

# LOSS PREVENTION

SUBCONTRACTING WORK CAN HAVE A SIGNIFICANT IMPACT ON BUSINESS



**A certificate of insurance should be requested prior to each and every job from each and every subcontractor.**

In the pool and spa industry, as in any other industry, if work is not done properly and a loss occurs, the builder and its insurer may have to pay for it. For this reason, every builder should always request a certificate of insurance from every subcontractor hired on every job.

A certificate of insurance is used by many different types of businesses to confirm coverage. It contains important insurance details for a policyholder and should be requested from each subcontractor detailing their liability insurance coverage. If a company's insurance has lapsed, it won't be known unless a certificate of insurance is requested.

## BE CAREFUL

Insured or not, a subcontractor could ruin a business, its reputation or both. How? If the subcontractor has no insurance or insufficient coverage, the builder may be liable. If the builder's insurance company has to pay because of a subcontractor, the builder's loss history may

be impacted. This will likely cause the builder's premiums to increase and may have an adverse effect on their ability to obtain insurance for their company.

Don't let the subcontractor pass off the cost of doing business on to the builder—make sure subcontractors carry the proper insurance.

Making loss prevention an integral part of the selection process when it comes to hiring subcontractors can make all the difference in obtaining the next job and maintaining a good reputation in the industry. The next time a subcontractor is hired, make sure to have a certificate of insurance on hand before allowing them on the job site. 💧



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