



Contractor Documentation and Due Diligence

With the right insurance partner, you can feel confident that your contracting business will have adequate protection in the event of a loss and subsequent claim.

🕒 Follow the Paper Trail

Surprisingly many losses, liabilities, and subsequent insurance claims are often not the result of a contractor's negligence on a project, but simply because when an incident occurs, the contractor cannot provide the required details of work performed, materials purchased, ability to identify all suppliers or provide documentation to verify work performed by sub-contractors.

This bulletin highlights the importance and responsibilities associated with documentation and due diligence for contracting services. It highlights various categories of documentation that contractors should obtain, maintain, and keep readily accessible for review or audit upon request.

🕒 Documentation & Procedures

Work is performed by many contractors in all sectors of the economy. In this world of due diligence, the responsibility to obtain documentation on work performed and materials used to complete a project is that of the contractor. Since actions against a contractor can occur many years after project completion, efforts should be made to retain these documents indefinitely. When a documentation system is put into place at the onset of each project, maintaining proper documentation is not as complex or cumbersome as it may seem. There are many types of documents to obtain and maintain in the event that your work is called into question.

A quality insurance provider and broker partner will help you to avoid a loss in the first place by reviewing your own responsibilities as a contractor and the steps you can take to protect yourself and your business.





🕒 Examples include:

1. Contracts and construction schedules

- Contracts and contract drawings including index, revisions, and as-built drawings
- Technical specifications, revisions, and addenda
- Shop drawings and records/daily logs

2. Tenders, material invoices, purchases, and payments

3. Progress reports, daily logs, inspection reports, and testing reports

- Progress schedules and reports
- Inspection reports and procedures
- Daily reports, logs, and diaries
- Survey and audit reports
- Validation reports
- Equipment service and maintenance records

4. Meeting notes (management and labourers) and project changes

5. All correspondence between the contractor, owner, architects, engineers, and sub-trades

6. Final project sign-off documents

- Notices relating to any substantial changes
- Final completion

7. Certificates of Insurance

- Sub-contractors
- Consulting engineers
- T/P inspection consultants

Documentation procedures, appropriate for your contracting operation or service, should be developed. Once procedures are in place, it is equally important to ensure that all managers, supervisors, site foreman, and workers understand and follow the procedures. Holding a workshop on documentation retention procedures with your employees and having the employees sign off that they understand and have a copy of the procedures is good due diligence and company practice.

About Us

Northbridge Insurance is a leading Canadian commercial insurer. Working with our broker partners, we focus on understanding the needs of our customers and on creating solutions that make a difference to their success.

For more information on making your business safer, contact Risk Services Department at **1.855.620.6262**.

It's **important** to ensure that all **managers, supervisors, site foreman and workers**, understand and follow the procedures.