

Tradesman insurance explained



What types of trades are covered?

The job of a specialist insurer is to understand your business and provide tailored cover that matches your risks. For this reason the type of trades covered is endless, so if you meet the criteria above it could be that this is right for you.

What is Tradesman Insurance?

Tradesman insurance is a business insurance policy for professionals in their field that covers several different important aspects, including your equipment, cover for your on-going works, compensation costs following a legal claim against you and other optional extras depending on the work you do.

To qualify as a tradesmen you must be deemed as a professional in your field of work and be over the age of 16. It's that simple. Generally, tradesman insurance is designed for people working in their own home, outside, on their clients' property, so if you own or rent a specific business premises you may need to inquire into full business insurance.

What insurance features do I need?

Your advisor can help you understand the different covers and the exact levels you might need during a quotation but we have listed some of the main features below. Many policies (our own included) have various covers packaged together. Sometimes it affects the price to remove unnecessary cover, other times it doesn't and therefore sometimes the best policy for you might have extra cover you wouldn't necessarily think you could use. The job of your insurance provider is to find the best option for you in terms of price and quality of cover, using all the options of packaged policies and optional extras.

Suitable insurance for:

Plumber,
Electrician,
Builder,
Painter,
Cake maker,
Consultant,
Dog walker,
and hundreds more

Public Liability

You'd be hard pushed to find a business in these times that didn't need public liability insurance. This is vital cover that protects you and your business against personal injury or loss of your client's property and that of the public while you work. Read more on public liability insurance here.

Employers' Liability

This is a legal obligation to all businesses with any number of staff members, even unpaid or contracted staff. EL will protect you and your employees should they become injured while working for you. Read more on employer's liability insurance here.

'Contract Works' cover

This will provide cover against an insurable event that stops you fulfilling a contract. An example would be when a storm destroys a structure a builder is building. Please note, contract works will only cover the parts of the building that you are working on, not the existing structure. The builder is liable for the materials, labour and extra time to finish contract. Cover can start around £25,000 but you can discuss what you might need if you think you require a higher level.

'Own Plant' cover and 'Hired In Plant' cover.

If you own and/or hire equipment for your job you will be liable for their replacement should they be damaged or stolen. Own plant cover is insurance for the equipment you own. Hired plant cover is for that which you hire. It is possible to get yearly rates on hired in cover so if you make regular hires in a year, speak with your advisor about which might be the cheapest option.

Optional tradesman cover

With the hundreds of different types of trade there comes a variety of different optional insurance feature, many that only apply to certain groups. We have listed some of the main features below.

- **Tax investigation** – With investigation and prosecution on the rise and a 90% prosecution success rate should your business come under investigation for tax reasons. This cover will protect you against loss of earnings during that time.
- **Jury Service** – This will protect your income if you were called up for jury service during a contracted job.
- **Personal accident** – If you run your own business, a sickness or injury that stops you from working can be as effective as throwing money away. Personal accident insurance covers you for these eventualities and can even include permanent injury and death. There are many different levels of cover though so for more information discuss with your insurance advisor.
- **Tools** – Cover for your business tools against theft, damage or loss. You also have the option to cover them when left in your vehicle overnight. Not all tradesman use tools though so this feature is not always included as standard. If you need this cover or want to know more make it clear during the quote process.
- **Efficacy cover** – This protects you against an insurance claim from a customer where the product that has been sold, or service provided failed to do the job it was intended for. For example. If you install security alarms and a faulty installation led to a successful burglary of the property you could be held liable.



What to look out for

With the goal of any specialist insurer being to provide bespoke cover against all the risks you face in your particular business, if there is some standard exclusion that do work for you they can help you work round them. This being so the following list shows examples of exclusions that may apply but that also can be worked around by should they not be suitable for your business.

- **Airports, railway, nuclear power station, docks, mines and harbours** – This excludes work undertaken in these locations when it makes up the majority of your work. If you spend less than 25% of your time working in any of these locations then cover then this exclusion will not affect you. More than that and specialist trades insurers can be approached for quotes.
- **Depth and height restrictions** – This exclusion varies between each insurer but commonly any work done deeper than four or five down or fifteen metres up (above the immediate ground around you when you are inside) is not covered. Specialist cover can be found for work in work in higher or lower locations.
- **Work abroad** – Cover for work you do abroad is not always standard or may have significant exclusions such as only up to 20% of your work can be undertaken outside the UK but inside the EU. If you work abroad for any amount of time, in any capacity, make sure you check your insurance agreement provides adequate cover.
- **Asbestos** – Normal tradesman insurance will cover you for accidental contact with asbestos. If taking on planned asbestos work you will need to locate specialised asbestos cover.

