

Licensing Reform Task Force Construction Subcommittee

SUMMARY RECOMMENDATION: CONTRACTOR INSURANCE ATTESTATION

Recommendation

The **Construction Subcommittee** recommends that the full **Licensing Reform Task Force** direct staff to evaluate and, if feasible, develop a contractor licensing or registration attestation requiring contractors to affirm that they maintain liability insurance appropriate to the type and scope of work they perform or hold themselves out as performing. The attestation should be implemented as a checkbox or equivalent certification on the contractor licensing or registration application, renewal form, or online portal.

Executive Order No. 1-2026 Report Elements Addressed

This recommendation addresses several report elements identified in **Executive Order No. 1-2026** for the Task Force's initial written report to the Governor. Specifically, the contractor insurance attestation recommendation addresses:

- **Public health, safety, or welfare hazard.** The recommendation is directed at whether unverified contractor insurance status creates a foreseeable consumer-protection risk when contractors perform work without coverage appropriate to the type and scope of work advertised or performed.
- **Public benefit provided by licensure or registration.** The proposal supports the public-benefit rationale for contractor licensing or registration by adding a modest accountability mechanism tied to consumer protection.
- **Cost of service to the public.** Because the proposal begins with self-attestation rather than full Department verification of insurance policies, it is designed to improve consumer protection without materially increasing administrative costs or compliance burdens.
- **Unnecessary barriers to entry.** The recommendation avoids creating a new up-front insurance-review program and instead asks staff to evaluate a low-burden checkbox, reducing the risk that the reform becomes an unnecessary licensing barrier.
- **Workforce shortages or access constraints.** For construction-related occupations, the recommendation should be evaluated to ensure it does not restrict entry or reduce provider availability, particularly in rural or frontier communities.
- **Public support for continued licensure or registration.** The proposal responds to public comment and may help demonstrate that contractor registration or licensing can be tailored to consumer-protection concerns without unnecessary regulatory expansion.

- **Proposed legislation for the 2027 Montana Legislative Session.** Staff should determine whether the attestation can be implemented administratively or whether rulemaking or legislation is needed; if legislation is necessary, the recommendation could be included in the Task Force’s 2027 legislative proposals.

Policy Assessment

Benefits

The recommendation is best treated as a **first-step administrative reform**. Its principal benefit is that it promotes contractor accountability and consumer awareness without requiring DLI to operate a full insurance-verification program. It may also create a clearer enforcement hook where a contractor knowingly provides false or misleading information.

Limitations

The principal limitation is that a checkbox does **not verify actual coverage**. Insurance policies may contain exclusions, limits, classifications, or other terms that Department staff may not be positioned to evaluate. For that reason, any attestation should be paired with clear disclaimers and consumer-facing education, and staff should avoid language implying that DLI guarantees coverage.

Motion

The **Construction Subcommittee** moves to advance the **recommendation for staff analysis and potential implementation language**, rather than adopt final statutory or rule language now. Staff should report back on whether the checkbox can be implemented administratively, whether rulemaking or legislation is required, and what language best advances consumer protection while avoiding any implication that DLI guarantees contractor insurance coverage.