

## **Building your own home?**

Want to save a little money by contracting to build your own house? **Don't be caught uninsured.**

The law does **not** require you to carry workers' compensation insurance for people doing work in or about your *private residence* — such as gardeners, cooks, and workmen doing repairs or remodeling. However, until you actually *move into* that house, it is considered to be a business venture. Your house does not become a "residence" until you are *actually* residing there.

When you are acting as the general contractor, if one of your subcontractors fails to have coverage for his employees or is not registered with the Construction Contractor's or Landscape Contractor's board, you could be held responsible for injuries, should any occur. You could be held responsible for the entire cost of the claim, plus an administrative fee, plus escalating fines reflecting increasing severity of the claim, plus a fine equal to double the cost of the insurance for the period during which it is determined you should have had coverage!

To prevent this from happening, you can purchase a minimum premium policy through the state workers' compensation insurance plan.

The policy is often referred to as the "if any" policy, which comes from the fact that you do not expect to have any employees or payroll, as you are dealing with people representing themselves as "independent contractors", but, if it turns out you have any payroll, this policy would cover the situation. These policies can be "inexpensive legal insurance" because they protect you from the overwhelming costs by providing required coverage. It would also prevent you from having to come up with a \$5000 retainer for an attorney to defend you—that is if you were able to convince an attorney to represent you in what is usually a losing proposition! It could also protect you from a civil suit filed by the injured person in addition to any benefits received from the claim.

You may purchase this policy by calling the National Council on Compensation Insurance toll-free number directly, (800) 622-4123, and asking for an "if any" policy upon reaching an attendant in the assigned risk section. You may also request to have your application taken over the phone, and NCCI can do an electronic transfer from your bank for the purchase. The policy can be in force as early as 12:01 a.m. the morning after you apply with NCCI.