

HVAC Contractor Insurance Coverage Guide

TDLR license classes, EPA Section 608, refrigerant liability, and the coverage gaps most HVAC contractors discover too late.

✓ INDEPENDENT AGENCY — MULTIPLE MARKETS ✓ COI ISSUED SAME DAY ✓ REFRIGERANT EXPOSURE SPECIALISTS

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1. COVERAGE REQUIREMENTS FOR TEXAS HVAC CONTRACTORS

REQUIRED BY CONTRACT

General Liability

Property damage from faulty installs is common in HVAC. Completed operations coverage is critical.

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

REQUIRED BY LAW

Workers' Compensation

Texas non-subscriber but most GCs require it. Rooftop, electrical, and confined space = high WC claims.

Statutory + EL \$500K each

EPA-REGULATED

Refrigerant / Pollution

Standard GL excludes refrigerant releases. R-22, R-410A require a pollution endorsement or standalone policy.

Pollution endorsement or policy

COMMON REQUIREMENT

Commercial Auto

Service vans with tools, refrigerant tanks, and diagnostic equipment need proper commercial coverage.

\$1M CSL common on contracts

OFTEN REQUIRED

Tools & Equipment

Recovery machines, manifold gauges, vacuum pumps. Schedule high-value equipment separately.

Scheduled or blanket

LARGER PROJECTS

Umbrella / Excess

\$1M–\$2M over primary. Required on commercial and public mechanical contracts.

\$1M–\$2M over primary

2. COI REQUIREMENTS — RESIDENTIAL VS. COMMERCIAL HVAC

COVERAGE	RESIDENTIAL	COMMERCIAL
GL Each Occurrence	\$500K–\$1M	\$1,000,000
GL Aggregate	\$1M	\$2,000,000
Auto CSL	\$500K	\$1,000,000
Workers' Comp	Statutory	Statutory + EL
Umbrella	Not required	\$1M–\$2M+
Pollution	Rarely required	Often required

AI and Waiver of Subrogation endorsements commonly required. Confirm wording before binding.

3. REFRIGERANT LIABILITY — THE GAP MOST MISS

Standard GL excludes most refrigerant releases

REFRIGERANT	STATUS	COVERAGE NOTE
R-22 (Freon)	Phased out	EPA-regulated — pollution policy required
R-410A	Active	GL may exclude — verify policy language
R-32 / R-454B	New standard	Flammable — A2L handling endorsement needed
Ammonia (NH3)	Industrial	Standalone pollution policy required

Source: EPA Section 608 — epa.gov/section608

4. TEXAS HVAC LICENSE CLASSES (TDLR)

- ✓ **TACLA — Air Conditioning Contractor:** Required to contract & install HVAC. Renews annually, 8 hrs CE.
- ✓ **TACB — Boiler & Pressure Vessel:** Separate TDLR license for boilers, water heaters, pressure vessels.
- ✓ **HVAC Technician:** Must work under a licensed contractor. Cannot independently contract for work.
- ✓ **EPA Section 608 Certification:** Federal requirement. All technicians handling refrigerants must hold Type I, II, III, or Universal cert.
- ✓ **City permits:** San Antonio, Houston, Austin, Dallas require local mechanical permits in addition to TDLR license.

5. COVERAGE GAPS THAT COST HVAC CONTRACTORS

- ⚠ **Refrigerant spill excluded from GL** — standard GL policies have pollution exclusions. A release at a customer facility = uncovered claim without pollution endorsement.
- ⚠ **Completed operations too short** — faulty install causing mold damage may not manifest for 1–3 years. Carry completed ops coverage.
- ⚠ **New A2L refrigerants (R-32, R-454B)** — mildly flammable; some carriers add exclusions or require special handling endorsements.
- ⚠ **Leased recovery equipment** — your GL doesn't cover damage to rented recovery machines. Add equipment floater.
- ⚠ **Rooftop falls** — WC is critical; HVAC rooftop work is a top cause of serious injury claims in Texas.

6. AUTHORITATIVE INDUSTRY & REGULATORY RESOURCES

TDLR — HVAC

EPA Section 608

ACCA

TACLA/TACB license lookup, renewal, CE requirements for Texas HVAC contractors.

tdlr.texas.gov/ac

Federal refrigerant management rules — technician certification and refrigerant handling.

epa.gov/section608

Air Conditioning Contractors of America — Manual J/D/S standards and contractor training.

acca.org

ASHRAE

ASHRAE 15 & 34 — refrigerant safety standards referenced by most jurisdictions.

ashrae.org

AHRI

Air-Conditioning, Heating & Refrigeration Institute — equipment performance standards.

ahrinet.org

Texas TDI

Verify carrier licensing and pollution endorsement availability in Texas.

tdi.texas.gov