



Business Insurance for Women

Construction Insurance

What is Construction Insurance?

When you're working on a construction site, plenty of things can go wrong. Damage or loss to a building could cost you time, money and even your reputation. Meanwhile, an on-site injury can result in considerable pain, stress and financial loss.

That's why having the right amount and type of Construction Insurance is an important part of your business toolkit, allowing you to get on with the job with less stress and worry.

“There have been significant reductions in the numbers and rates of injuries and fatalities in this industry over the last ten years or more. Nevertheless, the construction industry remains a high risk industry. Safe Work Australia, 2015

Who should consider it?

Construction Insurance is recommended for small, medium and large commercial, industrial and domestic builders, sub-contractors and owner-builders.

Most owner-builders take out Construction Insurance for a specific contract, while professional builders generally choose an annual policy that covers multiple contracts.

Did you know?



The construction industry had the fourth highest rate of serious claim in 2012-13.

(Safe Work Australia, Construction Industry Profile, 2015)

1%

According to the NSW Police, theft from housing construction sites accounts of 1% of the cost of a new home.

(NSW Police Force, Preventing Building Site Theft, 2018)

\$25M

WA building industry's anti-crime group, Busted, states that each year, building site theft costs the sector almost \$25million.

(ABC, “Regional residents urged to keep watch for building site theft”, 2014)

What can it cover?

Construction Insurance can cover the building which is under construction, whether it's a kit home, straw bale or mud brick home, or multi story apartment or commercial buildings. It can also cover the equipment used in construction, as well as public liability risk.

Depending upon your policy, Construction insurance can cover you against:

	TYPE OF COVER	POTENTIAL BENEFITS
	Property Damage	Physical loss or destruction of tangible property, plant and equipment as well as removal of debris
	Public Liability	Sub-contractor Liability, Products Liability and Cross Liability
	Product Liability (only some insurers)	Third party personal injury or property damage resulting from an occurrence caused by your products after they cease to be in your possession or control
	Legal Expense/ Defence Costs	Legal costs and expenses you are legally liable to pay following legal proceedings bought by or against you
	Existing Structures (optional cover)	Sudden and accidental physical damage to existing structures caused by natural events and the actions of the builder or contractor

What usually isn't covered?

Exclusions, the excess you need to pay and limits of liability can vary greatly depending on your insurer. Policies generally won't include cover for:

- Loss after work has ceased for more than the number of days specified in the policy
- Consequential loss
- Cost of rectifying or correcting defective workmanship
- Work underground or in water unless specifically agreed by the insurer

Important note

This information is provided to assist you in understanding the terms, implications and common considerations in Construction Insurance. It does not constitute advice, and is not complete, so please discuss the full details with Business Insurance for Women.

Case Study

After working for other construction company owners for a while, Janice starts her own small earthmoving firm. In the first couple of years, she borrows money and invests much of her income back into the business, buying the latest equipment and a work vehicle.

After starting work on a new construction at a new site, she leaves her tools and equipment locked in a garage on the site overnight. But that night, thieves break into the garage and steal Janice's tools, worth \$25,000.

Janice contacts her insurance broker who helps her put in a claim. She's quickly reimbursed for her loss, so she isn't out of pocket and can keep her business running.

Every business is different – which means you need a Business Insurance solution that is tailored for you. [For more information, contact us today.](#)

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