



CompWest Loss Lessons: Certificates of Insurance for Subcontractors

True Story

A property management company hired a contractor to clean windows for their clients. While performing the duties, the contractor fell approximately 15 feet from a ladder. The accident resulted in an injury and hospitalization. California Division of Occupational Safety and Health (Cal/OSHA) learned of the incident and cited them. Upon further investigation, it was discovered that the contractor failed to properly set up their ladder and reached outside the ladder's operational safe zone, which resulted in the fall. The contractor provided had the employer with proof of insurance prior to work, but it was not for workers' compensation coverage.

Lessons Learned

When there is not proper coverage for outside contractors, liability for the claim may default to the hiring employer's policy, experience modification rating and impact their premium.

Enforcement agencies can hold hiring employers accountable for the work conducted by contractors, even though they are not the direct employer.

Prevention Tips

- Ensure that hired contractors have a valid and up-to-date Certificate of Insurance for Subcontractors up to \$1,000,000.
- Ask contractors for safety records, trainings and inspections relative to the work they are performing.
- Avoid contractors that do not abide by safe work practices.

If the contractor cannot provide proof of coverage, consider other contractors or contact your current carrier about placing this person on payroll, establishing coverage for the exposure.

The advice presented in this document is intended as general information for employers. For further information, please contact your CompWest loss control consultant.

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