

## Why Hire Licensed and Insured Contractors



### Shortcuts on repairs are not worth what they cost later

Every association needs repairs to keep the property safe: roofing, concrete, railings, plumbing, snow removal. A handy board member or an unlicensed contractor can look cheaper on paper, but if the work fails or someone is hurt, the association and its board can end up holding the bill. Only licensed and insured contractors should do the work.

### Why Not Do It Yourself, or Hire the Cheapest Bid?

- Quality. Licensed trades earned that license through training, testing and continuing education. They get it right the first time.
- Lower long-term cost. Contractors buy materials at better prices, and work that fails has to be paid for twice.
- Accountability. A licensed contractor's reputation and license depend on standing behind the work.
- Liability. If a repair is done wrong, say a handrail that gives way, the association is responsible for the consequences.
- The right tools. Many jobs need equipment and experience a volunteer simply does not have.

### What a License and Insurance Mean for the Association

- A license means the contractor met the state's minimum competency standards, carries the required insurance, pulls permits when required, and answers to a licensing board if something goes wrong.
- Not every trade requires a license in every state. Even where it is not required, hire licensed contractors anyway.
- If a worker is injured or a neighbor's property is damaged on the job, the contractor's general liability and workers' compensation respond first, not the association's policy.
- Without it, an injured worker or damaged neighbor looks to the association, and a claim on the association's policy affects its premium and its record for years.

### Before Signing the Contract

- ☐ Ask for a copy of the contractor's license and confirm it is current.
- ☐ Get a certificate of insurance showing general liability and workers' compensation, with the association named as additional insured on the liability policy.
- ☐ Check that the coverage dates run through the end of the project.
- ☐ Keep the license, certificate and signed contract with the association's repair records.
- ☐ Not sure the certificate is adequate? Send it to Insurance Warehouse and we will review it at no charge.

#### A note on volunteers

Board members who do repairs themselves are usually not covered as contractors would be. Save volunteer time for oversight and let insured professionals do the work.