



Tips for home renovations and hiring contractors

Home renovations can be a time-consuming and complicated process. There is a saying in renovations: It always takes twice as long and costs twice as much as initially quoted by the contractor. This could be due to changing the scope of your renovation during the process, uncovering unforeseen issues behind the walls like structural damage or electrical wiring that isn't up to code or perhaps your contractor inadequately estimating the project timeline and costs upfront.

These tips can help you protect your investment and feel more secure during the renovation process.

Before renovations begin

Consult with your insurance agent before you begin renovations of your home. Your policy includes a clause that requires you to notify us if the renovation increases the value of your home by more than five percent or \$500,000. Your agent can also recommend additional ways to make sure your home and valuables are properly protected throughout the renovation.

Your agent can work with Nationwide® Private Client Risk Solutions to determine the post-renovation replacement cost on your home. This review addresses cost increases in construction materials, labor, changes in building codes, installation of any home safety loss prevention devices, change in square footage, identification of new custom features or additional premium credits for which you may now qualify.

Safety and burglary prevention during renovation

- **Maintain a secure environment.** If your contractor has to disable your home's fire alarm by covering smoke

detectors with dust covers, experts recommend that these devices be temporarily replaced with heat detectors. Heat detectors are normally placed in garages, kitchens and mechanical rooms and are not activated due to high levels of dust in the air. This is also a good time to consider upgrading your alarm system to include low temperature monitoring and installing a water shut off device, or sump pump.

- **Keep a clearly marked and readily available fire extinguisher** on every level of the home during and after the renovations.
- **Control debris and other potentially dangerous materials.** Be sure construction materials and debris are stored and disposed of properly. Dumpsters should be located well away from your home and emptied on a regular basis. Demolition debris, sawdust and litter should be removed at the end of each day, leaving your home in broom-clean condition. Your contractor should store any toxic or explosive materials appropriately and away from potential ignition sources, children and pets. Fireproof cabinets are required for the storage of all flammable liquids to meet NFPA and OSHA standards. Prohibit smoking on the job site, as 5% of job site fires begin with the careless disposal of smoking materials.¹
- **Protect your valuables.** If you move away while your home is undergoing a renovation project, consider storing all valuables, including fine art and jewelry, in a secure, offsite storage facility. Consult with your agent prior to removing any valuables to ensure they are covered while offsite. Your agent may also have recommendations on secure storage facilities.



Seven tips for choosing a good contractor

We all know someone who has had a bad experience with a contractor. Before you allow any service provider into your home, it's wise to take the time to do some extra research to better protect your family and your home.

For many homeowners, finding the right contractor can be the most difficult part of a home renovation project. Renovations can be stressful and expensive, with many surprises along the way. Having a skilled and reliable contractor can put you at ease and help make your dream home a reality.

Nationwide Private Client Risk Solutions recommends the following tips to help you find a qualified contractor:

1. Talk to people you know:

- Relatives, friends, neighbors, co-workers and your real estate agent who have completed home renovations can be the best resources.
- Visit their homes, and inspect the quality of work to make sure it meets your standards.

2. Conduct online research:

- Online searches through Angie's List, Yelp, National Association of the Remodeling Industry (NARI) and Google can provide a list of licensed contractors in your area.
- Make sure the contractor specializes in the work you need and routinely does the kind of project you are planning.
- Check the contractor's online reviews, but always make sure to ask for references. Ask former clients the following questions:
 - Did the project finish on time?
 - Did the project finish on budget?
 - How was the quality/durability of the work?
 - Would the client recommend the contractor to a family member or friend, and why?
 - How well did the contractor communicate and resolve problems?

3. Find out how long the contractor has been in business and what type of warranties and guarantees he or she provides on the work.

4. Check licenses, insurance and complaints:

- Ask the contractor for a copy of his or her license, as well as licenses for any subcontractors who may work on the home.
- Ask for proof of business and a certificate of liability insurance, and check that policy limits meet state requirements.
- Check the Better Business Bureau and local court records for any reported complaints or lawsuits.

5. Interview and obtain written itemized estimates from at least three contractors:

- Before meeting a potential contractor, make sure to have a clear idea of what you want. Make sure the contractor can start and complete the project within your timeframe.
- Provide specific directions on the scope of the project and the materials you want used.
- Obtain a complete contract specifying the work to be done, the materials to be used, the amount to be paid and the rights of both parties.
- Compare the bids, and make sure they include the same work and materials.
- If your preferred contractor has the higher price, try to negotiate before signing the contract.

6. Determine if the estimate includes contingences for unexpected costs:

- Contractors can't see through walls, so it is common to find surprises that can easily add 10-15% to your cost.

7. Have the contractor determine what permits will be needed, and confirm that the contractor will work with the city to obtain all necessary inspections.

If you have any questions, please contact your agent or Nationwide Private Client Risk Solutions professional. For more information on how you can help prevent losses, visit nationwide.com/solutionseries.

We offer this information to assist you in making decisions that can help mitigate your risk. While we cannot address every possible scenario or guarantee these tips will work for you, our goal is to support your efforts to protect yourself and your family.

nfpa.org/news-and-research/fire-statistics-and-reports/fire-statistics/fires-by-property-type/structures-under-construction/fires-in-structures-under-construction-undergoing-major-renovation-or-being-demolished

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