

## Tower Contractors, Inspectors and Your Insurance

If tower maintenance and inspection contractors conduct work in your behalf, your station could be liable for their actions including employee (workers' compensation) accidents. Courts have increasingly accepted the doctrine "joint and several" liability, in which each party to a contract, regardless of the extent of involvement, could be held liable for the wrong doing by any of the other parties.

The use of contracts with hold harmless and indemnity agreements can transfer risk. The contract typically specifies who is responsible for loss and under what circumstances. In most cases, evidence of insurance coverage as a means of paying potential losses is also required. This practice is only as good as the documentation that coverage will be effective for the entire length of the contract. It is not enough to simply ask for a certificate of insurance. You need to state what coverage's are to be shown, what limits are required and determine if any special wording may be needed in the contract to comply with state statutes.

- Insist on at least 30 days prior written notice of cancellation or material change in coverage;
- Request a certificate of insurance before work begins;
- General liability coverage should be requested (minimum \$1 million general aggregate and the same amount for each occurrence sub-limit, if any) with your company named as an additional insured;
- Workers' compensation coverage should be requested if the contractor's employees will be working on your behalf;
- Auto liability coverage (minimum \$1 million combined single limit or \$1 million bodily injury and \$500,000 property damage) if the contractor uses any vehicles, owned or non-owned, in performing contractual duties;
- Contractors performing major structural work should be requested to furnish a Builders Risk/Installation floater to cover the replacement value of the tower, the cost of modifications, repairs or alterations and the estimated cost of debris removal. Coverage for faulty workmanship or materials and faulty design specifications should also be included in the policy language;
- For continuing contracts, set-up a tickler file as a reminder to secure updated certificates at the expiration date of old certificates.

A consistent certificate program naming your company as an additional insured, will protect your insurance limits (i.e., prevent subrogation against you in the event of a claim) and ensure claims are correctly transferred to the appropriate party. If workers' compensation certificates of insurance are not obtained from contractors you can and often will be charged a premium, following an insurer's premium audit, under your worker's compensation policy.

Obtaining certificates of insurance can save you premium dollars and help prevent your insurance carrier from paying claims for which you are not responsible.

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