

Hiring a Tree Service without General Liability or Workers' Compensation Insurance: A Recipe for Financial Disaster

Many people are unaware that the tree service industry is one of the most dangerous professions out there. Tree service employees work at extreme heights with large loads, while using dangerous tools, such as chainsaws and wood chippers. This danger is then compounded by working near power lines, busy roadways, and other infrastructure obstacles.

This high level of risk makes it incredibly important that the correct types and amounts of insurance are carried by the tree service company you hire.

General liability insurance pays for obligations incurred if a non-employee gets hurt on your property and/or when personal property damage is caused by the tree service company. General liability insurance is **fairly cheap** and typically costs around \$3000 to \$5000 per year.

Workers' compensation insurance, on the other hand, covers any injury a tree service employee suffers while at work. In contrast to general liability insurance, workers' compensation insurance is **very expensive** and typically costs **30-50 cents per dollar in wages paid**. Because of this, a lot of so-called tree service companies forgo it (illegally) to save money, even though [NC law requires](#) that most of them have it.

This is a recipe for financial disaster for the property owner. Without workers' compensation, if the tree service company cannot (or will not) internally cover all of the costs associated with the employee's injury, **you as the property owner are next in line**. Consequently, if you hire a tree service company without workers' compensation insurance, the injured employee can (and likely will) seek financial payment from you directly, exposing you to a huge potential liability.

How to Protect Yourself

When requesting tree service estimates, ask to see the Certificate of Insurance (COI) from the company. The COI will list the company's policy numbers and limits. For example:

General Liability - \$1 million each occurrence and \$2 million aggregate

Automobile Liability - \$1 million each accident

Workers' Compensation - \$500,000 each accident

Then, go ahead and call the producer listed on the COI to confirm the policies are real and in good standing, as some less reputable outfits have been known to produce fraudulent COIs and/or cancel coverages shortly after obtaining them.

No matter what, if a tree service company takes offense to requesting this information or hesitates to provide it, you probably shouldn't be doing business with them.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/01/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Legacy Insurance Partners 902 West D Street North Wilkesboro NC 28659		CONTACT NAME: Jennifer Huffman PHONE (A/C, No. Ext): FAX (A/C, No): E-MAIL ADDRESS: jhuffman@fawinsurance.com	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Cincinnati Specialty Underwriters Insurance Compar	NAIC # 13037
INSURED Royce's Tree Service, LLC		INSURER B: Selective Ins Co of America	12572
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

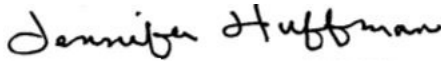
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			CSU0091106	11/1/2020	11/1/2021	EACH OCCURRENCE \$ 100000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 30000 MED EXP (Any one person) \$ 5000 PERSONAL & ADV INJURY \$ 100000 GENERAL AGGREGATE \$ 200000 PRODUCTS - COMP/OP AGG \$ 200000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			S 2236963	11/1/2020	11/1/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 100000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			AVWCNC2832442019	10/4/2020	10/4/2021	<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
B	Contractor's Equipment Floater			S 2236963	11/01/2020	11/01/2021	Rented/Leased 150,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Carolina Equipment is Additional Insured in regards to General Liability as required by written contract.

CERTIFICATE HOLDER**CANCELLATION**

Carolina Equipment 994 Charlotte Hwy Fairview NC 28730	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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