

## Don't Let Your Insurance Lapse: Maintain Continuous Insurance Coverage

Contractors who hold a home improvement registration, residential building license or mold remediation license must maintain continuous coverage for general liability in the amount of \$100,000 and workers' compensation.

Proof of insurance is required upon licensing or annual renewal. The insurance agent should submit email certificates of insurance to [insurance@lslbc.louisiana.gov](mailto:insurance@lslbc.louisiana.gov). It is the contractor's responsibility to make sure the insurance agent submits a certificate of insurance prior to the policy expiration date.

A lapse of workers' compensation or general liability coverage will result in a cease and desist order and can be grounds for suspension or revocation of the license or registration after an administrative hearing.

The Louisiana State Licensing Board for Contractors (LSLBC) requires that one of the following descriptions be on the certificate of insurance for general liability coverage:

- "The Commercial General Liability Policy represented on this Certificate of Insurance provides general liability coverage for residential home contracting operations subject to the terms and conditions of the policy," or
- "The Commercial General Liability Policy represented on this Certificate of Insurance provides general liability coverage for residential home improvement contracting operations subject to the terms and conditions of the policy," or
- "The Commercial General Liability Policy represented on this Certificate of Insurance provides general liability coverage for mold remediation contracting operations subject to the terms and conditions of the policy."

Louisiana Contractors Licensing Law allows a residential building contractor in good standing with the Board who has held a license for at least one year to place his license in an inactive status, provided he applies for a transfer to inactive status. Because a contractor with an inactive license cannot do contracting work, he does not need to maintain workers' compensation or general liability coverage. However, an inactive contractor must show proof of workers' compensation and general liability before using the license or becoming active again. Inactive contractors must keep up annual licensing renewals to avoid the need to reapply later on.

If you have any questions regarding this matter, please feel free to contact us (225) 765-2301 or e-mail us at [info@lslbc.louisiana.gov](mailto:info@lslbc.louisiana.gov).

**"Properly licensed and qualified contractors . . . IT'S THE LAW!"**

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