



Trades Insurance at a glance

What are the key risks for tradies?

From putting up scaffolding to welding and bricklaying, there's always a lot happening on a building site, no matter if it's a tall structure or a residential dwelling and everything in between. Which is why it's so important to have insurance.

The hazardous environment of most building sites is one of the biggest risks tradies such as electricians, plumbers and carpenters face. Hot works, incomplete electrics and scaffolding are just some of the hazards tradies navigate every day. The need to use often-dangerous tools can also increase the chance of physical injury. This means the risk of injury can be much higher than for people working in places like an office.

If you employ contractors, there can be an additional risk they will become injured and they could make a claim against you. Theft of tools from building sites or vehicles is another significant problem for trades workers.

"Almost 190 Australian tradespeople lodge workers compensation claims every day."

SafeWork Australia, 31 July 2022

Who should consider insurance?

Trades insurance is a good idea for sub-contractors and sole traders. If you are a subcontractor, you may be able to make a claim on the main contractor's policy. But it can be dangerous to rely on these policies as you may not be covered and do not have any control over it.

Did you know?

58%

Tradies constitute 30 per cent of the total workforce but account for 58 per cent of serious claims.

(Stay Safe News, 2023)

5-6

The average amount of downtime for tradies due to injury is 5-6 weeks.

(OHS Compliance Solutions, 2021)



The most common types of serious injury claims for tradies in the last five years are traumatic joint injuries.

(Goodwork, 2023)

What insurance should you take out – and what can it cover?

Insurance can protect you and your employees.

Type of cover	Potential benefits
Trades Insurance	Trades insurance can protect: <ul style="list-style-type: none">• Your income if you are injured or sick and unable to work for an extended period. A lot of trades insurance policies have a personal accident and sickness option. If they do not, stand-alone policies are widely available. If tradies are injured and carry on a business through a corporate structure, they may be able to make a claim under workers' compensation insurance.• Your tools while on-site or off-site. It's important to understand insurance may not be site-specific. Tools can be stolen from the back of the truck or a shed in the back yard, for example, and the insurance may still provide protection.• The motor vehicle you use in your business.• Your exposure to claims against you for personal injury or property damage.
Liability cover in trades insurance policies	Most building contracts require tradies to have Public Liability insurance if the value of the contract is above a certain figure. Even if the value of the contract is not above the figure, it can be prudent for tradies to have their own Public Liability insurance. This may protect against adverse events such as personal injury or property damage caused by faulty building works. Even something as simple as a trip or fall by someone over your power lead.

What usually isn't covered?



Generally, liability insurance sold in a trades insurance pack only covers personal injury or property damage caused by personal injury. It usually doesn't cover delays to projects and cost overruns unless they are caused by personal injury or property damage.

Case Study



Sam, a licensed electrician, was contracted to wire a new building. A month later, his faulty work caused a fire that led to substantial damage to the building. As he had Public Liability insurance in place, his liability for the cost of rectifying the damage caused by the fire was covered by the policy.

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