

Cover, Safety and Service: What Contractors Need to Know



You know that insurance is essential for your construction business, but did you know that not all construction insurance brokers are the same? If you tend to compare policies based solely on price and cover, then you are missing vital services that only select brokers can provide – services that will save you time and money. An expert broker in the construction insurance industry knows contractors need the right covers as well as services that include superior risk control, claims processing and underwriting service.

Risk Control

Rather than relying on general advice, brokers who specialise in the construction industry can give you tailored industry guidance. The most dedicated brokers will send a safety specialist to your worksite in order to observe your operations as well as create a customised risk control and safety programme tailored to your unique business needs. Only after a broker understands your day-to-day needs as well as challenges can he or she provide meaningful solutions.

A good risk control programme should emphasise safety as paramount. Worksite accidents are expensive, both in terms of compensation costs and future premium increases – but also in hidden costs. You may not realise how expensive an accident can be:

Loss of profits: Accidents may interrupt work for a time period or even cause projects to run late. In addition, property damage involved in the accident may be time consuming and costly to repair.

Soft costs: Accidents may also require manpower to be redirected away from completing construction work to manage other responsibilities, such as additional

paperwork, meeting with investigators or following up on investigations.

Market image: No one wants to hire a contractor prone to accidents and one or two high-profile accidents could give your firm a bad reputation. Your safety track record is an important component to winning future bids.

Psychological impact: Other employees often have strong reactions following a serious or fatal accident. They may blame the company for not protecting their co-worker or may simply need time to deal with the trauma they witnessed or were a part of. This could impact your employee retention and ability to hire quality workers.

These examples show just how important an effective safety programme is as well as a good broker will help you develop comprehensive safety initiatives to address any and all risks your company faces. Remember, too, that certain safety initiatives are mandated by law. Plus, many construction insurance policies will only pay claims if you can demonstrate that your company follows strict health and safety guidelines.

Claims Processing

The aftermath of an accident can be a stressful and overwhelming time as well as you need a broker who is quick, efficient and knowledgeable with handling claims and helping you manage the accident site. You may want to consider a broker whose brokerage has a local office, to ensure that he or she is familiar with your geographic area and local nuances that can affect claims processing as well as settlement. In addition,

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your broker should have extensive experience with construction industry claims, so that your claim is properly handled. A local broker can also prove more responsive after an accident. You may have to deal with the media or the police and your insurance representative can help manage that situation. Some brokers will insist on waiting for a claim to be processed before visiting the site but dedicated brokers will be there immediately to help with preserving evidence, serving as a liaison and managing the accident site.

Breadth of Cover

There are many types of cover that a contractor needs and only agents that specialise in the construction industry will be able to ensure that you are fully covered. If your broker takes the time to learn and understand your business operations as well as the unique risks of your company, he or she will be able to put together a comprehensive cover package.

Your broker should know how to coordinate your various policies to ensure that there are no gaps in cover. When a claim occurs, a good broker will help liaise with the insurers to sort out who will handle the claim. Some policies may have exclusions that your broker should be aware of and can address with an alternative solution. If you work in multiple countries, that also may have implications for your covers. Your broker must understand and manage all of these aspects to ensure that you are appropriately covered.

Another risk issue in the construction industry is subcontractors. You should be able to count on your broker to advise you on how to handle that relationship to best protect yourself. For instance, you may be liable for mistakes made by a subcontractor. A good broker will also assist you in handling any claims that arise due to a subcontractor's mistake, which can potentially be messy and confusing.

Underwriting Service

Underwriting can hold up the quoting process when putting together a cover package. However, brokers who have relationships with insurers and underwriters they trust can work to ensure the quickest turnaround time for a quote. Though this behind-the-scenes exchange normally does not impact you directly, brokers who work with reliable, responsive underwriters can save you time when quoting a renewal or new policy.

Obtaining insurance should be a strategic component of your business. Developing a comprehensive insurance programme to support your unique business needs is not something just any broker can deliver. At Sirelark Risk Services, we specialise in construction insurance and our dedicated agents are committed to learning your business and developing a customised insurance and safety plan for you. Contact us at 01603 343 053 today.