

General Contractors

General contractors (GCs) are the playmakers for any significant construction project, taking responsibility for all key operations such as construction assignments, job site supervision, and activity coordination. Typically, GCs have their own construction specialty (example: malls, restaurants, office buildings, stadiums, arenas, parks, etc.). GCs are often larger concerns with a lot of expertise in their area of specialty. The level of experience is critical since it permits a construction project to be led efficiently and more successfully.

GCs may assign/award work in a variety of ways, such as:

- supplying all of the specialty contractors for an entire project, such as the excavator, electrician, heating contractor, cement contractor, plasterer, and so forth
- using their own, permanent employees for certain jobs, and then subcontract the remaining tasks to other construction specialists

After land has been purchased and the design/architectural work has been done, the general contractor proceeds, usually beginning with site preparation, through excavation, foundation-laying, framing, and finishing until the building or project is completed. The general contractor provides the materials and equipment according to the applicable design specifications (usually provided by the architect). The GC must comply with all local and state ordinances, codes and zoning requirements. This includes purchasing the necessary permits and obtaining the necessary surety bonds.

GCs may either be hands-on operators, who actively take part in construction, or they may be "paper" operators, overseeing the actual work of other contractors. The general contractor may rent, lease or borrow equipment (including equipment operators) for use by subcontractors. Since the general contractor is responsible for the job site, he/she should be aware of the proper use of the equipment during construction. Is the equipment being used as it was designed to be used? Is the equipment's load capacity routinely exceeded? Finally, GCs have many contractual and administrative obligations such as making sure that critical project deadlines are met, that payroll is handled, materials and equipment are obtained and that the project's budget is followed (avoiding cost overruns).

GCs face a myriad of loss exposures that vary substantially according to the type of construction project. Their insurance needs may range from a simple, low limit package of coverage to a huge wrap-up program, involving multiple lines of business, different insurers and reinsurers with various layers of coverage. Firms involved as general contractors must work with insurance professionals who are equally adept at handling large tasks.

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