

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 number 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 listed insurance company to confirm the policy is 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.

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