



State of New Jersey

DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
REGULATED BUSINESS SECTION
HOME IMPROVEMENT CONTRACTORS
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NOTICE TO HOME IMPROVEMENT AND HOME ELEVATION CONTRACTOR BUSINESSES REGARDING CHANGES TO THE LAW AND NEW REQUIREMENTS FOR REGISTRATION

Dear applicants,

On January 8, 2024, Governor Murphy signed into law P.L. 2023, c. 237, which: amended the Contractors' Business Registration Act ("CBRA," formerly the "Contractors' Registration Act"), N.J.S.A. 56:8-136 et seq.; created the "Home Improvement and Home Elevation Contractor Licensing Act," N.J.S.A. 45:5AAA-1 et seq.; and established the New Jersey State Board of Home Improvement and Home Elevation Contractors. As amended, the CBRA, among other things, now requires Home Improvement Contractor Businesses and Home Elevation Contractor Businesses ("HICBs/HECBs") (formerly "HICs/HECs"), to maintain workers' compensation insurance, unless exempt under law, and to obtain to a compliance bond, letter of credit, or other security ("additional security"), discussed below. HICBs/HECBs must also still maintain commercial general liability insurance as well, as was already required. Thus, effective immediately, in order to obtain, renew or reinstate a registration, all HICBs and HECBs must have: 1) workers' compensation insurance, unless exempt; 2) an additional security; and 3) commercial general liability insurance in a minimum amount of \$500,000 per occurrence for HICBs and \$1,000,000 per occurrence for HECBs, as previously required by law. With respect to the new workers' compensation insurance requirement, please see N.J.S.A 34:15-1 et seq., to determine if you may be exempt. You may also wish to review the New Jersey Department of Labor and Workforce Development guide here:

https://www.nj.gov/labor/workerscompensation/assets/PDFs/Forms/WC-373.pdf.

With respect to the new additional security requirement, pursuant to N.J.S.A. 56:8-142, all HICBs and HECBs must maintain additional security in the form of a compliance bond, irrevocable letter of credit, or securities, money or other security. The principal sum of the additional security must be a minimum of:

- 1. \$50,000 for the performance of services pursuant to a contract valued at more than \$120,000 or for the performance of services, in the previous 12 months, for contracts valued at a minimum of \$750,000;
2. \$25,000 for the performance of services pursuant to a contract valued between \$10,000 and \$120,000 or for the performance of services, in the previous 12 months, for contracts valued between \$150,000 and \$750,000; and
3. \$10,000 for the performance of services pursuant to a contract valued at less than \$10,000 or for the performance of services, in the previous 12 months, for contracts valued less than \$150,000.

Existing registrations will expire on March 31, 2025; renewal applications will available in January 2025. The registration renewal portal can be found here: https://newjersey.mylicense.com/eGov/Login.aspx?ReturnUrl=%2feGov%2fLogin.

As part of the renewal process you will be asked to submit proof that you are in compliance with the law, including having workers' compensation insurance (unless exempt), having the required additional security, and having the required commercial general liability insurance and other insurances, as applicable. You are advised to take steps now to obtain any coverage or additional security you may not presently have. The failure to do so may delay or result in the denial of the renewal of your registration.

