

Construction Law in North Carolina

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Why should a Designer worry about the Contractor's insurance issues?

by Melissa Brumback on February 3, 2011



Insurance: not just for Geckos anymore

You may wonder why you, as the designer of record, should care about the insurance coverage of the contractor on your construction projects. After all, that is an issue between the contractor and the owner, right? Not so fast. [Recent court cases](#) addressing whether or not commercial general liability (CGL) policies provide insurance coverage for a contractor's poor workmanship can create problems for architects and engineers.

Since architects and engineers usually have errors & omissions policies (and you do have E&O coverage, right?), they may be the only ones with "deep pockets" should litigation arise over construction defects. The take-away? **It *is* your business to make sure that the contractors on your projects have sufficient resources to pay for construction defects.** It is also in your best financial interest to ensure that you are only working with top-notch, quality contractors.

The insurance folks at [Victor O. Schinnerer & Company](#) recommend:

More than ever, design professionals should use sound risk management practices when selecting new projects—especially condo projects. Design professionals should insist upon

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providing full construction phase services and should urge developers to retain contractors using qualifications-based selection procedures.

I wholeheartedly concur.

Questions? comments on how Builder CGL policy issues are relevant to your design risks? Drop me a line.

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