



# Contractor Checklist: Top 10 Tips for Selecting a Contractor

Planning construction or renovations is exciting — and choosing the right contractor for the job is critical to the successful completion of your project. Hiring a contractor is a big decision; take your time. Proper vetting and understanding your contract will put you on the right track.

## 10 Tips for Selecting a Contractor

- **Multiple estimates:** Obtain written estimates from at least three contractors. Confirm all three estimates use the same materials, construction methods, and timelines. Be wary of estimates that are too high or too low. If a contractor refuses to put a quote in writing, that is a red flag.
  - **Hire local and licensed contractors if possible:** Ease of communication makes local contractors a wise choice. If a problem develops, they are more available to visit the site. Further, they should be familiar with building codes in your area.
  - **Check past work:** Take time to review their prior projects. Ask if they have a specialty. Check their references. Research their reviews and check with the [Better Business Bureau](#) for any complaints.
  - **Take time to decide:** Do not be pressured into making an immediate decision. If you are signing a contract and do not understand terms, ask a lawyer for assistance. Always read the fine print. Be cautious if making a large deposit up front. If you need emergency repairs and do not have time to thoroughly vet a contractor, ask neighbors, family, friends, or your insurance broker for assistance.
  - **Check the contractor's insurance and bonding:** A contractor should be able to provide a certificate of insurance (COI). The COI will have the name of the insurance company, policy number and policy limits the contractor carries. Always contact the insurance company to verify coverage limits and confirm the policy is in effect. Remember, if the contractor is not insured, you may be held financially responsible for accidents occurring on your property.
  - **Put everything in writing:** Obtain a clear, comprehensive and well-written contract. Consider having a lawyer review the contract before you sign it. The contract should include:
    - A detailed description of the work to be completed.
    - A price for each item.
    - A payment schedule.
    - The start date and completion date on larger projects.
    - Guarantees should be written into the contract and state what is guaranteed, who is responsible for the guarantee, and how long the guarantee is valid.
    - Signatures from both parties. **You should never sign a contract containing blank sections.**
- Changes to the contract need to be acknowledged in writing by all parties. Additionally, request confirmation from your contractor that all applicable building permits are in place.
- **Payment:** Do not pay for the completed project up front. Checks should be made payable to a company, not an individual. Do not pay in cash. Your check will act as a receipt.
  - **There will be delays:** There will be circumstances that may prevent the work from being completed on schedule. Set realistic expectations and adjust your plans accordingly.
  - **Stay organized:** Keep the contract and all the supporting documents in one folder. File any change orders, plans and specifications, bills and invoices, canceled checks, certificates of insurance and any letters, notes, or correspondence with the contractor.
  - **Cancelling the contract:** If you decide to cancel a signed contract, you should follow the contract's cancellation clause.
    - Written notification of the cancellation should be sent by registered mail to ensure you have proof of the cancellation.
    - Federal law may require a “cooling off” period, in which you can cancel the contract without penalty. Check with the [Federal Trade Commission](#) and the laws of your state to understand your rights.

If you need further assistance with a construction project, USI's personal risk team is here to help.