

Workers' Comp: Required for businesses with three or more employees
Typical GL Limits: $1M / $2M typical; higher on Atlanta commercial
Climate / Cat Exposure: Hail and wind exposure statewide; tornado risk in north Georgia

Market Notes: Georgia is an NCCI state with a moderate workers' comp environment. The Atlanta metro drives most of the commercial roofing volume in the state and is increasingly competitive. Hail storms in north Georgia create periodic surges in storm restoration work, with associated solicitation and documentation regulations. Licensing for residential and commercial contractors is administered by the Georgia State Licensing Board.

What to Do: If your business is heavily concentrated in storm restoration, document your sales process thoroughly and confirm compliance with state solicitation rules after every storm event.

Colorado

Workers' Comp: Required for any employer with one or more employees, with limited exceptions
Typical GL Limits: $1M / $2M typical; higher on Front Range commercial
Climate / Cat Exposure: Hail exposure, particularly along the Front Range — among the highest hail loss frequencies in the country

Market Notes: Colorado is widely considered the hail capital of the United States. Insurance carriers have responded with hail-specific deductible structures (often percentage of insured value rather than flat dollar amounts) and tighter underwriting on roofing exposures. Storm solicitation laws apply strictly after declared hail events. Licensing is largely municipal rather than statewide, which means you may need separate licenses in each metro you operate in.

What to Do: Build your business model around the assumption that wind/hail deductibles will be high and that documentation requirements after a storm will be extensive. Your sales process should anticipate what underwriters will want to see at renewal.

Ohio

Workers' Comp: Required and provided exclusively through the Ohio Bureau of Workers' Compensation (BWC)
Typical GL Limits: $1M / $2M typical
Climate / Cat Exposure: Hail and wind exposure; lake-effect storm activity in the north

Market Notes: Ohio is one of four monopolistic workers' comp states. The Ohio BWC is the sole provider of workers' comp coverage in the state, which means private carriers cannot compete on workers' comp. BWC offers group rating programs that can produce substantial premium discounts for contractors who qualify and participate. Other lines (GL, auto, umbrella) are written through private carriers as in any other state.

What to Do: Investigate group rating program eligibility through your trade association or a third-party administrator. The discounts can be significant for qualifying contractors and are often underutilized by smaller operations.

Tennessee

Workers' Comp: Required for construction businesses with one or more employees
Typical GL Limits: $1M / $2M typical
Climate / Cat Exposure: Tornado exposure across middle Tennessee; hail and wind throughout

Market Notes: Tennessee is an NCCI state with a moderately competitive workers' comp market. Nashville and Memphis are the dominant commercial roofing markets and have grown rapidly. The Tennessee Department of Commerce and Insurance regulates contractor licensing and insurance, with a contractors license board that requires bonding and insurance documentation for projects above defined thresholds.

What to Do: Maintain current proof of coverage on file with the licensing board. Lapses in proof of insurance can affect your ability to bid even when actual coverage is in place.

Arizona

Workers' Comp: Required for any employer with one or more employees
Typical GL Limits: $1M / $2M typical
Climate / Cat Exposure: Heat exposure; monsoon season storm activity; limited hail

Market Notes: Arizona has historically had favorable workers' comp rates for roofing relative to coastal and high-hail states. Heat-related illness enforcement has increased substantially as outdoor temperatures rise and OSHA has prioritized heat as an enforcement focus. Monsoon season creates predictable storm work between June and September. The Registrar of Contractors administers licensing.

What to Do: Have a written heat illness prevention plan with documented training before summer work begins. Heat enforcement is no longer informal — expect on-site inspections during heat advisories.

Louisiana

Workers' Comp: Required for any employer with one or more employees
Typical GL Limits: $1M / $2M typical; higher on commercial and Gulf-area work
Climate / Cat Exposure: Hurricane exposure across the entire state, particularly the coastal parishes

Market Notes: Louisiana has high workers' comp rates for roofing operations driven by hurricane catastrophe loading and a challenging litigation environment. Several carriers have exited or reduced capacity in coastal parishes. The Louisiana Workers' Compensation Corporation (LWCC) is a competitive option for many operations. Storm restoration activity surges after major hurricanes and is heavily regulated, with contractor registration requirements for out-of-state companies.

What to Do: If you respond to storms in Louisiana from out of state, register with the Louisiana State Licensing Board for Contractors before you sell or perform work. Operating without proper registration after a declared disaster can result in significant penalties.

CHAPTER 6

Tariffs and Material Costs

Tariffs on imported steel, aluminum, and certain finished components have raised material costs for roofing contractors at a time when carriers were already pricing for elevated catastrophe losses. The interaction between higher material prices and your insurance program is something most contractors do not think about until a claim or a renewal exposes a gap. This chapter walks through the four ways tariffs affect your insurance and what to do about each.

How Material Costs Affect Your Insurance Program

- **Replacement cost valuations increase.** If your inland marine policy covers tools and equipment at replacement cost, higher prices on those items mean higher claim payouts and, eventually, higher premiums.
- **Project values rise.** Higher material costs raise total project values across your book. If your GL limits were set when the average commercial reroof was $80,000 and that same project now costs $120,000, your aggregate exposure has grown without your limits keeping up.
- **Completed operations exposure increases.** If a roof you installed needs to be replaced because of a covered claim, the replacement cost is higher today than when it was installed. Larger completed operations claims push premiums up.
- **Builder's risk and material storage gaps emerge.** Materials stored at the jobsite before installation are typically covered under builder's risk or installation floater coverage. If those policy limits were set before tariff-driven price increases, the materials on a project may now exceed the policy limit.

The Adjuster Conversation

When you file a claim, the adjuster will use a pricing database (Xactimate is the most common) to estimate the replacement cost. Those databases are updated periodically but lag real-world prices, especially during periods of rapid change. Contractors who simply accept the database number leave money on the table. Contractors who document current pricing — with supplier quotes, invoices, and direct comparisons — are positioned to negotiate supplements that reflect actual cost.

What to Do About It — Action Items

1. Review your inland marine schedule and update equipment and material valuations to current replacement costs at every renewal. If your policy is more than 18 months old without an update, you are probably underinsured on equipment.

2. Confirm your GL limits are adequate for the largest project you might bid in the next 12 months. Underwriters generally do not punish contractors for raising limits voluntarily; they punish contractors whose limits are inadequate for their actual exposure.

3. Consider blanket inland marine coverage if you carry significant material inventory at any one time. Per-item sublimits on blanket policies need to be high enough for your largest single asset.

4. Document material cost increases in writing — supplier quotes, invoices, manufacturer announcements — and keep them in a tariff impact file. When filing claims, present this documentation to the adjuster to support pricing arguments.

5. On builder's risk policies and installation floaters, raise limits to reflect current material values. The premium difference for higher limits is typically modest; the protection is significant.

6. Review supplemental coverage on commercial projects. Some commercial roofing contracts require the contractor to supply materials of a specific value — if your inland marine sublimit is below that contract requirement, you have a gap that the GC's project policy may not fill.

The tariff documentation file. Keep a single folder — physical or digital — with supplier quotes showing pricing changes over time, manufacturer letters announcing tariff-related increases, and your own invoices reflecting actual material costs. This file is useful at renewal (showing your underwriter you are tracking exposure), at claims (supporting pricing arguments to adjusters), and in customer conversations (justifying your own pricing changes).

CHAPTER 7

Storm Season Prep

Storm season is when roofing contractors make their reputation — or destroy it. The companies that prepare carefully are the ones homeowners and adjusters trust when the lines are long. The companies that improvise their way through a storm event create the claims, complaints, and regulatory exposure that follow them for years. This chapter covers preparation, claim filing, supplement strategy, and how to avoid the errors and omissions exposure that storm work creates.

Pre-Storm Preparation

The work that determines how a storm event goes for you happens before the first cloud appears. Contractors who try to set up infrastructure during the response are always behind. The key pre-storm activities are:

- **Document baseline crew capacity and equipment.** Know how many crews you can field, what equipment is staged, and what you would need to scale up. This determines how aggressive your response should be and helps you say no to projects you cannot serve well.
- **Establish supplier relationships before you need emergency materials.** Storm events strain supplier capacity. Contractors with existing accounts get served first.
- **Pre-print and pre-stage your inspection forms, contracts, and AOB documents.** Forms you have to write or print under pressure create errors. Have everything ready in folders, with blank lines for the variables.
- **Train your sales team on state-specific solicitation rules.** Several states have specific rules for how, when, and where roofing companies can solicit work after a declared storm event. Violations can result in fines, license suspension, and bad press.
- **Confirm your insurance is adequate for the work you plan to do.** Storm response often expands your geographic footprint, your project values, and your subcontractor reliance. Each of those changes can affect coverage.

Claim Filing Best Practices

When you are working with a homeowner whose roof has been damaged, your job is partly insurance education and partly project management. The best contractors approach claims with discipline:

- **Document everything before you touch the roof.** Photographs from multiple angles, drone imagery where appropriate, measurements, condition notes. The before-photos are your record of what existed and your protection against later disputes about what was already damaged.
- **Create a detailed scope of work before negotiating with the adjuster.** Bring your own estimate to the inspection. Adjusters work faster when you have done your homework. Adjusters also push back less when you have specific line items to discuss rather than general complaints.
- **Communicate in writing and keep records.** Verbal agreements with adjusters, homeowners, and insurance representatives evaporate when conditions change. Email confirmations of every key conversation.
- **Understand the difference between scope and pricing disputes.** If you and the adjuster disagree about what needs to be replaced, that is a scope dispute. If you agree on the scope but disagree on the price per square, that is a pricing dispute. The two are resolved differently — scope disputes through inspection and documentation, pricing disputes through database evidence and supplier quotes.

Supplement Strategy

Most roofing claims involve at least one supplement — an additional payment from the carrier after the initial estimate, to cover items that were missed, underpriced, or revealed once work began. Supplements are normal and legitimate. Aggressive supplement practices that approach fraud are not, and have driven much of the carrier tightening that defines the current market.

Legitimate supplements include code-required upgrades not in the original estimate, hidden damage discovered during tear-off, manufacturer-required components missing from the estimate, and labor or material price changes after the original estimate was prepared. Each supplement should be documented at the time the work is performed, with photographs and a written explanation of why it was necessary. The carrier may push back; the documentation is your support.

How to Avoid E&O; Exposure on Storm Work

Storm work creates errors and omissions exposure that ordinary roofing does not. When you are working with a homeowner who is filing an insurance claim, the homeowner relies on you for advice about scope, pricing, and process. If your advice is wrong — and it costs them money — you may be liable for the difference, even if your installation work was perfect. Standard general liability policies exclude this kind of professional liability claim.

Common storm work E&O; traps

- **Promising what the carrier will pay.** You do not control what the carrier will or will not approve. Promises about what an adjuster will accept can become claims when the adjuster does not accept them.
- **Acting as a public adjuster without a license.** In most states, only licensed public adjusters can negotiate claims on behalf of a homeowner. A roofing contractor who tells the adjuster what to pay is potentially practicing public adjusting without a license, which is a regulatory violation in many jurisdictions.
- **Signing AOBs in states that have restricted them.** Several states (most notably Florida) have either restricted or eliminated assignment-of-benefits arrangements that were previously common in storm restoration. AOBs that worked five years ago can now be unenforceable or regulated, which creates contract validity risks.
- **Taking deductibles out of the price.** Waiving or absorbing the homeowner's deductible is a felony in many states (Florida, Tennessee, North Carolina, and others) when the homeowner is submitting an insurance claim. The contractor and the homeowner can both be charged.
- **Misrepresenting pre-existing damage as storm damage.** This is fraud, even if the homeowner asks you to do it. Walk away from these conversations and document that you walked away.

Storm season triage. If you cannot serve a project well, decline it. The contractors who say no to projects they cannot handle preserve their reputation, their EMR, and their carrier relationships. The contractors who chase every project because the work is there create the claims and complaints that show up at renewal time.

CHAPTER 8

Your Insurance Audit Checklist

This is a 10-point self-audit you should complete at least annually, ideally 90 days before your main policy renewal. The audit is not a substitute for a professional review — it is a tool to help you identify the questions worth asking your broker and the gaps worth closing before they become claims.

Print this page. Walk through it with your operations manager or office administrator. Mark each item complete only when you can show documentation. Items you cannot verify are gaps that deserve a follow-up conversation.

1. Coverage adequacy review

Have you reviewed every policy declarations page in the past 12 months? Do the coverages and limits match your current operations, including any new service lines or geographic expansion?

2. Limits review against contract requirements

Review the largest contract requirements you are likely to see this year. Do your current limits meet or exceed them, including umbrella?

3. Endorsement check

Pull the endorsement schedule for each policy. Identify any unfamiliar endorsements and ask your broker to explain them. Look specifically for residential exclusions, subcontractor exclusions, and weather-related limitations.

4. EMR review and trend

Pull your most recent EMR worksheet from your carrier or rating bureau. Review the three-year trend. If your EMR is rising, identify which specific claims are driving the increase and what loss control actions are in place.

5. Subcontractor verification audit

Pull current certificates of insurance for every active subcontractor. Verify that each has the required endorsements, current dates, and adequate limits. Note any expirations in the next 90 days.

6. Vehicle schedule audit

Compare your current vehicle list to the schedule on your commercial auto policy. Add any vehicles acquired since the last audit. Remove vehicles sold or retired. Pull current MVRs on every driver.

7. Equipment list and inland marine schedule

Compare your current equipment inventory to the inland marine schedule. Add high-value additions. Update replacement cost valuations to current pricing. Verify that blanket sublimits cover your largest single asset.

8. Contract review

Review your standard subcontractor agreement and your standard customer contract. Are the insurance requirements current? Is the indemnification language enforceable in your state? Have your attorney review at least once a year.

9. Claims review meeting

Schedule a quarterly claim review meeting with your carrier or broker. Walk through every open claim and discuss what is needed to close it. Open claims continue to affect your EMR; closing them is a direct premium-reduction activity.

10. Renewal timeline planning

Mark your calendar 120 days before each policy renewal. This is when you should be assembling your loss runs, updating your safety program documentation, and beginning the broker conversation. Late submissions get rushed quotes from fewer carriers.

Scoring Your Audit

Items Verified with Documentation	Assessment	Recommended Action
9-10	Strong program	Maintain and review annually
7-8	Solid baseline with gaps	Address open items in next 60 days
5-6	Material exposure	Schedule a full coverage review
0-4	High exposure / claims risk	Engage a broker immediately for full review

The audit is the work. Most coverage gaps are not the result of bad brokers or bad carriers. They are the result of business changes — new services, new states, new equipment, new subcontractors — that the policy was not updated to reflect. The annual audit is what keeps the policy current with the business.

About Benefitra

Benefitra is a specialist agency focused on serving roofing contractors. We understand the unique risks, regulations, and market dynamics that affect roofing operations because they are the focus of our practice. Unlike generalist brokers who handle roofing alongside restaurants, retail, and everything else, Benefitra's team knows NCCI Code 5551, understands carrier appetites for roofing risks, and can navigate the documentation requirements that delay claims and frustrate contractors.

Free Tools for Roofing Contractors

Every tool below is free, ungated, and available at benefitra.com:

- **Benefitra EMR Score Calculator** — See exactly how your EMR affects your premium and model improvement scenarios with real numbers from your business
- **Benefitra OSHA Safety Compliance Toolkit** — 52 bilingual toolbox talks, pre-job checklists, and incident reporting workflows aligned to OSHA 29 CFR 1926
- **Benefitra Subcontractor Compliance Checklist** — Printable verification guide covering pre-hire, contract requirements, ongoing monitoring, and red flags
- **Benefitra Health Funding Cost Projector** — Compare funding strategies and project total cost of health benefits across multiple scenarios
- **Benefitra State Regulatory Alerts** — Plain-English updates when insurance laws or licensing requirements change in your state

Schedule Your Free Cost of Risk Review

Our roofing specialists will review your entire insurance program and identify gaps, overpayments, and improvement opportunities. No cost, no obligation. Most reviews take 60 minutes and uncover at least one significant gap or savings opportunity.

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