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## When are Expenses Incurred?

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*When an insured hires a builder to make repairs, signs a contract with the builder, have they in fact "incurred" the cost and be entitled to the portion of the holdback amount above the ACV be released?*

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**Ohio Subscriber**

The policy doesn't define incurred, and courts generally refer to a standard dictionary since that is what insured's have access to. Merriam Webster online defines incurred as: to become [liable](#) or [subject](#) to: bring down upon oneself. Therefore the signing of a contract, even though no money has changed hands, can be seen as incurred expenses, and thus the holdback should be paid.