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The tradie's guide to insurance



You've got your tools, you've got your ute, you've got your ABN. You're all set, right? Not so fast. It's important to cover your back, too – here's a guide to what insurance you'll need and when.

Most tradies like to run their own race. And fair enough. If you wanted someone looking over your shoulder 24/7, you would have taken a desk job.

But having someone watch your back? Well, that's something else altogether. It's also something Steadfast brokers specialise in.

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Here are the top exposures tradies need to cover their backs against.

1. Product Liability Insurance

No matter how good your handy work usually is, every now and then you can get stitched up by a faulty product.

And it doesn't matter if the work was done ages ago, whether it was the manufacturer's fault or if the claim seems bogus – if something goes wrong with a product you've installed, you could find yourself defending a claim.

So if you're a tradie who supplies or installs goods, then you'll want to consider Product Liability insurance.

2. Employer Liability Insurance/Workers' Compensation

In all states and territories, employers are required by law to take out workers' compensation for their

employees.

But it's not just slips and trips that you need to protect your workers against. You also need to foster a positive working environment to ensure your apprentices are not harshly treated by their more seasoned colleagues.

Tradies and construction workers have the highest suicide rates of any occupation in Australia, and young men are particularly vulnerable, so it's important to take steps to stamp out bullying or harassment on your worksite.

3. Public Liability Insurance

Say a contractor who's not your employee is injured while visiting your work site. Even if you've done your best to maintain a safe environment, you might still wear a claim if the insurer underwriting their workers' compensation believes you're at fault.

"Their insurer might say 'we're going to sue you for that workers comp claim we just paid'" explains Clark. "That would generally refer back to your public liability policy if it has been structured properly."

Meaning that if you've got your ducks in a row, you should be right – your public liability policy should take care of it.

4. Material Damage Insurance

This is the number one exposure for carpenters, mostly because their tools are always getting nicked.

But Material Damage insurance can cover much more. It's main purpose is to replace a lost or damaged asset, including buildings, fixtures and fittings.

After all, things often happen that are simply beyond your control, including storm and weather damage, someone stripping a site's copper, bored teenagers damaging a worksite or even a fire spreading to the site.

Final considerations

Depending on your business, there are many other insurance protections you may need to consider, including professional indemnity, motor and equipment breakdown.

Then there are policies to help protect you and your family's income, including life insurance, income protection and trauma.

Your best bet, says Clark, is to prepare yourself by seeking help from an experienced insurance broker.

"It's important to team up with a broker you're confident with, have trust in and who either has expertise or has support from someone like Steadfast" says Clark.

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