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Angie's List takes a harder line on licensing

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For as long as Angie's List has been offering reviews of local service professionals, I've advised homeowners to verify the validity of any license contractors claim to hold and to only hire those in compliance with licensing laws in the communities where they work.

Why is this important? As our featured story "[How unlicensed contractors can cost you](#)" points out, a trade license typically means contractors have passed competency tests and provided proof of insurance or bonding, and often both. Even mandated registration, which is typically less stringent than licensing, usually offers at least one or more of these consumer protections.

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Liability insurance, for instance, covers property damage and injuries caused by a contractor's work. Workers' comp provides payment to injured workers. Bonding covers the costs of repairing or replacing shoddy work. You, the homeowner, could be liable if your contractor isn't properly covered in these areas or, worse yet, holds no coverage at all.

I'm not saying we agree with every licensing law written and we certainly think there could be a less confusing approach than the crazy patchwork of local and state statutes that govern contractors in many parts of the country. In some cases, regulation is little more than a tax on the trades and provides no homeowner protection whatsoever.

But whether or not we support a law is not the issue. The bottom line is, where a law exists, we expect contractors to be in compliance with it.

For years, we've asked companies to add licensing information to their Angie's List profiles, and we have relied on them to be truthful. In an effort to give our members better resources, we also developed a series of quick links to state licensing databases.

In the course of reporting, however, our magazine staff came across contractors who have worked for years without securing the required trade license.

This discovery has prompted us to take a harder line on licensing. Our first step is to ask all companies on Angie's List to attest they're in compliance with trade licensing laws.

Contractors found to be out of compliance will have an opportunity to comply or face actions from Angie's List that include alerting members to their true status.

And much like the IRS audits taxpayers, we're going to audit contractors on Angie's List to ensure their compliance. You can bet we'll flag our members if we catch anyone trying to fool the system. At the same time, we're asking them to flag us as well — and to become vigilant in verifying the compliance of every contractor they hire.

— *Angie Hicks* | *founder of Angie's List*