

[Did You Know...You Can Insure Against Non-Payment](#)

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[Construction Indemnity](#) offers a real revolutionary product for the construction industry: payment insurance. Yes, you're reading this correctly. You can now purchase an insurance policy to protect your organization against non-paying projects.

Here's the pitch: Getting paid is one of the biggest challenges to those in the construction industry. Construction Indemnity Group insures that your company is paid the money you've earned. When you're not paid, you make a claim against your policy. Construction Indemnity spreads the risk across multiple contractors, and you assign them your lien and collection rights and let them do the hard (and expensive) work of collecting amounts due.

Their website sums up the policy's offering and cost with this:

For around \$1000 annually (plus cost and fees) with only \$150 down and guaranteed payment plans, CIG can provide you \$25,000 worth of coverage annually against non-payment by your customer.

This is a real neat product. And I think it fills a real serious need for those contractors and suppliers who perform work or provide materials on construction projects but only have a few thousand (or up to \$25k) of outstanding debt on any single project.

As an attorney, I have potential clients approach me to help collect these types of debts all the time. The trouble is that the cost of collection and risk of non-collection is too high. These companies frequently walk away from the account and lose the money. Over on the [Construction Law Monitor](#) blog operated by my firm, [Wolfe Law Group](#), we have an entire [section devoted to Collections laws and techniques](#), and we frequently discuss this practical burden to successfully collecting on a marginally small debt.

But just because the number is small when compared to the cost of collecting doesn't mean it's small to you or your company. To the contrary, they mean everything.

[Construction Indemnity](#) has a neat calculator on its website titled "See How Much Bad Debt is Costing You." It's eye-opening. Put in the amount of bad debt you have per year and your typical profit margin, and the site calculates the sales you need to replace your bad debt. Let's take something small (\$25k of bad debt), and a typical profit margin (5%), and get a dose of reality: You need \$500,000 in sales to replace this bad debt.

Construction Indemnity lets you insure it for approximately \$1,000.00 a year.

This is not to mention that policyholders are eligible for savings on certain industry services. Express Lien is proud to have a marketing relationship with Construction Indemnity Group, providing its policyholders a discount of at least 20% on all of our products and services. Policyholders also get a discount to [Lien Law Online](#), which is a real neat online service providing folks with legal information about construction lien laws nationwide.

Get more information [about Construction Indemnity Group here](#), or click here to [submit an application](#).