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INSURANCE AND BONDING NEEDS

As the design professional will assume responsibility for construction deficiencies under a design-build contract in which it serves as the design-build entity, it is important to note that contractors cannot obtain insurance coverage for damage to the project arising out of faulty workmanship or materials. The design professional should deal only with contractors that have the financial capability to correct deficiencies and honor warranties. The design professional should also require that adequate bonding be in place for performance, labor and materials. If the contractor is unable to complete the project, the client will look to the design professional to finish the job. The bond will provide a means to meet that demand.