



INTERDEPARTMENT MEMORANDUM

STATE OF ALABAMA HIGHWAY DEPARTMENT

1409 COLISEUM BOULEVARD MONTGOMERY, ALABAMA 36130

November 7, 1991

CONSTRUCTION INFORMATION MEMORANDUM NO. 2-91

TO: Division Engineers
FROM: William J. Hartzog
Construction Engineer *WJH*
RE: Claims Against the Contractor

The Department continually receives notices of claims filed against the contractor, his subcontractors and/or others authorized to work for the contractor who may not have subcontractor status. When these notices are received, you should check to see if the prime contractor's bonding company or liability insurance carrier, whichever appropriate, has been notified. If the appropriate agency has not been notified, then it would be prudent to send a copy of the claim to the appropriate entity.

It has been brought to my attention that some claims are being sent to the contractor's bonding company when they should have been sent to the company providing the contractor's liability insurance coverage.

Please keep in mind that the bonds on the project are for insuring performance of the work and for insuring payment to material suppliers and individuals or firms employed by the contractor for work on the project. Claims for bodily injury or property damage should be filed with the prime contractor's carrier for liability insurance, not the bonding company.

The name and address of the contractor's liability insurance carrier may be obtained from Ms. Floy Winslett in the Office Engineer Bureau. Ms. Winslett's telephone number is 205-242-6461 (ATTNET 220-6461).

Payments to contractors should not be withheld pending the resolution of third party claims, unless there is specific action by the surety, the insurance company or the courts which would dictate such action. Form C-23 is required to be executed before the final estimate is paid.

WJH/glc
cc: File

File
se
J
RW
MS
gpd
wk
bs