



PROFESSIONAL INSURORS
AGENCY, LLC

Costs to Consider when Bidding for Jobs



These days everyone wants to know the upfront cost of a project.

When you bid jobs, the General Contractors (GC) look at cost along with what you will do and what material you will use. Let's look at some costs to consider when bidding for jobs.

COMMERCIAL AUTO COVERAGE

For ease, let's assume all your drivers have clean motor vehicle records (MVR). For a one-ton truck, you are roughly looking at a \$1,000 annual premium with \$1,000,000 liability and a \$500 deductible for comp and collision. A variable would be if you have a fleet of ½-ton trucks.

Now, are you having the employees who drive your trucks provide their MVR's? Many factors play into you having their records. One example would be the cost of having a driver who has 2 DUI's vs. a driver with a traffic ticket for rolling a stop



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COMMERCIAL AUTO COVERAGE (CONT.)

sign. But hey, that's what insurance is for.....right? The easy answer is "yes" but you could end up spending your valuable time away from a job site with dealing with these issues.

WORKERS COMP COVERAGE

Again for ease, let's assume you keep perfect books and split all of your payroll between landscape maintenance and landscaping. As you know, landscape maintenance has a much less expensive rate than landscaping. There is a lot that goes into calculating the workers comp premium, but let's say your maintenance rate is \$4.50 per \$100 in payroll and the landscaping rate is \$9.00 per \$100 or \$4,500 per \$100,000 and \$9,000 per \$100,000 in payroll. These figures are based on no workers comp claims within the past 5 years.

What is your protocol when an employee is injured? Do you have a doctor you trust

or are you relying on an unknown doctor who keeps your employee in the workers comp system for an unknown length of time, ballooning your claim? Also, do you stay in touch with the injured employee?

Do you keep an open line of communication to prevent them from getting bad advice?

EQUIPMENT COVERAGE

Let's say you have \$140,000 worth of equipment and it's insured for a premium of \$1,000 and a \$500 deductible.

Damage? Destruction? If you have provided the equipment year, make model and serial numbers, we can get you replacement cost as opposed to actual cash value. What is actual cash value? In essence, it's depreciation. Kind of like a used car value. We have the only company out there that will give replacement cost on equipment. They don't just write you a check, they'll find you the equipment just like the one you lost.



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GENERAL LIABILITY

What types of contracts are you getting yourself into? Are you doing large jobs for larger contractors or sticking with smaller residential companies? Do you hire sub-contractors? If so, is there a written contract? There are certain coverages in an insurance policy that kick in as long as there is an actual contract in place. **NO HAND SHAKE DEALS.** Friendship goes out the window when large sums of money are involved. Make sure you are protected. Have contracts in place with sub-contractors and let us look at the contracts you are signing.

Did these topics bring more questions to mind? If so, let's talk. This is what we do. These are the questions we ask. Contact Sean Leigh at sleigh@pi-ins.com or 405-507-2757.