



Dear Prospective Home Builder/Home Owner:

The Office of Community Development looks forward to assisting you in the construction, repair or remodeling of your home. We encourage you to seriously consider hiring a licensed contractor to perform the work. However, if you choose to act as your own contractor, we will assist in any way possible.

We want to insure that, if you are going to act as your own general contractor, you understand some of the pitfalls and liabilities you undertake. The following comments are for your protection.

1. You may be financially responsible for any person who is working under your direction that is injured while working on your job. This financial responsibility may include hospitalization costs, unemployment compensation; law suits for lost wages and workmen compensation. We are not aware of any existing homeowners or builders risk policy currently covering the type of loss.
2. You may be responsible for withholding taxes on all persons working under your direction and supervision. These include unemployment taxes, social security taxes and matching social security benefit taxes from each person.
3. If you do not obtain contractors general liability insurance, you may be personally liable for any injury of any person other than those mentioned above who is hurt on your property while construction is in progress. To our knowledge your homeowners or builders risk does not cover this type of loss.
4. The Mississippi Supreme Court has ruled in a precedent setting case that all persons named as contractor on a building permit for the construction of a residence is deemed the responsible party for losses by future owners. If major structural damage occurs up to six years after construction and if you are the general contractor on the permit, then you may assume this responsibility. This responsibility cannot be superseded by any secondary waiver with any person or uninsured company.
5. If a homeowner employs a General Contractor, it eliminates claims being made by subcontractors and others against the owner to a great extent. If an owner acts as General Contractor, this protection may be lost.
6. The homeowner is responsible for code violations and any penalties in addition to being responsible for corrections to be made, at your cost.

The above list is not intended to be a legal guide but only to point out some of the hazards of your acting as your own General Contractor.

City of Clinton
Community Development

Received by:

Homeowner

