

# PROTECT YOURSELF

## Get it in Writing!



## Paying 'under the table' is no deal

If you pay under the table for repairs, construction or home renovation, you are participating in the underground economy – and you could be paying more than you think.

Paying under the table can put you in some very risky situations. If you pay cash (without a receipt) for work done on your home, you have no warranty, no recourse for poor workmanship and no liability insurance if an injury takes place on your property.

**Protect yourself when renovating, repairing or building a home.**

## Get informed

### Hire a Professional Contractor

How do you find a contractor? Good contractors have satisfied customers. Ask friends, family and neighbours, contact your local Home Builders' Association or check with your local Better Business Bureau. Ask potential contractors to provide customer references for similar projects and then call those homeowners to ask if the work was done right, on time and on budget. If a contractor won't provide references, don't hire them.

**Many experienced and reliable contractors work in your community – highly skilled professionals who do business the right way.**

## Protect yourself

### Regardless of the size of your repair job or renovation, you can protect yourself from certain risks.

- Make sure the contractor has **business liability insurance** to protect you if the contractor causes damage or injury to your home or a third party, like a neighbour.
- Contractors are required to have **Workers' Compensation** coverage – this helps protect you from liability. Most contractors will provide proof of coverage with their estimates or contracts. Hiring a contractor without this coverage could mean you are held responsible if a worker is injured on your project.

- A contractor's valid **Business Number** or GST/HST number tells you that they are registered with the Government of Canada.
- There are **lien regulations** in your province that tell you how much money you can hold back from payments in case a contractor fails to pay suppliers or contractors.
- A contractor's **written warranty** specifies what work is covered and for how long.
- **Written receipts** for all deposits and payments provide proof that you have paid.
- Your job may require a building permit – check with your municipality to make sure you have the information you need to comply with local **building codes**.
- Talk to your **home insurance** company so you understand what your homeowner policy covers. Some policies don't cover construction-related risks or theft of building materials from the work site.

## Get it in writing

A **written contract** is your best protection against personal risks such as lawsuits resulting from accidents, work-related injuries or damages. A written contract can help protect you from losing any deposits or payments, and help you avoid additional charges without your written approval.

**When hiring a contractor, people who don't 'get it in writing' face serious personal risks.**

## Keep it simple

Contracts don't have to be complicated – a simple one-page agreement will work for small jobs while larger renovations will require more detail such as drawings and specifications.

Most contracts should include:

- ✓ Contractor's name, address and phone number
- ✓ Full description of work to be done and materials and products to be used
- ✓ Timeline – when the work will begin and be completed
- ✓ All costs that you will be charged and when you will have to pay (deposit)
- ✓ Amount of payment you will hold back as required by the lien legislation in your province
- ✓ The contractor's warranty
- ✓ A certificate from an insurance company providing proof of the contractor's business liability insurance
- ✓ A letter of clearance from your province's Workers' Compensation program confirming the contractor is registered
- ✓ The contractor's Business Number or GST/HST number
- ✓ The contractor's business license number (municipal)

## Professional contractors always work with a proper, written contract.

Most often, the contractor will draw up the contract for the project. Sign it only if you are satisfied that it includes all of the necessary information and accurately represents what you have agreed upon.

**For more information and useful tools to get you started, visit: [www.hiringacontractor.com](http://www.hiringacontractor.com)**

