



Risk Management

Insurance, WSIB & Liability for Cleaning Services in Ontario

What Ontario property owners, facility managers, and business clients need to know about insurance and liability when hiring a cleaning service.

\$5M

recommended minimum CGL

WSIB **North Bay & Sudbur**

mandatory Ontario requirement

Binx service area

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SECTION 01

Why Insurance Matters When Hiring a Cleaner



Insurance and WSIB verify that a cleaning contractor is operating as a legitimate, responsible business.

Hiring a cleaning service seems straightforward — but it creates legal and financial exposure that most property owners and business managers do not fully understand. When a cleaner enters your property, two significant categories of risk transfer: worker injury and property damage. How those risks are managed depends entirely on the insurance and WSIB status of the contractor you hire.

Two Categories of Risk

- **Worker injury risk:** If a cleaning worker is injured while working at your property, you may have WSIB liability and legal exposure if the contractor does not have proper coverage. This exposure can reach into the tens or hundreds of thousands of dollars.
- **Property damage risk:** Cleaning operations involve access to every surface of your property. Water damage from a burst hose, a broken fixture, or chemical damage to a floor can be costly. Without the cleaner's liability insurance in place, recovery is difficult.

The Informal Cleaner Problem

A significant portion of the residential cleaning market in Ontario consists of informal operators — individuals who clean as a cash side business without insurance or WSIB. Hiring them may appear to save money but transfers both categories of risk directly to the property owner.

SECTION 02

Commercial General Liability Insurance Explained



Commercial general liability insurance is the foundational risk protection for any cleaning contractor.

Commercial General Liability (CGL) insurance covers a cleaning company's legal liability for third-party bodily injury and property damage arising from cleaning operations. It is the most important insurance product to verify before hiring any cleaning contractor.

What CGL Covers in Cleaning Operations

- **Property damage:** Damage to your property caused by the cleaning crew — a broken fixture, a floor damaged by the wrong chemical, water damage from a cleaning incident.
- **Third-party bodily injury:** A building occupant who slips on a wet floor immediately after mopping — the cleaning company's CGL covers their bodily injury claim.
- **Products and completed operations:** Damage or injury that occurs after the cleaning is finished — for example, a client who develops a chemical reaction to a cleaning product used during service.

Coverage Minimums

Why

Lower property values and occupancy risk

Higher property values, commercial liability exposure

Elevated bodily injury risk and regulatory exposure

High-value equipment and complex liability exposure

SECTION 03

WSIB — The Ontario Workers' Compensation System



WSIB protects workers — and protects you from liability when they are injured on your property.

The Workplace Safety and Insurance Board (WSIB) is Ontario's no-fault workers' compensation system. It provides wage replacement and medical benefits to workers injured at work — and, critically, it protects employers and property owners from civil lawsuits by injured workers.

How WSIB Works for Cleaning Services

- If the cleaning company is registered with WSIB: Workers injured during cleaning operations are covered by WSIB. You are protected from civil action by injured workers under WSIB's 'historic trade-off' provision.
- If the cleaning company is NOT registered with WSIB: An injured worker can sue you — as the property owner or 'principal' — for damages. The courts have found property owners liable in these situations, even when they had no direct employment relationship with the worker.
- Clearance certificate: A WSIB clearance certificate confirms that the cleaning company is registered with WSIB and current on its premiums. Request one before every new contract and at least annually on ongoing contracts.

Verify at [wsib.ca](https://www.wsib.ca)

You can verify a clearance certificate at [wsib.ca/en/businesses/getting-clearance-certificates](https://www.wsib.ca/en/businesses/getting-clearance-certificates). Do not accept a photocopied certificate from a previous engagement — always request a current certificate and verify it directly with WSIB.

SECTION 04

What Happens When a Cleaner Is Injured on Your Property



Understanding your exposure before an incident occurs is far better than discovering it after.

A cleaning worker injured on your property creates a chain of events that can directly affect your finances, insurance rates, and legal standing. Understanding this chain before it occurs allows you to take steps that protect you.

Injury Scenario Outcomes

sure

claims WSIB benefits. You are protected from civil action under the WSIB Act.

may sue you as the 'principal contractor' for tort damages. No protection under WSIB.

the cost of damage yourself — no recourse to cleaner's insurance.

n with cleaner's insurer. Your own property insurance may also respond.

The 'Principal Contractor' Rule

Under Ontario's WSIB Act, the owner or general contractor who hires an unregistered subcontractor may be held liable for WSIB premiums and, in some cases, for worker injury costs. Property owners who regularly hire cleaning contractors should confirm WSIB status before each engagement.

SECTION 05

Property Damage During Cleaning – Who Pays?



Clear documentation of the cleaning scope and insurance status is your best protection against damage disputes.

Property damage during cleaning – from flooding caused by a left-on tap, to chemical damage on a specialty floor, to a broken fixture – is more common than most property owners expect. How these situations are resolved depends entirely on preparation.

Preventing and Managing Property Damage

- 1 Verify Insurance Before Service Begins**
Request and verify the certificate of insurance before the cleaning company begins any work on your property.
- 2 Document Pre-Existing Conditions**
Photograph sensitive surfaces, existing damage, and valuable items before cleaning begins. This baseline is essential if damage occurs.
- 3 Specify the Scope in Writing**
A written scope of work that specifies which surfaces and products may be used limits liability for both parties.
- 4 Report Damage Immediately**
Any damage discovered during or after cleaning must be reported to the cleaning company's supervisor in writing – not verbally – as soon as it is found.

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File with Cleaner's Insurer

The cleaning company's CGL is the first port of call for property damage claims. Obtain the insurer's name and policy number before service begins.

SECTION 06

Employee vs. Independent Contractor – The Hidden Risk



The employee/contractor distinction carries significant legal and tax implications in Ontario.

Some cleaning companies use independent contractors rather than employees – which can affect WSIB coverage, tax obligations, and your liability exposure. Understanding this distinction protects you from unexpected obligations.

Key Distinctions

- **Employee:** The cleaning company employs the worker directly. WSIB coverage, source deductions (income tax, CPP, EI), and employer obligations fall on the cleaning company. You are protected.
- **Independent contractor (registered business):** The worker is self-employed, has their own business number, and is responsible for their own WSIB registration and tax obligations. A legitimate independent contractor should be able to show you their WSIB registration.
- **Informal individual ('under the table'):** A worker paid in cash with no formal business structure. No WSIB. No insurance. Your exposure as the property owner is maximum.
- **Canada Revenue Agency test:** CRA applies a multi-factor test to determine whether a working relationship is employment or contracting. Misclassification carries payroll tax and CPP/EI liability.

The Safest Path

The safest approach is to hire a cleaning company (incorporated or registered business) that employs its workers directly, carries full WSIB coverage, and can provide an active certificate of insurance. This eliminates the classification ambiguity entirely.

SECTION 07

Bonding and Theft Coverage



Bonding provides a financial remedy if cleaning staff commit theft on your property.

Bonding is a fidelity coverage product that provides financial compensation if a cleaning employee steals from your property. It is distinct from general liability insurance and is an additional layer of protection for high-value environments.

Understanding Bonding

- What bonding covers: Theft by cleaning staff — money, valuables, equipment, or data taken from your property by a cleaning worker.
- What bonding does NOT cover: Property damage, bodily injury, or any non-theft loss. These are covered by CGL insurance.
- Bonding limits: Typically \$10,000–\$50,000 per occurrence for commercial cleaning bonds. Higher limits are available for high-value environments.
- Bonding process: To collect on a bond, the theft must typically be proven — a police report is usually required. The bar is higher than making a CGL property damage claim.

Background Checks as Complementary Control

Bonding provides financial recovery after a theft. Background checks prevent theft from occurring in the first place. Both controls together — bonding plus staff background checks — represent the highest standard of protection available for cleaning service engagements.

SECTION 08

Verifying Coverage – What to Request



Requesting and verifying insurance documentation is a simple step that eliminates your exposure.

Verifying coverage is straightforward when you know what to request. The following documents should be obtained from every cleaning contractor before work begins, and renewed at least annually on ongoing contracts.

Documentation to Request

- Certificate of Insurance (COI) – confirms CGL coverage, policy number, limits, and coverage period
- Additional Insured Endorsement – request this for commercial contracts; adds you as a named additional insured
- WSIB Clearance Certificate – confirms current WSIB registration and premium status
- WSIB account number – verify independently at wsib.ca
- Business registration number – confirms the company is a registered Ontario business
- HST registration number – confirms the company collects and remits HST (relevant for commercial clients claiming input tax credits)

Renew Annually

Insurance certificates and WSIB clearances expire. Set a calendar reminder to request renewed documentation at the start of each calendar year for all ongoing cleaning contracts. A lapsed certificate means you are operating without verified coverage.

SECTION 09

Insurance for Commercial Cleaning Contracts



Commercial cleaning contracts should include explicit insurance provisions that both parties acknowledge.

Commercial cleaning contracts — for offices, facilities, industrial properties, and multi-unit residential buildings — should include explicit insurance and WSIB provisions that create a formal record of the requirements both parties have acknowledged.

Contract Insurance Provisions

- Minimum CGL limit specified (e.g., '\$5,000,000 per occurrence')
- Client named as additional insured on cleaner's CGL policy
- Requirement for current WSIB clearance certificate
- Requirement to notify client of any change in insurance status during the contract
- Requirement to maintain insurance continuously throughout the contract term
- Right to audit: client may request a current certificate at any time during the contract
- Indemnification clause: cleaner indemnifies client for claims arising from cleaning operations

Additional Insured Endorsement

Asking to be named as an additional insured is a standard commercial practice. It means that if a claim arises from the cleaning company's work, you can make a claim directly against their insurer — not just pursue the cleaning company itself. Any reputable cleaning contractor will accommodate this request at

SECTION 10

Building a Risk-Managed Cleaning Program



A risk-managed cleaning program addresses insurance, contracts, documentation, and ongoing verification.

Building a risk-managed cleaning program means addressing the full lifecycle of risk — from contractor selection through ongoing contract management. The goal is not to eliminate all risk, but to ensure that when something goes wrong, the exposure is managed, documented, and insurable.

Risk Management Checklist

- Pre-contract: verify CGL, WSIB, and business registration before authorizing work
- Contract: written scope with insurance provisions, indemnification, and WSIB requirement
- Onboarding: obtain and file all insurance documentation with contract
- Annual renewal: request updated COI and WSIB clearance each January
- Incident response: documented procedure for damage or injury events
- Staff access: formal key/fob/access control log for cleaning contractor access
- Service log: signed completion records retained for minimum 2 years
- Annual review: review contractor's insurance status and service performance annually

Binx Insurance Compliance

Binx Professional Cleaning carries \$5 million commercial general liability insurance and full WSIB coverage. We provide certificates of insurance on request, name additional insureds as required, and maintain documentation files for all commercial accounts. Call (705) 845-0998 or visit binx.ca.

ABOUT BINX

Why Clients Trust Binx Professional Cleaning

\$	W	Q	G
\$5M	WSIB	Quality	100%
Liability Insurance	Full Coverage	Audit Verified	Green Certified

Binx Professional Cleaning is a locally owned and operated cleaning company serving North Bay, Sudbury, and surrounding communities in Northern Ontario. With 70+ trained cleaning professionals, we deliver consistent, verified, and insured cleaning services to over 200 commercial and residential clients every week.

We are proud partners of Cleaning for a Reason, providing free cleaning services to cancer patients in our community. We use 100% green-certified Green Cleaning Chemical products across every account. Every cleaning visit is verified through our Quality Audit inspection platform – so you never have to wonder whether the work was done.



Fully Insured Cleaning Services — North Bay & Sudbury

Binx Professional Cleaning carries \$5M commercial general liability insurance and full WSIB coverage. We provide certificates on request and add additional insured status for commercial clients. Call (705) 845-0998 or visit binx.ca.

Get a Free Quote — binx.ca/contact

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