

# MASTER EXCAVATION

## Contractor Insurance Evaluation Checklist

An insurance and risk management  
audit guide for excavation companies.



Keep this checklist handy! Save it for easy access or print a copy to have on hand whenever you need it. This tool is designed to help you stay organized and ensure nothing gets overlooked. A place for notes is included with each category for your convenience.



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# GENERAL LIABILITY

- Confirm that per-occurrence and aggregate limits meet GC and contractual requirements.
  - Ensure inclusion of Additional Insured, Waiver of Subrogation, Primary Non-Contributory, and Ongoing/Completed Ops endorsements.
  - Ensure Additional Insured endorsements are Blanket vs Specific.
  - Review for XCU (Explosion, Collapse, Underground) exposures and ensure no exclusions.
  - Validate subcontractor liability transfer and “CG 20 10 / CG 20 37” language.
  - Use per-project aggregate endorsement for multiple or large commercial jobs.
  - Scrutinize any restrictions related to residential exposures or designated job sites.
  - Confirm contract-specific endorsements required for municipal or DOT contracts.
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# INLAND MARINE (Owned & Rented Equipment)

- Schedule all heavy equipment with updated values (annually at a minimum).
  - Confirm automatic coverage for rented/leased equipment under abroad form.
  - Ensure coverage includes transport, jobsite use, offsite storage, and theft.
  - Check policy valuation basis — replacement cost vs. ACV (actual cash value).
  - Include attachments, trailers, GPS systems, small tools, and miscellaneous equipment.
  - Review deductibles by peril type: theft, operator error, collision, vandalism.
  - Understand coverage for employee-owned or borrowed equipment.
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# BUSINESS PROPERTY

- Ensure all facilities: offices, shops, garages, yards, containers, and laydown yards.
  - Confirm replacement cost valuation and review coinsurance compliance clauses.
  - Include debris removal, equipment stored onsite, and backup generator systems.
  - Evaluate the need for flood, earthquake, and weather-related perils based on geography.
  - Include business income and extra expense coverage — especially if a fire or flood would interrupt jobs or billing cycles.
  - Consider coverage extensions for mobile trailers, field offices, or on-site storage structures.
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# COMMERCIAL AUTO & DOT COMPLIANCE

- All vehicles titled under the company name and correctly scheduled?
  - Verify that federal/state DOT filings (e.g., MCS-90, Form E/F) are up-to-date.
  - Include Hired & Non-Owned Auto Liability (HNOA) for personal vehicle use by employees.
  - Review “any auto,” “owned auto,” and “symbol 1” applicability on declarations.
  - Conduct MVRs annually and maintain written fleet safety protocols.
  - Confirm automatic coverage for newly acquired vehicles.
  - Ensure trailers, fuel trucks, dump trucks, and transport rigs are correctly rated.
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# WORKERS COMPENSATION

- 6217 – Excavation & Drivers
  - 6216 – Grading
  - 5506 – Street or Road Construction
  - Others depending on operations (e.g., 7539, 3724)
  - Accurately project and reconcile payrolls to match audit expectations.
  - Verify subcontractor compliance and maintain COIs to prevent reclassification risk.
  - Include or exclude officers as appropriate (with signed state-required forms).
  - Add out-of-state coverage for multi-state jobs.
  - If leasing employees, ensure your PEO or temp labor provider maintains WC properly.
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# EXCESS / UMBRELLA LIABILITY

- Verify that Umbrella follows form over GL, Auto, and Employers Liability on workers compensation.
  - Meet bid spec minimums (commonly \$2M to \$10M, sometimes higher for municipal contracts).
  - Check for SIR (self-insured retention) levels and confirm they're manageable.
  - Review language around exclusions for pollution, XCU, residential work, etc.
  - Ensure that the umbrella covers subcontractor-related or catastrophic multi-party losses.
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# CLAIMS HISTORY & LOSS PREVENTION

- Review 3–5 years of loss runs for frequency, severity, and recurring causes.
  - Log all incidents and near misses — include root cause analyses.
  - Create or update a formal safety manual and jobsite protocol system.
  - Use telematics, GPS trackers, and security systems on trucks and equipment.
  - Assign a claim coordinator internally to manage incidents and insurance correspondence.
  - Consider partnering with your broker on a claims advocate or mitigation support process.
  - Set up and use a return-to-work program for workers compensation claims management.
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# AUDIT & COMPLIANCE READINESS

## ■ Subcontractor Management Plan:

- Prequalification and Bidding Process
- Insurance Considerations
- Beginning Work
- Work Site's Written Safety Plan
- Safety Training & Recordkeeping Policies
- Safety Inspections
- Work-in-progress and post-project review

- Maintain digital backups of subcontractor COIs, W-9s, and hold harmless agreements.
  - Prepare proactively for carrier audits — schedule a pre-audit consult with your broker.
  - Separate employee and subcontractor payments are clearly in the accounting systems.
  - Adjust mid-policy term if payroll or revenue spikes significantly.
  - Use audit templates to prepare site logs, job costing, and timesheets.
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# ENDORSEMENTS & RED FLAGS

- Avoid earth movement/subsidence exclusions.
- Review for designated premises or scheduled jobsite-only limitations.
- Understand claims-made vs. occurrence — don't mix coverages unknowingly.
- Watch for limitations on subcontractor work, independent contractors, or non-payroll labor.
- Watch for sub-limits on leased/rented equipment or high-deductible wind/hail exclusions.
- Confirm there are no exclusions for your primary business operation (we've seen this before!).

# READY TO BID BIGGER JOBS?

- Do your policies meet city/state/federal project specs (e.g., pollution,umbrella, waiver of subrogation)?
- Is your EMR (Experience Mod Rate) below 1.0 or trending in the right direction?
- Do you have a relationship with a surety company or bonding agent, and have you done your pre-bond approval work?
- Can you produce COIs within 30-60 minutes of a request?
- Have you passed recent GC compliance audits?
- Is your broker supporting pre-qual packets for large public jobs?

## COMMON GENERAL LIABILITY CLASSCODES (NAICS/NCCI)

Code	Description
6217	Excavation & Drivers
6216	Land Grading
5506	Street or Road Construction
6400	Fence Erection (Wood/Metal)
6235	Oil or Gas Pipeline Construction
3724	Earthmoving Equipment Operation
7539	Sewer Cleaning
7600	Utility Line Installation (cable/electric)
Varies	Confirm specialty trenching, demolition, or directionalboring classes with carrier



# FINAL NOTES

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GRIT Insurance developed this checklist to evaluate excavation contractors with large fleets, multi-site operations, and advanced risk management programs.

If your current broker isn't providing this level of insight, we should talk.



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