

GC Insurance Coverage Guide

What you're legally required to carry, what clients demand on COIs, and what most GCs are missing — in one page.

✓ INDEPENDENT AGENCY — MULTIPLE MARKETS ✓ COI ISSUED SAME DAY ✓ FILINGS & ENDORSEMENTS HANDLED ✓ (210) 640-7050

1. COVERAGE REQUIREMENTS FOR TEXAS GENERAL CONTRACTORS

REQUIRED BY CONTRACT

General Liability

Bodily injury & property damage. Required on virtually every GC contract in Texas.

Typical: \$1M / \$2M aggregate

REQUIRED BY LAW

Workers' Compensation

Texas non-subscriber, but most GCs and subs require it. Protects from employee injury claims.

Statutory limits apply

COMMON REQUIREMENT

Commercial Auto

Required if vehicles are used for business. Personal auto doesn't cover commercial use.

\$1M CSL common on contracts

OFTEN REQUIRED

Umbrella / Excess

Extends GL and auto limits. Large GCs and public projects require \$2M–\$5M umbrella.

\$1M–\$5M over primary

PROJECT-BASED

Builder's Risk

Covers the structure under construction. GC or owner carries it — specify in contract.

Full replacement value

SPECIALTY

Tools & Equipment

Covers theft or damage to tools and equipment on and off the jobsite.

Scheduled or blanket

2. WHAT GC CONTRACTS TYPICALLY REQUIRE ON COIS

COVERAGE	MINIMUM LIMIT	NOTES
GL — Each Occurrence	\$1,000,000	Named insured + AI
GL — Aggregate	\$2,000,000	Per project often required
Auto — CSL	\$1,000,000	Any auto / hired & non-owned
Workers' Comp	Statutory	EL \$500K / \$500K / \$500K
Umbrella	\$1,000,000+	\$2M–\$5M on larger jobs

AI = Additional Insured. Waiver of subrogation often required too.

3. COVERAGE GAPS THAT COST GCS MONEY

- ⚠ **Subcontractor exclusion** — GL may exclude uninsured subs. Require COIs from every sub.
- ⚠ **Completed operations too short** — Defect claims come years later. Carry 3+ years post-project.
- ⚠ **No per-project aggregate** — One large claim wipes your annual aggregate. Request per-project endorsement.
- ⚠ **Personal auto for work** — No coverage without hired/non-owned auto endorsement.
- ⚠ **Rented equipment uninsured** — GL doesn't cover rented equipment. Add inland marine.

4. WHAT TO HAVE READY FOR A FAST QUOTE

- Annual revenue & projected payroll
- W2 employees + 1099 sub count
- Work type: residential / commercial / public
- 3–5 year loss runs (if available)
- Largest single contract value
- Vehicle count + driver list
- COI requirements from GC
- Texas contractor license number

5. TEXAS-SPECIFIC RULES GCS MUST KNOW

- ✓ Texas is a **non-subscriber WC state** — optional but most GCs require it from subs.
- ✓ Texas **does not license GCs at the state level** — many cities require local registration.
- ✓ TDLR licenses electricians, HVAC, plumbers — **unlicensed subs can void your GL.**
- ✓ Homeowner contracts over \$5,000 require a **written contract** under the Texas Residential Construction Act.
- ✓ The **10-year statute of repose** limits latent defect claims — match your completed ops window.

6. AUTHORITATIVE INDUSTRY & REGULATORY RESOURCES

TDLR — Texas

Licenses electricians, HVAC, plumbers, and other trades in Texas.

tdlr.texas.gov

AGC of America

Associated General Contractors — national standards, safety programs, contract templates.

agc.org

OSHA Construction

29 CFR 1926 — federal safety standard affecting your WC and GL rates.

osha.gov/construction

Texas TDI

Texas Dept. of Insurance — verify carrier licensing and coverage requirements.

tdi.texas.gov

TEXO — DFW

Texas construction industry association — contract resources and workforce training.

texoassociation.org

Texas ACCA

Air Conditioning Contractors of America — Texas chapter for HVAC licensing.

acca.org

