CONTRACTOR VETTING CHECKLIST

Hiring the wrong contractor can cause delays, increase costs, and create legal and safety risks. Use this checklist to choose wisely.

1. VERIFY LICENSES & INSURANCE

✓ Confirm state and local licenses are up to date—unlicensed contractors can void your coverage.
✓ Request liability insurance, workers' compensation, and bonding to protect against claims and unfinished work.
✓ Ensure they carry the right coverage limits for your project—some policies exclude critical risks like subcontractor negligence or faulty workmanship.
✓ Require an insurance certificate with proper endorsements that protect your business from liability gaps.
✓ Not sure what insurance your contractors should have? Contact an OWIG Risk Manager for expert guidance.

CHECK EXPERIENCE & REPUTATION

✓ Review past projects—have they successfully completed similar work?
✓ Ask for at least three references and call them. Did the contractor stay on budget and on schedule?
✓ Search for lawsuits or complaints—a history of legal issues is a red flag.

3. REVIEW CONTRACTS & PAYMENT TERMS

✓ Never rely on verbal agreements—get everything in writing, including timelines, deliverables, and penalties for delays.
✓ Avoid contractors who demand more than 30% upfront—this can signal cash flow issues.
✓ Make sure change orders are documented to prevent surprise costs.

ASSESS SAFETY & COMPLIANCE

✓ Verify OSHA compliance and review their safety record—frequent job site accidents signal poor management.
✓ Ensure they have a clear risk mitigation plan in case of weather delays, material shortages, or site hazards.
✓ Ask about subcontractor vetting—do they hold their team to the same safety standards?

EVALUATE COMMUNICATION & PROFESSIONALISM

✓ Watch for delayed responses or vague answers—poor communication can lead to project mismanagement.
✓ Ask how they handle conflicts and unexpected setbacks—their response reveals their professionalism.
✓ Require weekly status reports or meetings to stay informed throughout the project

OWIG RISK

Need help?

Contact OWIG Risk at info@owiginc.com. We are your partners in risk management