

# Sample Contractor Insurance Proposal

---

**Prepared for:** Example Specialty Trade Contractor

**Prepared by:** Reasons Insurance

**Purpose:** Sanitized sample document for website visitors. This is not a quote, binder, coverage determination, legal advice, or a promise that any carrier, premium, limit, or endorsement will be available for any specific account.

## Proposal Overview

---

This sample proposal shows the structure Reasons Insurance uses after completing a contractor risk review. The goal is to present coverage options in writing, explain the reasoning behind recommendations, and make required actions visible before renewal or binding pressure.

Coverage Line	Sample Review Focus	Reasons Recommendation Format
General liability	Trade-specific operations and completed operations	Confirm wording, exclusions, and aggregate limits
Commercial auto	Owned vehicles, hired/non-owned use, driver controls	Match vehicles and use to business exposure
Workers compensation	Payroll, ownership, class codes, audit history	Verify class codes before audit surprises
Tools and equipment	Mobile tools, leased equipment, job-site storage	Use inland marine when property moves
Umbrella liability	Contract limits and underlying policies	Review attachment points and exclusions

## General Liability and Completed Operations

---

The proposal should identify the contractor's operations, whether the policy form matches the trade, and whether completed operations coverage is included with a visible aggregate limit. For trades such as plumbing, electrical, HVAC, roofing, and remodeling, completed operations can matter because the claim may happen long after the work is done.

**Sample recommendation:** Review the current general liability policy for trade-specific exclusions, residential-versus-commercial restrictions, subcontractor conditions, and completed operations aggregate language before renewal.

## Commercial Auto

---

Trade vehicles are part of the contractor's daily operation. This section separates vehicle liability, physical damage, hired/non-owned auto, driver controls, and the tools or materials carried in the vehicle.

**Sample recommendation:** Confirm that all business-use vehicles are scheduled correctly and that tool coverage is not assumed to be part of auto physical damage.

## Workers Compensation

---

Workers compensation premium is commonly driven by payroll and class code. A contractor's class code should match the work actually performed by employees. The proposal should show the class codes used, estimated payroll, owner inclusion or exclusion status where applicable, and audit preparation items.

**Sample recommendation:** Confirm class codes and payroll estimates before renewal, especially if the contractor has added employees, changed trade mix, or increased subcontracted work.

## Tools and Equipment — Inland Marine

---

Tools and equipment move between vehicles, shops, client locations, and job sites. A fixed-location property policy may not cover equipment in transit or left on a job site

overnight. Inland marine coverage should be reviewed for scheduled tools, unscheduled tool limits, deductibles, leased equipment, and employee tools if relevant.

## Optional Umbrella

---

Umbrella or excess liability may be required by larger commercial clients, general contractors, or property managers. The proposal should show underlying limits, umbrella limit options, exclusions, and any required forms before binding.

## Binding Requirements Checklist

---

Item	Sample Status
Signed applications	Required before binding
Driver schedule	Required for auto placement
Payroll estimates by class code	Required for workers compensation
Tools and equipment values	Required for inland marine limit selection
Prior loss runs	May be required by carrier
Certificate requirements	Review before job start when specific wording is requested

## Sample Closing

---

A written proposal should give the contractor a clear basis for decision. It should explain what is included, what is not included, what still needs action, and what tradeoffs exist across coverage, service, timing, and price.