

# ASA Insurance Warns Businesses to Check Insurance Coverage of Contractors

*ASA Insurance wants businesses to be aware of the importance of checking liability coverage before hiring contractors for work.*

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/EINPresswire.com/ -- ASA Insurance wants businesses to be aware of the importance of checking liability coverage before hiring contractors for work. While they often check for licenses and to make sure the contractor carries insurance, the company managers or owners may not consider how much [business insurance](#) coverage is required. This issue could become detrimental to the company if an accident should occur.



ASA Insurance provides competitive commercial insurance rates in the Salt Lake City area.

As warm weather approaches, many businesses are beginning renovations and repair work on their companies. They may get quotes, compare prices and negotiate terms before they select the companies they will be contracting to do the jobs. Checking to make sure the contractor is licensed and insured is an essential part of the process.

"Many small business owners don't realize that they become liable for accidents and injuries if a contractor isn't licensed and something happens on their properties," says Creed Anderson of ASA Insurance, offering business [insurance in Salt Lake City](#). Anderson recommends business owners and managers to check for liability insurance and worker's compensation that covers injuries to employees while they are on the job.

What many small businesses don't realize is that even a quick job being handled by a single individual rather than a larger company can have serious repercussions if something should happen. This has been a particular issue for many business owners that do not have enough [commercial insurance](#) coverage in the Salt Lake City area. Liability insurance provides coverage for any injuries that occur on the property as a result of the contractor's work. This includes staff and customers of the business as well as those who happen to pass by. It also pays for costs associated with damage to personal property, such as a dent or in a customer's vehicle while he or she is conducting business with the company.

These business owners must also check that the contractor is bonded. Bonding covers the company if the subcontractors do not get paid or if the work performed is not up to standards. It also pays for projects left unfinished.

It is important that business owners are aware that uninsured contractors are in operation. Even if they say they have commercial insurance, Salt Lake City business owners should ask for a copy of their insurance certification. One sign that a contractor may not carry business insurance or enough insurance is if the price quoted is far below what other companies are quoting. Because the contractor doesn't carry insurance, he may be able to afford to underbid the competition. However, businesses cannot afford the risk associated with hiring under-licensed or unlicensed contractors. One claim from an injury could cost the company thousands of dollars and its reputation. A major claim could bankrupt the company and close it for good.

Anderson says that it pays to ask every contractor issuing a quote about insurance coverage. That should be the first criteria that determines who the company will hire for the job. Get a copy of the insurance certificate and contact the state licensing board for the industry to ensure that the contractor's license is current. A few extra steps in the hiring process can prevent major issues later on in the project.

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