

E&O Insurance for General Contractors

Almost every contractor carries some form of general liability coverage. While these policies can provide much-needed protection for bodily injury and property damage claims that occur as the result of a contractor's work, they typically don't account for all forms of negligence.

That's where errors and omissions (E&O) insurance for general contractors comes into play. This Coverage Insights provides a brief overview of E&O insurance and outlines why it is a critical component to a contractor's overall risk management program.

Why E&O?

Simply put, general liability policies aren't adequate enough to protect against errors and omissions claims, necessitating standalone coverage. In fact, most general liability policies exclude your work, your products and impaired property, creating significant insurance gaps.

Making E&O insurance even more crucial, general contractors are particularly vulnerable to claims of negligence following unintentional damage to an insured party, impairment of property, damage to products or similar incidents that can occur without warning during a construction project. Even simple complaints have the potential to escalate into costly legal disputes.

What's more, courts often rule against contractors in claims related to errors and omissions and, without the proper protection, general contractors would have to cover the damages out of pocket.

E&O policies can help contractors close gaps in their insurance coverages, providing coverage for claims related to the following:

- Failing to deliver promised services
- Negligence in providing professional services
- Poor, incorrect or incomplete work
- Errors and oversights

Strong E&O policies can protect you and your business following a claim, helping you cover expenses related to court costs, lawyer fees and settlements. It should be noted that E&O insurance may not extend to your subcontractors, and you should encourage them to secure their own policies.

Securing the Policy That's Right for You

As a contractor, there are a variety of insurance products to consider. To ensure you are accounting for all of your unique risks—and to secure a policy that is tailored to meet your specific business needs—it's important to work with a qualified insurance broker.

Contact The Coyle Group today to learn more.