

Are your clients hiring subcontractors? If so, review the key considerations below to help protect their business.

When hiring subcontractors, one of the most important, but often overlooked, risk management steps is obtaining and verifying a valid certificate of insurance. Too often, business owners and operators do not have up-to-date insurance documents, assume coverage exists or simply forget to request insurance materials altogether. This issue is especially prevalent in the security and pest industries, where business owners and operators routinely rely on subcontracted labor.

A common misconception is that a business using subcontractors is not liable for injuries or accidents involving those subcontractors. However, in reality, a business often bears legal responsibility for uninsured, injured subcontractors. Without proper coverage, workplace injuries can quickly lead to costly workers' compensation claims for a business.

So how can business owners avoid subcontractor-related workers' compensation claims?

Before any work begins, employers should verify that subcontractors have their own coverage and can provide valid documentation. Carefully review certificates of insurance to ensure:

- *Workers' compensation coverage is explicitly listed*
- *Policy dates are current and valid for the project duration*
- *Coverage limits meet your contractual requirements*
- *The named insured matches the subcontractor you've hired*

Once documentation has been received and reviewed, business owners should securely store documentation for access in the case of an injury. Employers should also review certificates regularly to make sure nothing has expired and follow up with subcontractors to request up-to-date policies as needed.

Taking these proactive steps helps ensure your business remains protected and compliant. If you have questions about your current processes or need guidance, our team is here to help.