

MJ SORORITY BULLETIN

BUILDING/RENOVATION PROJECTS: WHAT TO LOOK FOR

Engaging in a building or renovation project is an exciting, albeit stressful, endeavor. In addition to the hundreds of decisions regarding design, budget, decorating, and other items, there are insurance and risk management concerns to consider in order to protect the House Corporation and the organization from loss.

In an effort to simplify at least the insurance portion of the building process, we have developed a glossary of sorts to help you familiarize yourself with the associated terminology, as well as our recommended limits when applicable.

General Liability

General liability covers physical and bodily damage for which the general contractor and its employees would be held liable as a result of completed operations or product liability. We recommend that any independent contractors carry a minimum of \$1M per occurrence in general liability limits.

Workers' Compensation

Workers' compensation is insurance paid by companies to provide benefits to employees who become ill or injured on the job. We recommend that independent contractors carry a minimum of \$500,000 per accident.

Automobile Liability

Automobile liability insurance protects the insured against financial loss because of legal liability for automobile-related injuries to others or damage to others' property by an auto. We recommend that independent contractors carry a minimum of \$1M per occurrence in automobile liability limits.

Builders' Risk

A builders' risk policy is a property insurance policy that is designed to cover property in the course of construction. Coverage typically applies not only to property at the construction site, but also to property in transit or at off-site storage locations. We use the estimated completed value of the project as the builders' risk limit.

We recommend that you have an [MJ Client Executive](#) review contracts associated with any building projects prior to signing them. We also recommend that the Fraternity/Sorority, House Corporation, Chapter, etc. be indemnified in the contract language from any loss or damage caused by the independent contractor/s. Because of the complexity of these types of issues, we recommend that you engage the services of a local attorney familiar with your local laws and statutes in the contract negotiations.

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