

In an effort to clean up the irrigation contractors business in North Carolina and protect our water resources, there is a new requirement effective June 29, 2009 that all irrigation contractors have a license with the state of NC. In order to get this license, each contractor must post a bond. But what does this bond really cover?

The [North Carolina Irrigation bond](#) states that it will protect all persons suffering from any loss of damage occasioned by the contractor failing to comply with any of the provisions of any municipal or county code and shall without additional cost to the person for whom the work was performed, remedy all defects in said work due to faulty workmanship or material furnished or used by the irrigation contractor. The bond goes on to advise that the remedies and repairs will be made to the satisfaction of the inspector with jurisdiction over that work.

Let's first of all applaud the State of North Carolina for putting all bond requirements under one state bond.

Imagine if you had to purchase a bond for every city and county where you worked.

Are there limitations on the coverage provided by this bond? Sure there are. One of the biggest is that the bond will only be applicable for one year after the job is completed.

After that time, the bond will not be an available remedy for the injured party.

Another limitation is simply the size of the bond.

The bond amount is \$10,000 and if the remedy for the damages exceeds that amount, then the bonding company will be finished paying this claim and their liability to the claim will have been exhausted.

Last of all, remember that a bond is not insurance, it is a financial guarantee of your ability to pay.

So if the bond company has to pay a claim, remember that they will have an action for those damages against you, the irrigation contractor.

The NC Irrigation Bond is an integral part of the licensing process in NC. But don't confuse this bond with insurance on your irrigation company.

As the owner of an irrigation company you should at the very least have

[general liability insurance](#)

,  
[workers compensation insurance](#)

as well as

[commercial auto](#)

policies and perhaps you should also consider equipment and tools coverage.

At

[Clinard Insurance Group](#)

, in Winston Salem, NC we specialize in helping all kinds of

[landscaping contractors](#)

with their insurance needs.

If you have any questions about the

[nc irrigation contractors license bond](#)

or about your other insurance needs, please visit us on line at our landscapers site, or call us, toll free at 877-687-7557.