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Guide to insurance for  
Trades Professionals

# PEACE OF MIND FOR THE UK'S TRADES PROFESSIONALS ...WE'VE GOT YOU COVERED.

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## Introduction

According to the Office for National Statistics (ONS), in Q4 of 2021 (Oct to Dec) there were approximately 4,184 million self-employed professionals in the UK. Of this total, 798,000 worked in construction-related professions, including: painters and decorators, electricians, plumbers, plasterers, brickies, chippies, and handymen to name but a few!

## Why do trades professionals need business insurance?

Whether you're one man with a van or an established firm that's been around for decades, your trades business needs to be protected in case of errors, accidents, theft or damage with trades insurance.

If you're not holding the correct level and type of trades insurance, you risk losing a lot of money and putting your business in danger.

Holding the correct insurance for your business is about more than just peace of mind. It shows your customers how professional you are, in that you care about your business and the welfare of your customer's projects and their property.

If something goes wrong with a project, your insurance will help get your business back quickly and keep customer's projects on track and your reputation intact.

This guide has been written specifically with trades professions in mind, to explain the insurance protection on offer and how each policy is of benefit to your business.





Liability insurance helps to protect your business, your employees, and members of the public, by offering cover for compensation claims in the event of accidents.

**Business insurance for trades professionals:**

## TRADES PUBLIC LIABILITY INSURANCE (PL)

By the very nature of your profession, tradespeople interact with the general public on a daily basis. As a trades professional you're either working on jobs in customers' homes or you're working with other tradesmen on commercial construction sites. As a result, Public Liability insurance (PL) is the most common type of insurance that trades professionals need.

Public Liability insurance provides cover for your business should a claim be made against you for damage to a customers' property whilst working on a job for that customer. It will also cover you if you are alleged to have caused an accident such as a member of the public tripping over your toolbox and injuring themselves in the process.

A couple of examples could be:

You are working on a construction site operating plant machinery. You forget to properly safeguard a machine after using it, which causes an accident, injuring another site worker and damaging the equipment. The client you are working for makes a claim against you for damages, while the other site worker makes a claim against you for compensation.

You're a plumber who is called out to a customer's house to install new pipework. You accidentally cause a flood which damages the carpets in the customer's home. As a result they make a claim against you for the cleaning or replacement of the damaged carpets.

## PRODUCTS LIABILITY INSURANCE

This policy will cover your legal liability for damages and costs awarded against you arising from any claim made due to:

- injury to any person
- loss or damage to material property

occurring anywhere in the world during the period of insurance by the nature or condition of any product initially sold or supplied by you from within the UK.



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PI will cover you for claims made against you by clients who allege that negligence in your work has caused them to lose money.

## TRADES PROFESSIONAL INDEMNITY INSURANCE (PI)

Professional indemnity insurance (PI) protects your trades business if a client is unhappy with your work or advice. It will cover legal costs and expenses in defending a claim as well as compensation due to your client for loss or damages.

Examples could include incorrect designs, not using the correct materials as detailed in the specification, misinterpreting a design or misreading measurements in a design resulting in a project not being fit for purpose.

Standard professional indemnity policies may exclude any claims relating to an incorrect design, build, maintenance work or installation. Trades professional indemnity policies are worded specifically to cover these types of claims to provide cover for costs incurred in remediation work or mitigating a loss or potential loss that may otherwise result in a claim.

## EMPLOYERS' LIABILITY INSURANCE (EL)

Tradesmen take on an apprentice, junior staff, admin staff, and some even grow their businesses to become micro/small operations with five or more members of staff – especially those who undertake larger projects such as house builds and conservatories.

If you employ staff you are responsible for their health and safety while they are at work. Your employees may suffer injured or disease whilst in your employment, or your former employees may contract a disease as a result of work they undertook while in your employment.

Employers' Liability insurance (EL) is a compulsory insurance requirement under the Employers Liability Act (1969) and is a criminal offence not to carry cover if you employ staff. The legal minimum of cover is £5million.

The policy will enable you to meet the cost of compensation for your employees' injuries or disease. Cover can include medical costs, legal costs, and loss of income, as well as other damages. As an example, your employee could fall from a ladder. Or it could be an employee working with drills for hours resulting in them suffering a repetitive strain injury.



I had spoken to Caunce O'Hara prior to the transaction and it all went smoothly for me. I have used them now for 12 years.

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Tool theft is common, so it pays to have your tools insured. Extending your policy to include tools insurance could save you thousands of pounds, eliminate stress and help you get back 'on the tools' quicker.



## TOOLS & TRADE MATERIALS INSURANCE

Tool theft is common, so it pays to have your tools insured. The average tool theft claim in the UK is now estimated at £1,692 according to research by Powertools2U.

Extending your policy to include tools insurance could save you thousands of pounds, eliminate stress and help you get back 'on the tools' quicker. Tools insurance can also cover you if your tools are lost or damaged.

Tools insurance cover ranges from £1,000 to £5,000. In the event of a claim being made, we will pay you the amount of the loss or to replace your equipment.

Three tips to help you easily identify what tools have been taken, if your vehicle is broken into.

- Keep hold of all your tool receipts in case you have to make a claim.
- Keep a log of all the tools you are storing in your van.
- Keep a note of the serial number of each item, where possible.

## VAN & GOODS IN TRANSIT INSURANCE

Goods In Transit cover is available as an extra on a tradesman van insurance policy. It protects property against loss or damage while they are in transit from one place to another.

A goods in transit insurance policy will protect you from:

- Theft while in transit
- Damage caused by accidents during transit
- Loss during transit
- Damage caused during transit



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Protecting your office contents is vital for the smooth running of your business to help ensure you can operate in the event of instances such as theft or damage.

## BUILDINGS & OFFICE CONTENTS INSURANCE

If you own premises, ensure you carry buildings cover to protect against theft and damage. Whether you work in an office or from home, contents insurance will cover your office contents including computers, furniture, stationery and documents whilst within your property, including risks such as theft, fire, water damage from burst pipes and malicious damage.

You may not own business premises, but your company might own expensive contents such as laptops, mobile phones, and other equipment. In which case contents insurance would still be an advisable way to protect your property.

### Level of cover

You can select to cover the value of your office contents up to £10,000. The cover is subject to an excess of £100 which means that you will pay the first £100 of any loss or damage. In respect of mobile phones, the policy excess increases to £250 each and every claim. Don't forget that the value you should use is the new replacement cost of the items.

### Additional cost of working

This section provides cover for any expenses incurred for temporary hire of replacement equipment following damage to any of your items insured under the office contents or portable equipment sections. It must be proved that you would have suffered loss of revenue had you not incurred the expense of hiring the replacement equipment.

## PORTABLE EQUIPMENT INSURANCE

As a tradesperson, you'll likely undertake location-based projects on a client's premises or construction site. If you accidentally lose or damage your electronic equipment, or have it stolen, the policy can help get you back on track with the minimum of downtime and provide you with peace of mind that you can still meet your client deadlines.

The policy provides up to £5,000 of cover for devices including:

- Laptops
- Mobile phones
- Digital cameras
- Hardware and tools
- Projectors
- Printers
- Video cameras and equipment

Portable Equipment insurance starts with £1,000 of cover and is offered as part of our Business Combined insurance policy.



Company insurances renewed for another year with Caunce O'Hara. No drama, issues or concerns.

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Directors, managers and supervisors can face allegations and claims for which they may be personally liable. It is important to remember that only shareholders have limited liability.

## DIRECTORS & OFFICERS INSURANCE (D&O)

Directors & Officers insurance (D&O) covers the costs of defending you as a director against allegations of wrongful acts or mismanagement, disqualification as a director, and investigations. You should consider this policy if your trades business operates as a limited company.

If someone makes an unsuccessful claim against your business, they are entitled to submit a claim against you (the director) on a personal level, which would put your personal assets at risk if you did not hold D&O insurance.

## PERSONAL ACCIDENT INSURANCE

How would you cope if an injury or illnesses prevented you from being able to work?

Occupational personal accident insurance provides financial help should you suffer from an injury or illness and has the ability to incorporate cover for business and holiday travel worldwide in any one year for you and your family.

Note: read the small print as personal accident policies tend not to cover Coronavirus (Covid-19).



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Secure handling of sensitive data about your staff and clients is vital. A data breach from a cyber-attack can result in a loss of confidence, damaged reputation, and lost clients and revenue.

## CYBER INSURANCE

Due to the world's ever-growing reliance on technology, we're all more vulnerable to viruses, ransomware, phishing emails and other cyber-attacks, and anti-virus software can only do so much to help.

As a small business owner you will likely hold the details of your clients and your suppliers. These details can include sensitive data such as bank accounts and sort codes.

You will likely use your email account for correspondence between your business and your clients for quoting and with your suppliers for orders, both of which can result in the passing of computer viruses from one machine to another.

As such, you will need to adhere to data protection laws which apply to anyone who processes or controls data. This means all departments and individuals within your business will need to be aware of the GDPR legislation and how it can impact their daily tasks.

The risks of a data breach are not confined to immediate monetary loss, but also include:

- Loss of trust from existing clients = loss of future ongoing revenue
- Damaged reputation = takes longer to win new business and recover
- Negligence claims from clients = damages and compensation payments to clients
- Potential penalties/fines = significant revenue loss.

Cyber insurance can be highly beneficial for a company's reputation and its ability to continue trading, and will provide access to a cyber response helpline, manned by information security experts, as well as covering you for:

- The costs of restoring data and equipment
- Informing clients of a data breach
- Assistance in the event of a ransom demand
- Loss of your net profit
- Your legal defence costs and damages you are legally liable to pay to other parties.



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Plant insurance will cover the costs of continuing hire charges you incur while stolen plant is replaced or damaged plant is repaired, or to replace your own plant machinery if it is stolen or damaged.



## PLANT INSURANCE

Plant insurance is designed to cover the costs of continuing hiring charges you incur while the plant is replaced or repaired, or to replace your own plant machinery if it is stolen or damaged. Cover is typically available as part of an insurance package or can be for individual items, from small portable tools such as power tools, to larger equipment e.g: cherry pickers, and mini-diggers.

### **Does your business need plant insurance?**

If your building extensions, laying drainage pipes, landscaping gardens, you'll likely operate plant machinery. Millions of pounds of plant machinery is stolen from building sites every year. Vandalism is also a problem, as are the elements and the every day hazards of a construction site. Each of which can cause significant damage.

If you've leased plant equipment you'll typically sign an agreement saying you're responsible for the equipment while it's under your supervision. If the plant you've hired is damaged or stolen you will be legally liable to replace it. Whether you've hired-in, or own your own plant equipment, it's vital to ensure you're insured, so if you experience plant theft you're not out of action for too long.

### **What does plant insurance cover?**

Plant insurance can provide cover for both hired-in and your own equipment from malicious damage, fire damage, flood and water damage, storm damage and theft. This typically includes while the equipment is on-site and while it is in transit to and from a construction site. The policy will cover the expense of ongoing hire charges until the equipment is replaced or repaired. Levels of cover will vary depending on your insurer and the level of cover you have taken.

### **What does plant insurance cost?**

Plant insurance premiums can vary in cost depending on what cover you need and how secure your site is. In many cases you can help reduce the cost through:

- Installing extra security for your equipment such as CCTV and manned guarding.
- Keeping your plant equipment under cover to protect it from weather damage.

Some plant hire firms will offer insurance for their equipment. This can be restrictive (e.g: exclude cover for accidental damage) and provide less cover than annual plant insurance, which can work out cheaper than taking out a separate policy every time you hire plant equipment.

### **What do you need to consider when choosing plant insurance?**

As with most insurance policies you will need to check with your insurance provider that everything you want cover for can be covered. Some plant insurance policies carry an excess that you need to contribute towards each claim. You can reduce your premium by agreeing to a higher excess, but that means you would need to pay a larger sum in the event of a claim.



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Contract works insurance is an insurance specific to builders and other tradespeople and is a cover designed to protect building works in progress.

## CONTRACT WORKS INSURANCE

Many business owners have limited understanding of exactly what is covered by their public liability insurance policy, which can leave them with a financial dilemma if they need to make a claim only to discover that what they are claiming for isn't covered. Because of this, Contract Works insurance is often overlooked as an essential form of cover yet it can prove to be a very astute investment in your business to carry this type of cover.

### **What is Contract Works insurance and what does it cover?**

Contract works insurance, sometimes known as Contractors All Risks, is an insurance specific to builders and other tradespeople and is a cover designed to protect building works in progress. The policy will cover the cost of having to re-do work that is part of a contract, including the cost of the tools, materials and the labour required for the work.

Whether or not you require Contract Works insurance depends on your client contracts and whether your clients hold you responsible for unfinished work on a construction site. Therefore, you should check all of your contracts carefully prior to beginning any work.

If you're working on a new house build and a fire damages part or all of the property, or if a storm damages roof tiles that you have already placed, then Contract Works insurance could cover the cost of redoing the work from events such as:

- Damage caused by fire, flood, storm, vandalism or theft.
- Material damage to on-site plant machinery and equipment and to existing structures.
- Third-party property damage.
- Employee's tools and personal property.
- Accidental damage to on-site materials.

### **What is not covered by Contract Works insurance?**

Typically Contract Works insurance does not cover existing structures, e.g: you're building an extension for a client and there's a fire which damages the property. Contract Works insurance could cover the cost of rebuilding the extension, but not the cost of rebuilding the existing property. The rest of the damaged property would need to be covered by the client's home insurance.

### **What should you consider when purchasing your Contract Works insurance?**

It is important to insure the value of your largest project, including all the labour and materials etc. If you purchase the correct level of cover you can work with peace of mind, whereas being underinsured could cause you significant problems in the event of a claim. For example, if your largest project is worth £1.5 million over two years, then you will need £1.5 million of cover.



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Arranging your trades insurance is as simple as calling us on 0333 321 1403. Our team are on hand to take your call and answer your questions.

## HOW CAN I EASILY ARRANGE MY TRADES BUSINESS INSURANCE?

Counce O'Hara offer tradesman insurance that covers most of the  
aforementioned types of cover.

To find out more and for a quotation for your business insurance contact  
0333 321 1403.

Or click a quote button on our website at [www.caunceohara.co.uk](http://www.caunceohara.co.uk) to get  
an online quote in a matter of minutes.



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