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# Subcontractor Compliance Checklist

Protect your roofing business from subcontractor liability exposure. Print this checklist, laminate it, and keep copies in the office and every project manager's truck.

70%

of subcontractor COIs are non-compliant when first issued. Missing endorsements, wrong limits, and expired dates expose YOU to liability.

## Section 1: Before Hiring a Subcontractor

*Complete every item before allowing a subcontractor on any jobsite. Do not accept verbal assurances.*

- Verify active business license for the jurisdiction where work will be performed
- Verify workers' compensation coverage -- confirm class codes match actual work being performed (e.g. NCCI 5551 for roofing, not general carpentry)  
*A sub doing roofing work under a carpentry class code will trigger an audit and potentially leave you exposed.*
- Verify general liability coverage with minimum limits of \$1,000,000 per occurrence / \$2,000,000 aggregate  
*Many GCs require \$2M/\$4M. Match limits to whatever your GC contracts require.*
- Verify commercial auto insurance if subcontractor's employees will drive to your jobsites
- Request Additional Insured endorsement naming your company on the sub's GL policy  
*Without this endorsement, the sub's policy does not extend coverage to your company.*
- Request Waiver of Subrogation endorsement on both GL and WC policies  
*Without this, the sub's insurer can sue you to recover claim payments.*
- Verify the sub's carrier has an AM Best rating of A- or better  
*Sub-standard carriers may not pay claims. Check ambest.com.*
- Call the carrier directly to confirm coverage is active -- do not rely solely on the certificate  
*Fraudulent certificates exist. A 2-minute phone call can save you from a catastrophic uninsured claim.*
- Confirm policy effective dates cover the full duration of the project, including warranty period
- Request a copy of the sub's safety program and verify OSHA training records

## Section 2: Contract Requirements

*Never allow a subcontractor to begin work without a written agreement. Verbal contracts provide zero protection.*

- Written subcontractor agreement executed before any work begins  
*A handshake deal means you have no contractual right to recover from the sub if something goes wrong.*
- Indemnification / hold-harmless clause: sub agrees to defend and indemnify your company for claims arising from their work

Have your attorney review indemnification language. Some states limit enforceability.

- Insurance requirements clause specifying minimum limits, required endorsements, and carrier rating

Reference specific limits: 'Subcontractor shall maintain GL coverage of not less than \$1,000,000/\$2,000,000.'

- Right to suspend work immediately if the sub's coverage lapses or is cancelled

- Payment contingent on maintaining active insurance coverage throughout the project

This creates a financial incentive for the sub to maintain coverage.

- Requirement that sub notify you within 24 hours of any claim, incident, or policy change

- Scope of work clearly defined to prevent unauthorized work outside the sub's expertise and coverage

## Section 3: Ongoing Monitoring

*A sub was insured when you hired them in January. Their policy lapsed in March. You found out in June -- after the claim.*

- Calendar renewal/expiration dates for every active subcontractor's policies
- Request updated COIs at least 30 days before each sub's policy expiration date
- Suspend jobsite access immediately for any sub whose coverage has lapsed -- no exceptions
- Conduct a quarterly audit of all active subcontractor COIs in your files
- Document all insurance communications with subs in writing (email, not phone)
- Maintain a master subcontractor tracking spreadsheet with: company name, policy numbers, carrier, expiration dates, endorsements, last verification date
- Re-verify coverage after any sub reports a claim or incident on your project

## Section 4: Red Flags -- Stop and Verify

**If you see any of the following, do not proceed until the issue is resolved. These are indicators of potential fraud or inadequate coverage.**

- Certificate was issued by the subcontractor themselves, not by a licensed insurance agent or carrier
- Phone number on the certificate does not match the carrier's publicly listed number
- Coverage limits seem unusually low for the trade (e.g. \$300K GL for roofing work)
- Policy effective dates do not cover the project timeline, including closeout period
- Sub resists providing a certificate, provides excuses, or asks for more time repeatedly
- Certificate holder name or additional insured information is misspelled or vague
- Multiple policies from different carriers that don't appear coordinated (possible patchwork coverage)
- Sub claims to be 'self-insured' without providing proof of state-approved self-insurance program

## Quick Reference: Minimum Coverage by Sub Trade

| Trade            | GL Min      | WC Required? | Auto?      | Notes                               |
|------------------|-------------|--------------|------------|-------------------------------------|
| Roofing Sub      | \$1M/\$2M   | Yes          | Yes        | Match your GC contract limits       |
| Electrical       | \$1M/\$2M   | Yes          | Yes        | Verify proper licensing             |
| Plumbing         | \$1M/\$2M   | Yes          | Yes        | Check completed operations coverage |
| HVAC             | \$1M/\$2M   | Yes          | Yes        | Inland marine for equipment         |
| General Labor    | \$500K/\$1M | Yes          | If driving | Higher limits for elevated work     |
| Gutter Install   | \$1M/\$2M   | Yes          | Yes        | Fall protection documentation       |
| Drywall/Interior | \$500K/\$1M | Yes          | If driving | Verify class code accuracy          |

### Need help verifying subcontractor coverage?

Schedule a free Cost of Risk review with a Benefitra roofing specialist. We will audit your subcontractor files at no charge.

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