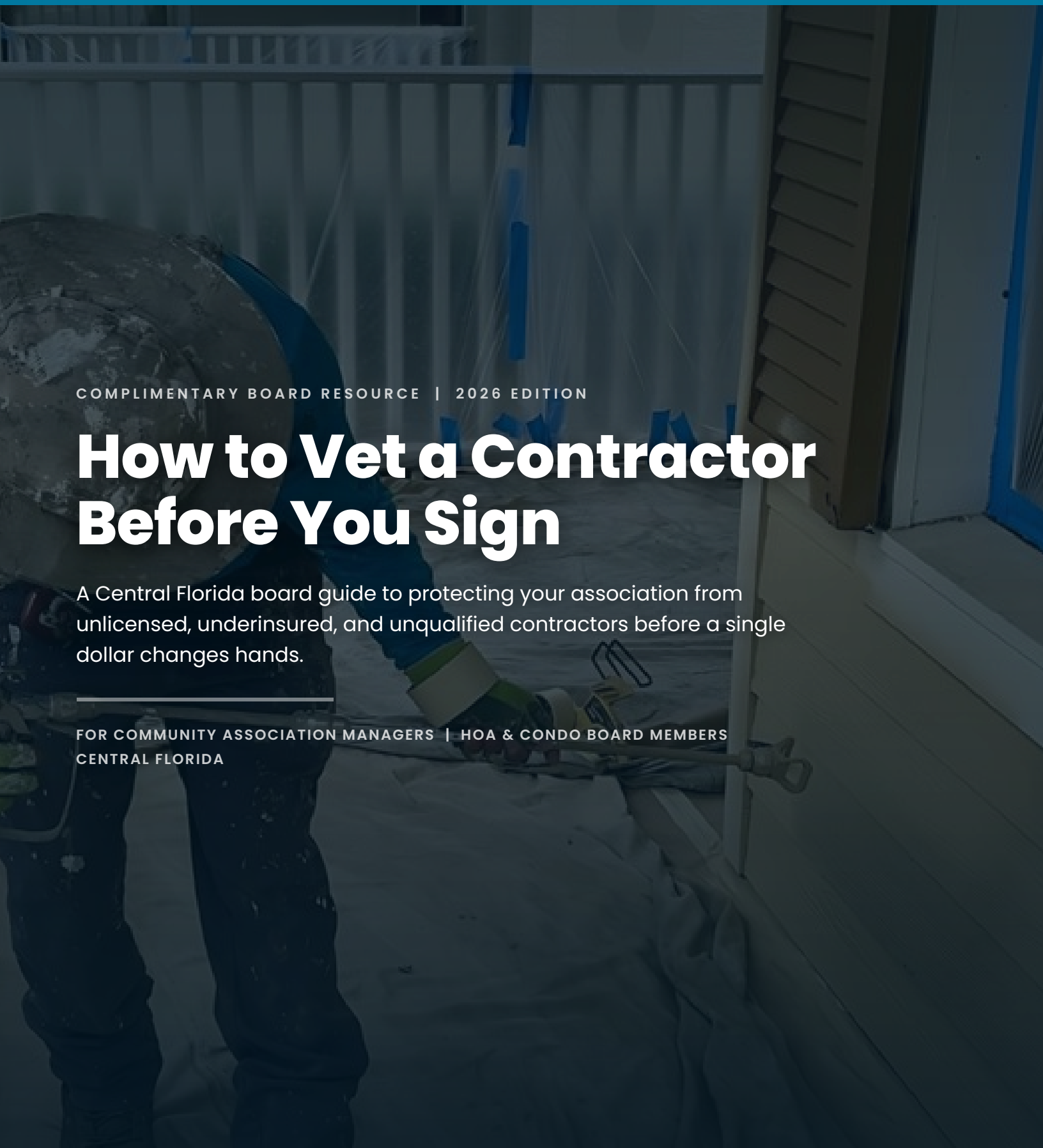

COMPLIMENTARY BOARD RESOURCE | 2026 EDITION

How to Vet a Contractor Before You Sign

A Central Florida board guide to protecting your association from unlicensed, underinsured, and unqualified contractors before a single dollar changes hands.

FOR COMMUNITY ASSOCIATION MANAGERS | HOA & CONDO BOARD MEMBERS
CENTRAL FLORIDA

This guide is a general educational resource for Florida community association boards and community association managers. It does not constitute legal, financial, or professional advice. License requirements, statutes, and insurance standards are subject to change. Always verify contractor credentials directly with the Florida Department of Business and Professional Regulation and consult a licensed Florida attorney before entering any construction contract.

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COMPLIMENTARY BOARD RESOURCE

What's Inside This Guide

Nine plain-English sections plus eight ready-to-use board tools, written for CAMs and board members who need to make confident contractor decisions and protect their association.

1 **Why Vetting Has Never Mattered More**
The FL repair boom, the contractor risk surge, and what a bad hire costs

2 **Verify the License**
FL license classes, a 5-minute myfloridalicense.com walkthrough, red-line violations

3 **Insurance and Bonding**
Annotated COI/ACORD 25, workers' comp exemptions, bond types, Recovery Fund limits

4 **Reading the Proposal**
Detailed vs. lump-sum, allowances, scope traps, the lowest-bid reality

5 **Check the Track Record**
References, site visits, discipline history, financial stability

6 **Contracts, Lien Law, and Payment**
FL Construction Lien Law Ch. 713, NTO, lien waivers, draw-schedule timeline

7 **A Cautionary Case Story**
Two Pinellas County stings: what happens when boards skip vetting

8 **Red Flags Master List**
Fifteen warning signs to spot before you sign

9 **How Element Service Solutions Fits**
ESS credentials, process, and a complimentary on-site inspection offer

A **Appendix: Eight Board Tools**
Scorecard, checklists, RFP language, scripts, worksheets, and a license walkthrough

Three Actions to Take Before Your Next Contractor Meeting

- Look up every active contractor on your property right now at myfloridalicense.com. Confirm each license is active, matches the correct license type for the scope, and shows no open disciplinary action.
- Pull a current certificate of insurance from every contractor's insurer directly (not from the contractor). Confirm the association is named as additional insured on the general liability policy.
- If any current or pending contract is lump-sum with no detailed scope, ask for a line-item breakdown before authorizing additional work. A contractor unable to provide one is a material red flag.

DISCLAIMER

This guide is a general educational resource. It does not constitute legal, financial, or professional advice. Florida licensing requirements, insurance minimums, lien law procedures, and bond requirements vary by project type and are subject to legislative change. Verify current requirements with a licensed Florida attorney and confirm all contractor credentials directly with the Florida DBPR before signing any contract.

SECTION ONE

Why Vetting Has Never Mattered More

01

Central Florida's repair boom, a surge in unlicensed operators, and the compounding cost of one bad hire.

The Repair Cycle Is Here, and the Contractor Market Is Crowded

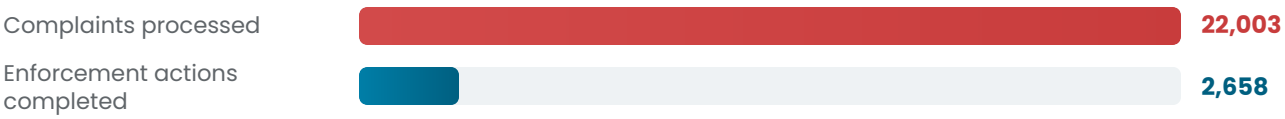
In the aftermath of Surfside and the passage of Florida SB 4-D, Central Florida's community associations are authorizing structural repair, concrete restoration, and building envelope work at a pace not seen in a generation, and post-hurricane demand from Hurricanes Ian, Helene, and Milton has stretched the licensed-contractor market further. Where demand surges, unlicensed and underqualified operators follow.

In fiscal year 2023-24, the Florida Department of Business and Professional Regulation processed **22,003 complaints** across the professions it regulates and completed **2,658 enforcement actions**. Following Hurricanes Helene and Milton, a single two-week DBPR enforcement operation produced more than **50 arrests** and prevented more than **$250,000** in unlicensed-contractor scams, and a Pinellas County Sheriff's Office undercover sting at Madeira Beach, "Flood of Fraud," produced **64 arrests on 102 criminal charges** in three days. Section 7 covers both Flood of Fraud stings in full.

These are not isolated events. The same risk shows up quietly inside association contracts, where the contractor looks licensed and the paperwork looks credible, and the liability does not surface until a worker is injured, the work fails, or the contractor disappears.

DBPR Complaints Processed vs. Enforcement Actions Completed

Florida Department of Business and Professional Regulation, fiscal year 2023-24.



Source: Florida DBPR Division of Regulation FY 2023-24 Annual Report.

WHAT THIS CHART SHOWS

Of 22,003 complaints the DBPR processed in FY 2023-24, only 2,658 ended in a completed enforcement action (Florida DBPR Division of Regulation FY 2023-24 Annual Report). **Enforcement is the exception, not the rule. Your board cannot count on a regulator to catch a bad contractor before the damage is done, so vetting is the association's first line of defense.**

What One Bad Hire Actually Costs

The cost of a bad contractor hire is rarely the contract price. It is the sum of what happens after: a worker injured with no workers' compensation coverage (leaving the association exposed to direct tort liability), a project abandoned mid-scope (leaving the work open to moisture infiltration while the association pursues litigation), or defective work that fails within a year and requires a second, more expensive contractor to redo it correctly.

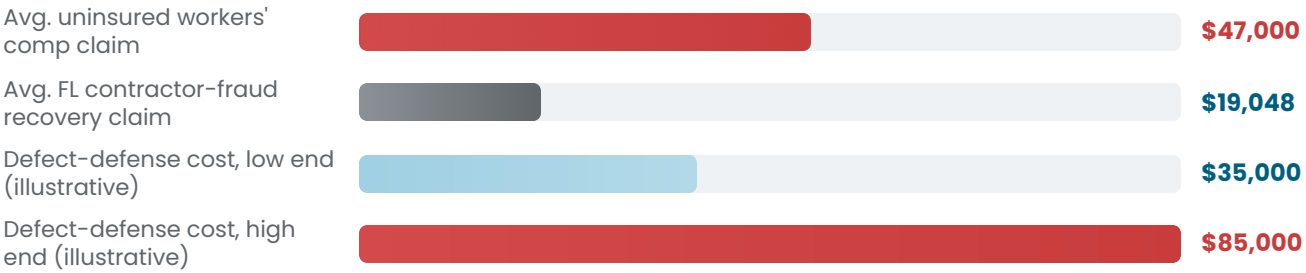
$47K
Average NCCI lost-time workers' comp claim (2022-23 accidents). Without contractor coverage, this falls on the association.

168
Claims paid by FL Construction Recovery Fund in FY 2023-24, totaling $3.2 million

$250K+
Saved by DBPR in a single two-week enforcement operation after Hurricanes Helene and Milton (2024)

Financial Exposure From an Uninsured or Unlicensed Contractor

Documented averages plus an illustrative litigation-defense range.



Workers' comp: NCCI 2022-23 accident year. Recovery claim: DBPR FY 2023-24 claims total ($3.2M) divided by claim count (168). Defect-defense range is illustrative, not a single statistic, reported by FL construction law practitioners.

WHAT THIS CHART SHOWS

The first two bars are documented figures: the average uninsured workers' comp claim (NCCI 2022-23 accident year) and the average Florida contractor-fraud recovery claim (DBPR FY 2023-24 claims total divided by claim count). The last two bars are an **illustrative range, not a single statistic**: construction-defect litigation defense costs vary widely by claim complexity and are reported by Florida construction law practitioners as commonly falling in the $35,000 to $85,000 band before a case resolves.

The takeaway: the paperwork check before signing costs nothing. The liability exposure after an uninsured incident can reach five to six figures before a single repair dollar is recovered.

SECTION TWO

Verify the License

02

Florida contractor license classes, how to read a license, and how to verify status at myfloridalicense.com before a single contract is signed.

Florida's Contractor License Structure

Florida separates contractor licensing into two tracks. **Certified** licenses are issued by the state DBPR and valid statewide. **Registered** licenses are issued locally (county or municipality) and valid only within that jurisdiction. For community association repair and restoration work, you want a **Certified** contractor. The relevant license types:

License Type	Abbrev.	What It Authorizes	Typical Use in HOA/Condo Work
Certified General Contractor	CGC	Construction, remodeling, repair, or demolition of any building type, any number of stories	Multi-story structural repair, concrete restoration, full building envelope, balcony systems
Certified Building Contractor	CBC	Commercial and residential buildings up to three stories, excluding complex structural work on high-rises	Low-rise HOA repair, clubhouse renovation, one- to three-story structures
Certified Residential Contractor	CRC	Single-family and multi-family residential up to four stories, with limits on commercial work	Single-family homes in HOA; NOT appropriate for condo towers or commercial common-area work
Specialty Licenses	Varies	Specific trades: Roofing (CCC), Electrical (EC/ER), Plumbing (CFC), Waterproofing, HVAC, and others	Required when specialty trade scope stands alone; a CGC may subcontract these, but the sub must hold the appropriate license

COMMON MISTAKE: USING A RESIDENTIAL LICENSE FOR CONDO WORK

A Certified Residential Contractor (CRC) is not authorized for structural repair on a multi-story condominium building. Work performed outside a license's authorized scope is legally unlicensed work, regardless of whether the contractor holds any license at all. Verify the license type, not just that a license exists.

How to Verify a Florida Contractor License

The Florida DBPR public license search at **myfloridalicense.com** is the authoritative source. Go to the site, select "Verify a License," and search by license number or company name. Do this for every contractor, not just new ones. Licenses can lapse, be placed on probation, or be revoked between projects.

What to Check on Every License Record

1. License Status

Must read **Current, Active**. Any other status (Delinquent, Null & Void, Suspended, Revoked) means the contractor is not legally authorized to pull permits or perform work in Florida.

2. License Type

Confirm the abbreviation matches the scope of your project (CGC for multi-story structural and full building work, CBC for low-rise commercial, specialty license for stand-alone trade work).

3. Qualifier

A Florida contractor license is held by a *qualifier*, a specific individual who is responsible for the work. Confirm the qualifier is still active with that company. If the qualifier has left, the company's license may be in question.

4. Expiration Date

Florida contractor licenses renew biennially. A license within 60 days of expiration should raise a question, particularly on a project that will extend beyond the renewal date.

5. Disciplinary History

The DBPR record includes all prior administrative complaints, final orders, and discipline. A single resolved complaint is not automatically disqualifying, but a pattern of complaints, unresolved orders, or a prior revocation is a material finding your board should evaluate with your attorney.

6. Registered vs. Certified

Confirm the license reads "Certified," not "Registered." A registered license is valid only in the issuing jurisdiction and cannot pull permits in another county.

What This Means for Your Board

Do not accept a photocopy of a license card as verification. License cards can be altered, and photocopies cannot reflect real-time status changes. Always verify live, directly at myfloridalicense.com, the week before contract execution. Print or screenshot the verification result and retain it in the contract file. For large projects, reverify at the start of each phase.

"A license card is a starting point. A live DBPR record is the verification."

A 5-Minute Walkthrough of myfloridalicense.com

This is the exact click path. Do this yourself, do not accept a screenshot from the contractor.

MYFLORIDALICENSE.COM: Licensee Search

Search by: License Number | Name | County ①

License #: **CGC1533292**

ELEMENT SERVICE SOLUTIONS LLC
License Type: Certified General Contractor ②
Status: **Current, Active** ③
Primary Status Date / Expires: 08/31/2026 ④
Qualifier: [Named Individual] ⑤
Related Parties / Disciplinary Actions: **None on file** ⑥

Mock layout for illustration. Actual DBPR site layout may vary; the data fields shown are the ones that matter.

1. Search by license number when the contractor provides one. It is faster and unambiguous. Search by name only when you have no license number yet.
2. Confirm license type matches your project's scope (Section 2, Certified General vs. Certified Building vs. specialty).
3. Status must read **Current, Active**. Delinquent, Null & Void, Suspended, or Revoked all mean the contractor cannot legally perform the work.
4. Note the expiration date against your project timeline. A license expiring mid-project needs a renewal plan in writing.
5. Confirm the qualifier (the individual legally responsible for the license) still matches the company you are contracting with.
6. Review any disciplinary actions listed. One resolved complaint is not automatically disqualifying; a pattern or an open action is a material finding for your attorney.

Tool 7 | 5-Minute License-Verification Results Box

How to use this: Complete this box immediately after searching myfloridalicense.com for each bidder. Attach a screenshot or printout of the actual search result.

Contractor / company name searched: _____

License number found: _____

License type (CGC / CBC / CRC / Specialty): _____

Status shown (must be Current, Active): _____

Expiration date: _____

Qualifier name confirmed matches: _____

Disciplinary actions on file (Y/N, describe): _____

Searched by _____ (name) on _____ (date). Screenshot attached to contract file: Yes / No.

SECTION THREE

Insurance and Bonding

03

The coverage types your association must require, how to verify them, and the one document forgery your legal team needs to know about.

Required Coverage Types

Coverage	What It Covers	Minimum to Require
General Liability (GL)	Property damage and bodily injury to third parties caused by the contractor's work, during the project and after completion (if completed-operations coverage is included)	$1M per occurrence / $2M aggregate minimum. Consider $2M/$4M for projects over $250,000.
Workers' Compensation	Injuries to the contractor's own employees. If the contractor carries no workers' comp and a worker is injured on your property, Florida law may allow the injured worker to pursue the property owner directly.	Statutory Florida limits, no exclusions, all employees covered. Verify the policy does not have officer exclusions for a sole-proprietor situation.
Completed Operations	GL coverage that extends to claims arising from completed work. Without it, your GL protection ends when the contractor leaves the property.	Must be explicitly listed in the GL policy form, not just assumed. Request the GL declarations page to confirm.
Builders Risk	Covers materials, equipment, and work in place from fire, theft, vandalism, and weather during construction.	Required for projects over $100,000. Confirm who carries it: association or contractor. Gaps create uninsured exposures.

These are minimum starting points. Consult your association's insurance agent and attorney to set project-specific minimums before issuing a bid.

ALWAYS NAME THE ASSOCIATION AS ADDITIONAL INSURED

The contractor's general liability policy must name your association as an **additional insured**, not merely a certificate holder. Certificate holder status gives you notification rights only. Additional insured status gives you coverage rights under the policy. Require this in writing in your contract and confirm it on the COI before mobilization.

Waiver of Subrogation and Why It Matters

A **waiver of subrogation** prevents the contractor's insurer from suing your association to recover money the insurer paid for a claim that your association was partly responsible for. Without it, your association can be pulled into cost-recovery litigation by the contractor's own carrier. Require a waiver of subrogation in favor of the association on the GL policy and, if applicable, on the workers' comp policy.

Certificate of Insurance Fraud: A Real Risk

Certificates of insurance have been fabricated. A contractor submits a convincing COI; the association assumes coverage exists; a worker is injured; the association calls the insurer and learns the policy listed has lapsed, never existed, or does not name them as additional insured. For any project above $50,000, do not rely on the COI alone.

MINIMUM VERIFICATION	STRONGER VERIFICATION (RECOMMENDED $50K+)
Require COI from the contractor	Call the insurer directly using the number on their website, not the COI
Confirm association is named additional insured	Request a copy of the GL declarations page
Check policy expiration date	Confirm completed-operations coverage on the GL form
Confirm limits meet your minimums	Request that the insurer send the COI directly to you, bypassing the contractor

Surety Bonds: When to Require Them

A **performance bond** guarantees the contractor completes the work per the contract. A **payment bond** guarantees subcontractors and material suppliers are paid, protecting the association from mechanic's liens filed by unpaid subs. For projects over $100,000, requiring both is standard practice in well-run associations.

> **BOND CAPACITY SIGNALS FINANCIAL STABILITY**
>
> A surety company will only bond a contractor it has underwritten. Bondability requires clean financials, adequate working capital, and a track record. A contractor who cannot secure a bond on a large project is telling you something about their financial position. Treat bond refusal as a material finding, not a paperwork issue.

How to Read a Certificate of Insurance (ACORD 25)

Nearly every COI Florida contractors submit is the standard industry ACORD 25 form. Here is what actually matters on the page, field by field.

ACORD 25: CERTIFICATE OF LIABILITY INSURANCE

Certificate Holder: **[Association Name]** ①

GENERAL LIABILITY
Each Occurrence: **$1,000,000** ②
General Aggregate: **$2,000,000** ②
☐ Products/Completed Ops ③

Policy Eff. / Exp. Date: 01/01/2026 to 01/01/2027 ④

Description of Operations: **Additional Insured applies per attached endorsement** ⑤

Insurer contact: (verify independently, not from this form) ⑥

Mock layout for illustration, not a reproduction of the actual ACORD form.

1. **Certificate holder** should read your association's legal name, not the contractor's own office. This field alone gives no coverage rights, only notice rights.
2. **GL limits** must meet your minimum (Section 3, $1M/$2M baseline). Confirm "Each Occurrence" and "General Aggregate" separately; a low aggregate can be exhausted by other claims.
3. **Completed operations** box must be checked. Without it, coverage ends when the contractor leaves the property, exactly when latent defects tend to surface.
4. **Expiration date** must extend past your project's expected completion. A policy expiring mid-project is a scheduling risk, not just a paperwork one.
5. **Additional insured vs. certificate holder** is the field that matters most. "Certificate holder" alone is notice-only. You need "Additional Insured" language, ideally with the endorsement attached, not just referenced.
6. Call the insurer using the number on **their own website**, never a number printed on the COI itself. This is the single step that catches a fabricated certificate.

RELATED GUIDES IN THIS SERIES

For the full building-envelope insurance discussion including warranty tracking, see **Waterproofing & Building Envelope**. For what your association's own coverage should look like after Surfside-era requirements, see **Milestone Inspection & SIRS**.

The Workers' Comp Exemption Loophole

Florida law allows a construction-industry corporation or LLC to exempt up to **three officers or members** from carrying workers' compensation coverage on themselves. This exemption is legal and common among small contractors. The problem for your association: an exemption covers only the exempted individuals, never their employees or crew. A contractor who shows you an exemption certificate and has no separate workers' comp policy for the rest of the crew has uninsured workers on your property.

> **VERIFY THE EXEMPTION, DO NOT JUST ACCEPT IT**
>
> Florida's Chief Financial Officer maintains a public exemption lookup. Search the contractor's name at the CFO's workers' comp exemption database (accessible through myfloridacfo.com) to confirm the exemption is real, current, and lists the correct individuals. Then separately confirm a workers' comp policy exists for every non-exempted worker who will be on site.

The Florida Construction Recovery Fund: Associations Are Largely NOT Eligible

Section 3's Recovery Fund figures (and Section 1's) describe a real fund that has paid real claims, but boards should not treat it as a backstop for association losses. The Florida Homeowners' Construction Recovery Fund (FS 489.140) is structured around **individual homeowner claims tied to that homeowner's own residence**. A community association is a corporate entity, and in the large majority of claim scenarios an HOA or condo association itself does not qualify as an eligible claimant the way an individual homeowner does.

> **What This Means for Your Board**
>
> Do not factor the Recovery Fund into your risk calculus as a safety net for association-level losses. Treat licensing, insurance, and bonding verification as the association's only real protection, because after a loss there is no dependable public fund standing behind the association the way there sometimes is for an individual homeowner. This is precisely why the vetting steps in this guide carry the weight they do.

Three Bond Types, Three Different Protections

Boards often use "bonded" as a single catch-all term. It is not one thing. Each bond type protects against a different failure mode, and a contractor can hold one without holding the others.

Bond Type	Protects Against	Who It Protects
Performance Bond	The contractor fails to complete the work per the contract, abandons the project, or performs defectively enough to trigger a claim	The association: guarantees a surety-funded completion or payout
Payment Bond	The general contractor fails to pay subcontractors or material suppliers	The association: protects common property from mechanic's liens filed by unpaid subs
License / Competency Bond	The contractor violates licensing law or DBPR rules while performing work under that license	The public generally, filed with DBPR as a condition of licensure in some categories; not a substitute for project-specific bonds

A license/competency bond is not the same protection as a project performance or payment bond. Confirm which type(s) a contractor is offering; "we're bonded" without specifying which bond is an incomplete answer.

1. Up to **3 officers/members** of a construction LLC or corporation can legally exempt themselves from workers' comp in Florida.

2. An exemption covers **only the exempted individuals**, never their crew or employees.

3. Associations are **largely not eligible claimants** under the FL Homeowners' Construction Recovery Fund (FS 489.140).

ASK FOR ALL THREE, IN WRITING

On any project over $100,000, request performance and payment bonds together (they are typically issued as a pair) and ask separately whether the contractor's license carries a competency bond. A contractor who cannot answer clearly which bonds they hold has not thought through their own risk exposure, which should raise your concern about theirs.

SECTION FOUR

Reading the Proposal

04

What a detailed scope breakdown actually tells you, the traps in lump-sum bids, and why the lowest number on the page is rarely the lowest total cost.

Detailed vs. Lump-Sum Proposals

A lump-sum proposal gives you one number for all the work. It is easy to compare at a glance and almost always misleading. A detailed proposal breaks the scope into clear work items: what will be done, in what quantities, to what standard. Detailed scope breakdowns reveal what the contractor is actually planning to do.

LUMP-SUM PROPOSAL	DETAILED PROPOSAL
One total price for undefined scope	Line items with quantities and unit costs
No basis for comparing bids on equal terms	Bids can be compared line by line
Change orders are easy to generate: nothing is defined	Change orders require justification against defined quantities
No way to verify what is included or excluded	Exclusions are explicitly stated
Favors the contractor; all risk lands on the association	Allows post-project verification that work was completed as priced

Scope Traps to Identify Before Signing

- **Allowances without definition:** "Allowance for unforeseen conditions: $15,000" with no description of what conditions qualify. Allowances are invitation to change orders; define the trigger criteria in writing.
- **Exclusions buried in fine print:** Exclusions for haul-off, permit fees, engineering hold-point inspections, surface preparation, or primer coats that the association assumes are included.
- **Unit-price traps:** A unit price that looks reasonable per square foot but is priced off an artificially low quantity. If actual quantities exceed the base quantity, the per-unit price can escalate. Require the bid to state the assumed quantity explicitly.
- **Missing specifications:** No material specifications means the contractor can substitute cheaper materials at their discretion. Require brand, grade, mix design, or ASTM/ACI designation for all major materials.

What This Means for Your Board

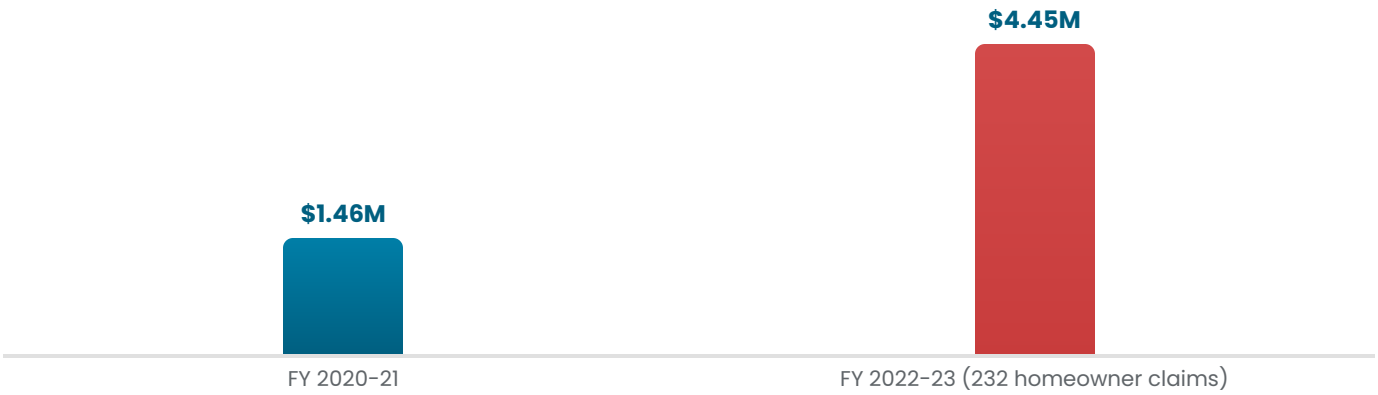
Require a written scope breakdown from every bidder: what work, what quantities, what standards. If a contractor declines to put their scope in writing, treat that refusal as a red flag: contractors who intend to do the job right are not reluctant to specify what they will do. Include the requirement in your request for proposals so bidders know upfront what is expected.

The Lowest-Bid Trap

Florida boards frequently face pressure to select the lowest bidder, and on public-sector work, it may be legally required. On community association repair and restoration work, it is a discretionary choice with predictable consequences. When owners push a bid price to the floor, the savings on paper often do not survive the project: a contractor working on too little margin tends to recover it through change orders, schedule slippage, reduced material quality, or subcontractor disputes that delay the work and generate additional cost. The lowest number on the table is rarely the lowest cost at closeout.

FL Homeowners' Construction Recovery Fund: Payouts Roughly Tripled

Dollars paid out to homeowners harmed by a licensed contractor's misconduct.



Source: Florida DBPR and Florida Bar Journal reporting on Recovery Fund awards. Fund covers licensed-contractor misconduct only; unlicensed-contractor fraud is outside its scope.

WHAT THIS CHART SHOWS

Dollars paid out by the Florida Homeowners' Construction Recovery Fund roughly tripled across three fiscal years, from about $1.46 million in FY 2020-21 to $4.45 million in FY 2022-23 (232 homeowner claims that year alone). The fund reimburses homeowners harmed by a licensed contractor's misconduct; unlicensed-contractor fraud falls outside its scope entirely, leaving those victims with no fund to claim against. Source: Florida DBPR and Florida Bar Journal reporting on Recovery Fund awards.

The takeaway: claims against contractors are rising fast, and the fund is a last resort that pays only after a contractor has already failed and often does not make a homeowner whole. Vetting prevents the loss the fund can only partially repair after the fact.

WHEN THE LOW BID IS SUSPICIOUSLY LOW

A bid far below the others on a comparable scope means one of three things: the low bidder found genuine efficiencies, read the scope differently (request clarification), or is underpriced and will recover margin through change orders, substitution, or abandonment. Request a line-item breakdown from the low bidder and reconcile it against the others before awarding.

SECTION FIVE

Check the Track Record

05

References, completed-project visits, financial stability, and safety record: the four verification steps most boards skip.

References and Completed Projects

Require at least three references from comparable projects completed in the past two years: similar scope, similar building type (multi-story condominium or HOA community), and similar project value. A residential roofer who has done work on single-family homes in an HOA is not a comparable reference for a six-figure balcony restoration project.

Whenever possible, visit a completed project in person. Walk the repair areas. Look at seam work, surface finish consistency, and joint treatment. Ask the reference board member or CAM directly: were there change orders, and did the contractor perform as the superintendent identified in the bid?

Financial Stability

A contractor who abandons a project mid-scope is often one who took on too much work without adequate working capital. Ask for a bank or surety reference. Confirm the contractor can secure performance and payment bonds (see Section 3). A contractor who cannot be bonded on a project of your size may be financially overextended.

Safety Record: EMR

The **Experience Modification Rate (EMR)** is a workers' compensation insurance metric published annually by the National Council on Compensation Insurance (NCCI). It compares a contractor's actual claims to expected claims for their industry. An EMR of 1.0 is industry average; above means worse-than-average safety performance, below means better. Request the current EMR certificate from every bidder on projects over $100,000. A contractor with an EMR above 1.5 has had significantly more workers' compensation claims than their peers, a material risk on an occupied property.

Online Discipline History

Beyond myfloridalicense.com, search the contractor's company name in the Florida court system at myflcourtaccess.com. Check the BBB and Google reviews for mentions of abandoned projects, unpaid subcontractors, or lien filings. A pattern of negative reviews about abandonment or non-payment to subs is a leading indicator of cash-flow problems.

What This Means for Your Board

Build reference verification into your procurement timeline, not as an afterthought after selection. Call the references before you rank bidders. If a contractor declines to provide references or offers only personal references rather than prior association clients, that is an unacceptable response for a project of meaningful size. Add a minimum-reference requirement (three associations, similar scope) to your standard RFP language.

SECTION SIX

Contracts, Lien Law, and Payment

06

Florida Construction Lien Law Chapter 713 basics, Notice to Owner, lien waivers, draw schedules, retainage, and change-order control.

Florida Construction Lien Law (Chapter 713)

Florida's Construction Lien Law gives contractors, subcontractors, sub-subcontractors, material suppliers, and design professionals the right to place a lien on the property where work was performed if they are not paid. For community associations, this means a subcontractor your association never hired, and may not even know exists, can lien your common property if the general contractor fails to pay them.

Notice to Owner (NTO)

Under Chapter 713, any party who provides labor or materials to a project but does not have a direct contract with the property owner must serve a **Notice to Owner** (NTO) within 45 days of first furnishing labor or materials. The NTO notifies the association of the sub's existence and preserves their right to lien. Associations should log every NTO received and review with counsel. An unexpected NTO signals a subcontractor or supplier the general contractor did not disclose.

Lien Waivers: Four Types

Type	When Used	What It Releases
Conditional Partial	With each progress payment	Lien rights through the date specified, conditional on the check clearing
Unconditional Partial	After a check has cleared	Lien rights through the date specified, unconditionally
Conditional Final	With final payment	All lien rights, conditional on final payment clearing
Unconditional Final	After final payment clears	All lien rights, unconditionally. This is the clean close.

Require conditional partial lien waivers from the GC and all known subs with every draw payment. Require unconditional final lien waivers from all parties as a condition of releasing retainage. Have your attorney review the waiver forms before use.

The Payment and Lien-Protection Flow, Start to Finish

Notice to Owner, draw payments, lien waivers, and retainage are not separate topics. They are one continuous sequence that runs from contract execution to final closeout. See the full path below, then the detailed rules for each stage follow.

WITHIN 45 DAYS OF FIRST LABOR/MATERIALS
Notice to Owner (NTO) served. Any sub or supplier without a direct contract with the association must file. Log every NTO received; an undisclosed sub is a red flag on the GC.

CONTRACT EXECUTION
10% mobilization deposit paid after proof of insurance and bond is confirmed, never before.

FIRST DRAW
25%, paid upon permit issuance and mobilization on site. Collect a **conditional partial lien waiver** from the GC and all known subs with this payment.

SECOND DRAW
25%, paid upon 40% completion verified in writing by the engineer of record. Another conditional partial waiver with the check; an **unconditional partial waiver** once the prior check clears.

THIRD DRAW
25%, paid upon substantial completion verified by the engineer. Same waiver cycle: conditional at payment, unconditional once cleared.

FINAL COMPLETION + 30 DAYS
15% retainage released, but only after: the engineer's written confirmation of substantial completion, **unconditional final lien waivers** from the GC and every sub, and the building department's permit closeout.

Change-Order Control and Retainage

Change orders are the most common mechanism through which a low bidder recovers margin. Every change must be: (1) in writing before additional work begins, (2) reviewed by the engineer of record if the change affects structural scope, (3) priced against the unit rates in the original proposal when possible, and (4) signed by an authorized association representative before execution.

Retainage (typically 10%, permitted under FS 255.078 for public contracts and by contract terms privately) is held until: (a) the engineer's written confirmation of substantial completion, (b) unconditional final lien waivers from the GC and all subs, and (c) the building department's permit closeout. Never release it informally because "the contractor asked nicely." This is a board-controlled gate, verified in writing, every time.

NEVER PAY AHEAD OF PROGRESS

Florida's Construction Recovery Fund documented contractor fraud and abandonment rising year over year. The single most common loss scenario: an association pays a large upfront deposit, the contractor begins minimal work, then stops. Never pay more than 10% to mobilize. If a contractor demands 30%, 40%, or 50% upfront to "order materials," that is the most consistent financial warning sign before a project abandonment.

A CAUTIONARY CASE STORY

"Flood of Fraud": Two Stings, Two Pinellas County Beach Towns, 2024

In the weeks following Hurricanes Helene and Milton in October 2024, Pinellas County communities were among the hardest hit in the state. As residents and associations worked to assess damage and begin repairs, a different type of contractor arrived. They drove unmarked vehicles, knocked on doors in storm-damaged neighborhoods, and offered to begin work immediately, sometimes that afternoon, in exchange for a deposit.

What followed was documented in court records. The Pinellas County Sheriff's Office ran an undercover sting called "Flood of Fraud" in **Madeira Beach**. Over three days, from October 22 to 24, 2024, detectives posing as homeowners hired contractors who accepted deposits and promised work they had no license or intention to perform. Sixty-four individuals were arrested on 102 criminal charges in that operation alone. A second sting two weeks later, "Flood of Fraud 2," moved north to **Clearwater Beach** and produced more than 40 additional arrests on November 6 and 7, 2024, with 25 of those arrested coming from outside Pinellas County. Total license checks that would have stopped every single one of them: zero minutes at myfloridalicense.com.

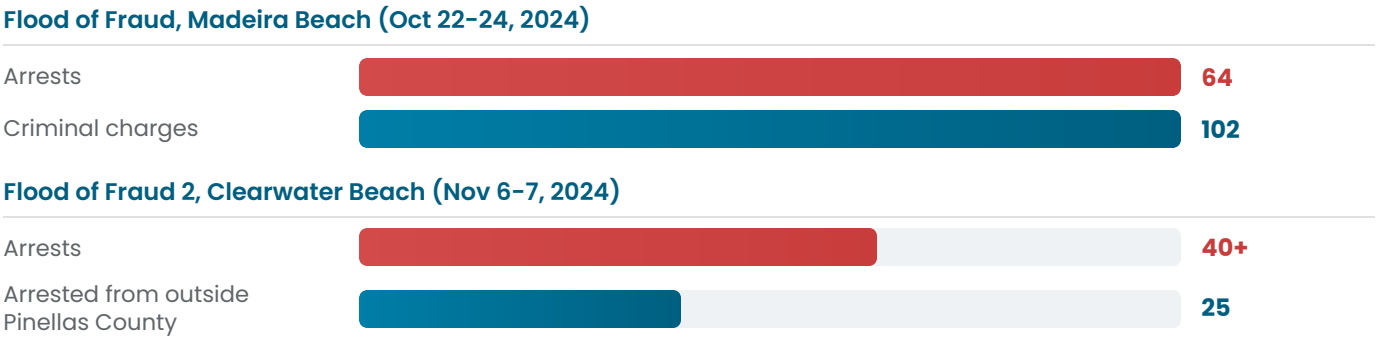
These operators did not confine themselves to single-family homes. Post-hurricane damage to common areas, roofs, fences, parking surfaces, and building facades creates exactly the urgency that scammers exploit. Any association that authorized repair work in the weeks after Helene and Milton without verifying licenses in real time was exposed to the same risk documented in that courtroom.

Source: Pinellas County Sheriff's Office press releases, October and November 2024; Tampa Bay Times coverage of "Flood of Fraud" and "Flood of Fraud 2," October-November 2024.

Two Stings, One Recurring Pattern

Flood of Fraud vs. Flood of Fraud 2: Two PCSO Stings, Two Weeks Apart

Pinellas County Sheriff's Office undercover contractor-fraud operations, October to November 2024.



Source: Tampa Bay Times; Pinellas County Sheriff's Office press releases, October-November 2024. Bar widths scaled within each sting's own pair.

WHAT THIS CHART SHOWS

Two separate PCSO undercover stings, two weeks and about 15 miles apart. **The scammers did not stop after the first sting made headlines. They moved to the next beach town and kept working the same post-hurricane urgency.**

What This Means for Your Board

Emergency repairs create urgency that scammers deliberately exploit. The board's response to storm damage must include a verification step before any work is authorized, not after: confirm active license at myfloridalicense.com, require a COI from the insurer directly, and require a written scope before any deposit is paid. Speed and vetting are not mutually exclusive. A licensed contractor who is ready to mobilize quickly will also be ready to provide verifiable credentials quickly.

RELATED GUIDES IN THIS SERIES

For the hurricane-prep and post-storm vendor-vetting checklist, see **Hurricane Prep & Post-Storm Recovery**. For the full compliance calendar these deadlines feed into, see **2026 Compliance Calendar**.

SECTION EIGHT

Fifteen Red Flags to Spot Before You Sign

08

Any one of these warrants a pause. Multiple red flags on the same contractor warrant disqualification.

- License is expired, in delinquent status, residential-only for a commercial project, or registered (not certified) and used outside the issuing jurisdiction
- No workers' compensation coverage, or a policy with officer exclusions that leave workers uninsured on your property
- Inability or reluctance to produce a certificate of insurance from the insurer directly, bypassing the contractor
- The association is listed as a certificate holder only, not as an additional insured
- A lump-sum proposal with no detailed scope, no material specifications, and no defined exclusions
- A bid significantly lower than all others with no satisfactory explanation when asked for a line-item reconciliation
- Demands for a large upfront deposit (30% or more) before any work or permit is in place
- No references from comparable projects completed within the past two years
- Prior disciplinary history on DBPR with no explanation offered, or a pattern of complaints rather than an isolated resolved matter
- Experience Modification Rate above 1.5, indicating a safety record significantly worse than industry average
- Contractor is unable or unwilling to identify the named qualifier, the field superintendent, and the crew that will perform the work
- No permit is pulled for scope that requires one, or contractor suggests the work can proceed without a permit
- Pressure to sign quickly, skip the reference check, or begin work before the contract is fully executed
- Reluctance to include a retainage clause, a written change-order requirement, or lien waiver provisions in the contract
- No fixed project completion date in the contract, no liquidated damages provision, and no schedule submitted before mobilization

THE ONE RED FLAG THAT OVERRIDES EVERYTHING

If a contractor proposes to begin work before a required permit is issued, stop. Unpermitted work on an HOA or condo is a potential code violation, can void your property insurance, and creates a legal cloud on the common property. No credible, licensed contractor performing work above the permit threshold will suggest bypassing the permit process.

SECTION NINE

How Element Service Solutions Fits

09

ESS credentials, how we work, and a standing offer your board can take us up on at any time.

Every standard in this guide, we hold ourselves to. Here is how ESS measures up on each vetting category your board should apply to any contractor, including us.

License

Florida Certified General Contractor **CGC1533292**, issued by the DBPR and verifiable live at myfloridalicense.com. A CGC authorizes the full scope of structural repair, concrete restoration, waterproofing, balcony systems, and building envelope work on any building type.

Insurance

General liability, workers' compensation, and completed-operations coverage. ESS names the association as additional insured on the GL policy as standard, with the COI sent from our insurer on request.

Self-Performance

ESS self-performs nearly all structural trades in house: concrete removal and repair, stucco, waterproofing, drainage, pressure washing, sidewalk and flatwork, and site work, keeping the highest-risk scopes off unvetted subcontractors.

Proposals

Every ESS proposal is detailed with line-item quantities, unit costs, and defined material specifications, never lump-sum on structural work. Scope, exclusions, and allowances are explicit, so the board knows exactly what they are buying.

References

We can provide references from community association clients across Seminole, Orange, Lake, and Volusia counties. We welcome reference calls and completed-project visits before contract award.

On-Site Inspection Offer

If your board has a repair need or an engineer's finding, Gavin will come to the property personally, and you will receive a specific proposal with a real number at no cost for whatever we find.

Start With a Complimentary On-Site Inspection

No obligation. Gavin walks the property, documents what he finds, and provides a specific proposal with a real number, so your board has a clear picture of scope and cost before you go to bid.



Gavin Sederopoulos
Vice President of Sales · Element Service Solutions
Florida Certified General Contractor CGC1533292
Office (407) 744-9122 | elementbiz.com | Central Florida

APPENDIX

Board Tools and Templates

A

Eight practical tools your board can use today: scorecard, checklists, RFP language, a reference-check script, bid worksheet, pre-signing contract checklist, a license-verification results box (Tool 7, Section 2), and a lien-search and COI cheat-sheet.

Tool 1 | Contractor Vetting Scorecard

How to use this: Score each bidder 1 (poor) to 5 (excellent) per row, multiply by the Weight, and total at the bottom. Compare weighted totals across bidders to evaluate on a consistent basis beyond price alone.

Criterion	Weight	Bidder A	Bidder B	Bidder C
Florida license verified active, correct type, no open discipline	3x			
GL and workers' comp limits adequate; association named additional insured; COI verified from insurer	3x			
Performance and payment bonds obtainable (or provided)	2x			
Written scope with quantities and material specifications	3x			
Comparable references (3+ HOA/condo projects, similar scope) verified by phone	2x			
Self-performs structural/core work (does not subcontract critical scope)	3x			
Named qualifier and field superintendent identified; superintendent experience confirmed	2x			
EMR at or below 1.0 (provide current EMR certificate)	2x			
Proposal price: value relative to defined scope (not simply lowest)	2x			
Contract terms acceptable: retainage, lien waivers, change-order control, schedule	2x			
Weighted Total (max 120 points)		_____	_____	_____

A higher score does not replace board judgment or attorney review. Use this scorecard to create a documented, defensible record of the evaluation process and to ensure every bidder is assessed on the same criteria.

Tool 2 | License and Insurance Verification Checklist

How to use this: Complete one checklist per contractor, per project. Retain the printed checklist in the contract file. The person completing the checklist should sign and date it.

Section A: License Verification (myfloridalicense.com)

- ☐ Searched live at myfloridalicense.com on _____ (date) by _____ (name)
- ☐ License status reads "Current, Active" (not Delinquent, Suspended, Revoked, or Null & Void)
- ☐ License type confirmed appropriate for scope: CGC / CBC / Specialty (circle one)
- ☐ License type is "Certified" (not "Registered" for out-of-issuing-county work)
- ☐ Qualifier name confirmed matches the company representative we are contracting with
- ☐ Expiration date noted: _____. Project completion expected before expiration: Yes / No
- ☐ Disciplinary history reviewed. Number of prior actions: ____. Attorney notified: Yes / N/A
- ☐ Screenshot or printout of DBPR record saved to contract file

Section B: Insurance Verification

- ☐ Certificate of Insurance received from contractor
- ☐ COI verified directly with insurer (call the carrier's published number, not the COI number): Yes / No
- ☐ General liability limit: $_____ per occurrence / $_____ aggregate. Meets minimum: Yes / No
- ☐ Workers' compensation coverage confirmed, no officer exclusions
- ☐ Completed-operations coverage confirmed on GL declarations page
- ☐ Association named as **additional insured** (not certificate holder only)
- ☐ Waiver of subrogation in favor of association confirmed
- ☐ All policies expire after projected project completion: Yes / No (if No, renewal required)

Section C: Bond (projects over $100,000)

- ☐ Performance bond obtained / waived by board resolution (_____)
- ☐ Payment bond obtained / waived by board resolution (_____)
- ☐ Surety company verified (A.M. Best rating of A- or better recommended)

> Have your association attorney review the contract, COI forms, and bond documents before signing. This checklist is an organizational tool, not a substitute for legal review.

Tool 3 | Sample Request for Proposals (RFP) Language

How to use this: Copy the paragraphs below into your association's RFP or bid invitation. Fill in each bracketed item with your specific project details. Have your attorney review the final document before distribution.

[Association Name] ("Association") invites proposals from qualified, Florida-licensed contractors for [brief description of scope, e.g., "concrete restoration and balcony repair at [Property Address]"]. The Association will evaluate proposals on the basis of demonstrated qualifications, references, scope understanding, and price. The lowest-priced proposal will not necessarily be selected.

License Requirement: *Contractor shall hold a current, active Florida Certified General Contractor (CGC) license [or appropriate license type] in good standing throughout the project. Proposals shall include the license number; the Association will verify status at myfloridalicense.com prior to award. A residential-only (CRC) license does not satisfy this requirement.*

Insurance Requirement: *Contractor shall maintain general liability insurance of not less than [$1,000,000 per occurrence / $2,000,000 aggregate] with completed-operations coverage, and workers' compensation insurance covering all employees with no exclusions. The Association shall be named as additional insured on the GL policy. A certificate of insurance naming the Association as additional insured, issued directly from the carrier to the Association, shall be submitted with the proposal.*

Proposal Format: *Proposals shall be detailed, with a separate line item and unit cost for each major scope component. Lump-sum proposals without line-item breakdown will not be accepted. Material specifications shall identify brand, grade, or applicable ASTM/ACI standard for all primary materials. Exclusions shall be explicitly identified.*

References: *Contractor shall provide a minimum of three references from comparable projects (similar scope, multi-family residential or commercial HOA/condo, completed within 24 months) with contact information for the association board member or property manager.*

Customize all bracketed fields for your specific project. Consult your association attorney before issuing any RFP or entering any contract. This template is provided for educational planning purposes only.

Tool 4 | Reference-Check Call Script

How to use this: Call each reference before you rank bidders. Ask these questions in order. Record the responses. If a reference is unreachable after two attempts, the contractor should provide an alternate; an unavailable reference is not a useful reference.

Opening

"Hello, I am [name] with [Association Name]. We are evaluating [Contractor Name] for a repair project at our community. They provided your name as a reference. Do you have a few minutes to speak about your experience?"

Questions to Ask

1. What was the scope and approximate dollar value of the project? How many stories was the building?
2. Was the work completed within the timeframe stated in the contract? If not, what caused the delay?
3. Were there change orders? If yes, were they justified and appropriately documented in advance?
4. Did the contractor's field superintendent remain consistent throughout the project, or were there personnel changes?
5. Were subcontractors paid in a timely manner? Did you receive any Notices to Owner or lien threats from subs or suppliers?
6. Were there any defects or warranty callbacks after the project was complete? How did the contractor respond?
7. Would you hire this contractor again? Would you recommend them to a neighboring community?
8. Is there anything about this contractor we should know before we make a decision?

After the Call: What to Listen For

Positive signals

- Consistent superintendent throughout
- Changes orders handled in writing, proactively
- No lien issues from subs or suppliers
- Prompt warranty callbacks
- "Would hire again" without hesitation

Warning signals

- Superintendent changed mid-project
- "They got it done eventually" type answers
- Any lien or Notice to Owner mentions
- Reluctance to give a direct "would hire again"
- Long pause before answering question 7

Document each call with date, name of person contacted, and a summary of responses. Retain in the contract file. If no references are willing to speak on record, treat that as a material finding.

Tool 5 | Bid Comparison Worksheet

How to use this: Work through the Worked Example to understand the structure, then complete "Your Bids" with actual line-item figures from each contractor's proposal. Only compare bids that are scoped identically; if bidders excluded different items, adjust before comparing totals.

Worked Example: Balcony and Walkway Concrete Restoration, 40-Unit Building

Concrete removal and disposal (200 SF assumed)	**Bid A: $4,200**	**Bid B: $3,600**	**Bid C: $5,100**
Rebar cleaning, treatment, and corrosion inhibitor	**$2,800**	**$1,900**	**$3,200**
Structural repair mortar placement and finish (per spec)	**$6,400**	**$5,200**	**$7,600**
Waterproof coating system (deck and balcony slab)	**$8,500**	**$6,800**	**$9,200**
Caulking and sealants at control joints	**$1,200**	**$800**	**$1,400**
Permit fees (estimated)	**$1,500**	**EXCL.**	**$1,500**
Mobilization and haul-off	**$2,200**	**$1,800**	**$2,400**
Stated Total	**$26,800**	**$20,100**	**$30,400**
Apples-to-apples (add excluded permit to Bid B)	**$26,800**	**$21,600**	**$30,400**

Your Bids: Fill In Your Line Items

Line item 1:	_____	_____	_____
Line item 2:	_____	_____	_____
Line item 3:	_____	_____	_____
Apples-to-apples adjusted total:	_____	_____	_____

> Before comparing totals, confirm all bids cover identical scope, quantities, and specifications. Bids with different exclusions are not comparable without adjustment. Note any bid where a key line item (permit, haul-off, engineering inspections) is missing; add the estimated cost to normalize before ranking.

Tool 6 | Contract Red-Flag and Pre-Signing Checklist

How to use this: Complete this checklist before the board votes to authorize any construction contract. Any unchecked box in Section A is a red flag that warrants attorney review before signing. Any unchecked box in Section B means the contract is not ready to sign.

Section A: Contractor Vetting (Complete Before Board Vote)

- ☐ License verified active and correct type at myfloridalicense.com within 7 days of vote
- ☐ COI received; association confirmed as additional insured; verified with insurer directly
- ☐ Workers' comp coverage confirmed, no officer exclusions
- ☐ Completed-operations coverage confirmed on GL declarations page
- ☐ Performance and payment bonds obtained (or board formally waived by resolution)
- ☐ Minimum three references called and documented
- ☐ Vetting Scorecard (Tool 1) completed for all bidders considered

Section B: Contract Terms (Must Be Present Before Signing)

- ☐ Detailed scope of work with quantities and material specifications is attached and incorporated by reference
- ☐ Permit responsibility is explicitly assigned (to contractor, as standard)
- ☐ Draw schedule tied to verified milestones, not dates; first draw no more than 10% mobilization
- ☐ Retainage clause: minimum 10% held until final completion, lien waivers, and permit closeout
- ☐ Change-order clause: all changes in writing, signed by both parties, before work begins
- ☐ Lien waiver requirements: conditional partial with each draw; unconditional final before retainage release
- ☐ Project schedule attached with a fixed substantial-completion date
- ☐ Warranty clause: minimum one-year workmanship warranty, in writing
- ☐ Termination clause: association right to terminate for cause with written notice
- ☐ Indemnification clause in favor of the association reviewed by attorney
- ☐ Association attorney has reviewed and approved the contract before board signature

Board member signature:

_____

Date signed: _____

Attorney review confirmed:

_____

Attorney name/firm:

_____

> This checklist is not a substitute for legal counsel. Every construction contract over $10,000 should be reviewed by the association's attorney before execution. Florida lien law, bonding requirements, and insurance standards are subject to change; verify current requirements with counsel at time of use.

Tool 8 | County Lien-Search Mini-Tool and COI Cheat-Sheet

How to use this: Two quick-reference tools on one page. Run the lien search before authorizing final payment on any project; keep the COI cheat-sheet with your procurement file for a fast field check on any certificate submitted.

Part A: County Official Records Lien Search

Most Florida county clerks (Orange, Seminole, Lake, Volusia, and others) publish a no-cost public Official Records search. Use it to check for open construction liens against your property before releasing final payment.

County clerk's Official Records search site: _____

Search by property address / legal description on: _____

Any "Claim of Lien" document found (Y/N): _____

If yes, filed by (name), amount, date: _____

Part B: 30-Second COI Cheat-Sheet

- ☐ Certificate holder reads your association's legal name
- ☐ "Additional Insured" is stated, not just "Certificate Holder"
- ☐ General liability: $1M per occurrence / $2M aggregate minimum shown
- ☐ Products and completed-operations coverage box is checked
- ☐ Policy expiration date is after your expected project completion
- ☐ Workers' compensation section shows a policy, or a verified exemption (Section 3)
- ☐ Insurer name and phone number verified independently, not from this document

> A lien search is not a substitute for collecting lien waivers (Section 6). Use both together: lien waivers are the contractor's promise, the county record is the independent check.

Every job below was self-performed by ESS crews. The same people who give you the estimate do the work.



Structural concrete placement self-performed by ESS crews. No unvetted concrete subcontractors on our jobs.



Concrete flatwork, edging, and sidewalk repair: ESS in-house on Central Florida HOA and condo properties.



Pressure washing and surface preparation before waterproofing applications. ESS completes this in sequence, not as a separate subcontract.



Drainage, grading, and site work managed in house. Proper drainage is the first line of defense for concrete longevity.

SERVICE AREA

Element Service Solutions serves community associations throughout Central Florida, including Orlando, Sanford, and the Seminole, Orange, Lake, and Volusia County communities in between. Our crews are local, our license is Florida-issued, and our focus stays on the associations we can reach, inspect, and stand behind.

Vetting works both directions. Here is more of what "self-performed, licensed, and documented" looks like on an active Central Florida job site.



Formwork set to spec before a structural pour. Material specifications and forming tolerances are confirmed in writing before concrete goes in, per the same detailed-proposal standard covered in Section 4.



Surface leveling and finish work, self-performed, not handed off to an unvetted concrete sub mid-project.



Site work and grading managed by the same crew and the same license, start to finish, no unexplained subcontractor handoffs.



Balcony and stucco restoration, the same structural-repair category referenced throughout this guide.

RELATED GUIDES IN THIS SERIES

For the concrete restoration methods and severity scale referenced in Section 5's reference-check questions, see **Concrete Spalling & Restoration**. For the reserve-funding math a board needs before authorizing a project of this size, see **Reserve & Budget Planning**.

Disclaimer

This guide is a general educational resource for Florida community association boards and community association managers. It does not constitute legal, financial, engineering, insurance, or professional advice. Florida contractor licensing requirements, insurance standards, lien law procedures, bond requirements, and related statutes are subject to legislative change and vary by project type and jurisdiction. Element Service Solutions makes no warranty regarding the accuracy or completeness of information herein. Always verify contractor credentials directly with the Florida Department of Business and Professional Regulation at myfloridalicense.com, and consult a licensed Florida attorney before entering any construction contract or making any procurement decision. Any numbers, cost ranges, or illustrative figures in this guide are for planning reference only and should not be relied upon as project-specific estimates.

Key Sources

DBPR Enforcement Data: Florida Department of Business and Professional Regulation, Division of Regulation, FY 2023-24 Annual Report (www2.myfloridalicense.com): 22,003 complaints processed and 2,658 enforcement actions completed across all regulated professions. 2025 Accomplishments Report: statewide unlicensed-activity public-education campaign generated $2.56 million in media value.

"Flood of Fraud" Operations: Pinellas County Sheriff's Office press releases, October and November 2024; Tampa Bay Times, WFLA News, Fox 13 Tampa Bay coverage, October-November 2024. Flood of Fraud (Madeira Beach, Oct 22-24, 2024): 64 arrests, 102 criminal charges. Flood of Fraud 2 (Clearwater Beach, Nov 6-7, 2024): 40+ arrests, 25 from outside Pinellas County. DBPR two-week post-hurricane enforcement: 50+ arrests, $250,000+ in scams prevented.

Recovery Fund Statistics and Eligibility: Florida DBPR Construction Industry Recovery Fund data, as reported by the Florida Bar Journal and WINK News investigations. Claims paid to homeowners: FY 2021-22, 141 claims, $2,736,747; FY 2022-23, 232 claims, $4,449,552; three-year average (FY 2020-21 through FY 2022-23), $2,882,184 per year. Per-claim limit raised to $100,000 effective July 1, 2024. Eligibility structured around individual-homeowner claims per FS 489.140; community associations are largely not eligible claimants.

Workers' Comp Cost and Exemption Rule: National Council on Compensation Insurance (NCCI), average lost-time claim cost 2022-23 accident year: $47,316. Construction-industry officer/member exemption (up to 3 individuals) verifiable via the Florida CFO's exemption lookup at myfloridacfo.com.

Florida Lien Law: Florida Statutes Chapter 713, Construction Liens.

License Types: Florida DBPR Construction Industry Licensing Board, license classification definitions, www2.myfloridalicense.com.

Construction-Defect Litigation Defense Costs: Illustrative range ($35,000-$85,000) reported by Florida construction law practitioners; presented as a planning range, not a single verified statistic.

Construction procurement principles reflect widely documented industry experience that artificially low bids tend to be recovered through change orders, substitution, and schedule slippage; figures and ranges in this guide are illustrative planning references, not project estimates.

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