



Uneven topcoat on a full chipped floor = Coating Fail!

Why it is important to hire a Licensed, Bonded, AND Insured Contractor

Anyone can pretend to be a contractor. Companies can be licensed and bonded but not carry insurance. The contractor may have a valid license but does its classification allow for the work you need? How to protect yourself and your wallet from contractor fraud.

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based on information found at <https://roc.az.gov/before-hire>

You have a project, and a budget. You're getting different proposals with a spectrum of prices. The temptation to select the drastically lower bid is overwhelming. Should you care why it's so low? You're saving hundreds, maybe thousands after all. The answer is **YES, YOU SHOULD CARE!** Contractor scams are at an all-time high, targeting the elderly and uninformed with promises of lifetime guarantees and low costs. Before agreeing to any estimate, do your research and find the answers to the questions below:

1. Are they Licensed with the Arizona Registrar of Contractors (AZ ROC) and does their license pertain to the work you're hiring them to perform?
2. Are they Bonded and Insured? Do they carry worker's compensation or liability insurance?
3. Do they have references? Is their license in good standing with the State?

Licensing

In Arizona, contractors are required to obtain a license specific to their scope of work. To obtain a license, a contractor must have a minimum number of years of experience, pass the state examinations based on their license classification, submit to background checks, register their business with Arizona Corporation Commission (Sole Proprietorship/LLCs / Corporations) or Arizona Secretary of State (Partnerships), and submit proof of license bond. The time and money the contractor spent to obtain the license benefits and protects you, the consumer. Should you have an issue with the contractor's workmanship, you have two years from the date work was last performed to file a complaint with the AZ ROC and you may be eligible to apply for compensation to have the work corrected or completed. Should you hire an unlicensed entity and they fail to meet the workmanship standards or don't complete the project, you have no recourse through the AZ ROC. Any money you "saved" is lost and it may cost even more to correct or complete your project.

Bond and Insurance

Though bonds and workman's compensation insurance are required, the AZ ROC does not require licensed contractors to possess liability insurance. A competent, licensed contractor will have an active liability insurance policy, and if requested, will provide a Certificate of Insurance (COI) from their insurance company stating the amount of coverage.

- A Bond protects you if the contractor doesn't finish the contracted job or if the finished work was sloppily done.
 - An unbonded contractor is an unlicensed contractor and you have no way of gaining restitution through the AZ ROC.
- Liability insurance protects you from property damage and bodily injury caused by the contractor's work.
 - You are liable for any accidents that occur on your property. A person can sue you for any injuries or damage that occur while they are at your construction site because the incident occurred on your property. You are ultimately responsible for everything that happens on your property.
- Worker's compensation insurance covers employee injuries on the job.

Would it surprise you if I told you floor coating is one of the TOP reported scammed services? Traveling and unlicensed entities target and solicit work door to door or through cold calling and then perform bogus or inferior construction services costing their victims hundreds or thousands of dollars.

Preventing the above is simple. Do your due diligence before signing anything. Below are just a few points found at the AZ ROC site. You can also find information on what to do if you are a scamming victim and other information like the requirements to become a contractor in Arizona. The site address is <https://azroc.my.site.com/AZRoc/s/contractor-search>.

- Ask for the AZ ROC license number. Review potential contractors' license records to verify if the license is active and in good standing, their bond company and bond amount, and any complaints made to the ROC. You can also visit the Better Business Bureau for further information as to their business practices.
- Verify that the contractor's license matches the contracted work. For example, if you need a plumber and the contractor is only licensed as an electrician, don't hire him.
- Ask for their Certificate of Insurance.
- References. References. References. Get at least three and check them. Don't rely on website testimonials – those are easy to fake.
- Obtain at least three bids. Ask questions if the prices fall all over the place. Reputable contractors will explain the whys. Uninsured entities operate without the overhead costs of insurance, licenses, bonds, maybe even rent, and other operating costs reputable, honest companies have. Unlicensed entities can give lower hourly rates that the real pros can't compete with.

Schroeder's Custom Coatings, Inc., is fully licensed and insured and we'll happily give you references. We are an Accredited Better Business Bureau member with no complaints on our record in our 25+ years of experience. (Click on the BBB logo to be taken directly to our profile). Our AZROC number is 177535 and is found in the footer on every page of our site and links directly to the AZROC Contractor search.

Don't let an unlicensed entity rob you of your money and your peace of mind. Always hire a licensed and insured contractor and rest easy in the knowledge that your project will be completed to your satisfaction.