

Gas & Electrical Advisory

Promoting construction of safe, healthy, habitable buildings

Electrical Contractor Guarantee Bond Increase

Effective July 1, 2018, Electrical Contractor Guarantee Bond Increase

The Ministry of Government Relations has consolidated *The Electrical Licensing Regulations* from three regulations into one, reducing red tape for electrical contractors and providing consumers with better protection while continuing to ensure a high degree of public safety.

The Electrical Contractor Guarantee Bond will be \$10,000 versus the previous \$5,000 coverage, and the bond form will be updated to be more concise.

Gas and Electrical Licensing will apply the new bond rate as licences and bonds come up for renewal, after July 1, 2018.

If you have any questions, call 306-787-4530 8:00 a.m. to 5:00 p.m. Monday to Friday, or email gelicensing@gov.sk.ca.

Questions and Answers

Q. Why did the Ministry of Government Relations increase the bond amount?

A. The current system uses a bond to protect consumers from sub-standard work. The current bond amount of \$5,000 was introduced in 1988. Today, that bond amount is often insufficient to repair sub-standard work or to remedy a non-conforming permit and, in most cases where the bond is insufficient, the consumer must complete the necessary repairs using their own resources.

In consultations with stakeholders, Government Relations suggested increasing bond amounts from \$5,000 to \$10,000 for individuals who apply for or hold an electrical contractor's licence and from \$10,000 to \$30,000 for those licensed electrical contractors who had a claim against their guarantee bond.

Q. Will increasing the bond requirements increase the contractor's costs?

A. Before proceeding with the change, Government Relations consulted the insurance industry who identified that there would be no change in premiums for electrical contractors whose bonds will go up from \$5,000 to \$10,000.

As of May 2018, only two of Saskatchewan's electrical contractors are required to carry bonds of \$10,000. If their bond goes up to \$30,000, they will have to pay an additional \$250-300/year in premiums.

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Q. Who did Government Relations consult with on these changes?

A. Government Relations consulted with the Electrical Contractors Association of Saskatchewan, Saskatchewan Apprenticeship and Trade Certification Commission, and SaskPower Electrical Inspections in 2016 regarding bond amounts. These organizations interact directly with the electrical industry, and all three were in favour of increasing them to protect consumers more effectively.

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Original approved and signed by:
Wm. Hawkins, Executive Director/Chief Building Official

This advisory is published by the Saskatchewan Ministry of Government Relations for purposes of providing information to users on the topic contained herein. In case of conflict between *The Gas Licensing Act*, *The Gas Licensing Regulations*, and this advisory, provisions of the Acts and Regulations shall apply.