

## **WORKING WITH INDEPENDENT CONTRACTORS**

### ***“WE CAN’T BE SUED FOR THAT, CAN WE?”***

Did you know that even small contracts can expose your drainage district to big lawsuits? When you use contractors to clean ditches, cut trees, install tiles, etc., you could end up being sued if someone is injured or something is damaged, even if the *contractor* caused the damage.

What can you do to help protect yourself and your district?

- 1.** Be sure your district has a good quality liability insurance program in place. Select coverage that is designed for Drainage Districts, and not just an off-the-shelf, one-size-fits-all policy. That is fundamental, and helps protect you against many different types of losses, including some which might be caused by contractors.
- 2.** Make sure to screen your contractors carefully. Deal only with reputable, solvent and established firms. There is no substitute for dealing with experienced, safety conscious contractors who minimize accidents through safe work practices.
- 3.** Always use a written contract when dealing with contractors. Your contract should include language that helps make sure the contractor, and not your drainage district, is responsible for paying for damages *they* cause.

You may already know that it is good practice to require a certificate of insurance from any contractor, but that by itself may not be enough. In addition to the certificate, you should require that your district be named as an additional insured on the contractor’s insurance policy. And, just in case an injury or damage is not covered by the contractor’s insurance, your contract should also include hold harmless agreements and indemnification agreements.

Because of the technical and complex nature of contracts it is good practice to have your attorney write or review all contracts you use for work done for the district, even those for small amounts. Sometimes the biggest problems arise from the smallest and seemingly most simple jobs.

The right insurance policy, use of well written contracts and wise selection of contractors will go a long way toward protecting you and your district against the crippling costs of paying for damages caused by a contractor you employed.

This article was contributed by Rob Mentzer of Bliss McKnight, Inc. Bliss McKnight’s insurance program for drainage districts is approved by the Illinois Association of Drainage Districts. For more information about contractual risk management or other insurance matters please contact Rob at 800-322-3391, extension 440, or via email at [Rmentzer@blissmcknight.com](mailto:Rmentzer@blissmcknight.com).