

Coverage Insights

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Insurance Needs for Plumbing Contractors

The work of a plumbing contractor involves installing, maintaining and repairing water systems in residential and commercial structures. Appliances, water heaters, toilets and sprinkler systems must be included and taken care of in new and existing structures, making plumbers a necessity for these buildings' functionality and longevity. However, the plumbing industry involves inherent risks that must be accounted for. This article discusses plumbing contractors' potential exposures and common types of insurance available to mitigate liability.

Potential Exposures

Plumbing can be demanding and physical work. Several incidents could create legal issues for plumbing contractors, including:

- **Injuries**—Plumbing contractors could sustain injuries from moving heavy appliances, working in tight spaces and performing repetitive tasks. Third parties can also be injured from slips and other incidents from completed work.
- **Property damage**—Property damage is often the result of water damage, which can occur either during work or after a project has been completed.
- **Auto accidents**—Any company that utilizes vehicles for travel is susceptible to auto accidents. This can result in injuries to contractors or third parties as well as property damage to the company's vehicles and others' vehicles.

Common Types of Insurance

Plumbing contractors should have adequate insurance to manage their risks. The following are policies plumbers should consider:

- **General liability**—The most common type of insurance within the construction industry is commercial general liability. A typical general liability insurance policy covers bodily injury to third parties and property damage resulting from work. Additionally, general liability insurance can provide coverage for reputational harm or advertising injury.
- **Workers' compensation**—Employers are responsible for providing medical care, lost wages and other benefits to workers injured on the job. Injuries can occur from slips and falls from water, stairs or working in an unfamiliar construction site. Chemical exposure can also happen when plumbing contractors work with chemicals on the job. While these injuries may be infrequent, they could result in a loss of ability to work. Workers' compensation takes care of injured employees by paying medical bills associated with work-related injuries and providing compensation for lost wages. This type of policy may also provide coverage in the event of a lawsuit brought forth by an employee.
- **Completed operations**—Even after a project is complete, property damage or even injuries can occur if the work was not done correctly. These types of problems can be covered with completed operations insurance. Issues include leaking pipes, which can lead to water damage or mold, and fire hazards and explosions when working with gas.
- **Commercial auto**—A commercial auto policy helps policyholders avoid high vehicle repair costs, medical expenses or lawsuits resulting from auto accidents. Since plumbing contractors utilize vehicles to transport themselves and equipment to job sites, commercial auto insurance can cover damage to company vehicles, damage to others' vehicles and medical payments.
- **Property**—Property insurance can provide coverage to the company's property and any personal property used in the business. Even if plumbing contractors do not own their own building, business assets such as equipment, tools and computers are still at risk of property damage.
- **Inland marine**—Plumbers must travel with tools and equipment to various job sites. Inland marine coverage can protect

property in transit, mobile equipment, property in the custody of a repairman or storage facility, property commonly used in different locations, and computer equipment and digital information.

- **Cyber**—Plumbing contractors are increasingly dependent on technology to carry out their operations. But technology can fail, or data can be stolen, including client credit card information. Cyber liability insurance can provide coverage for first- and third-party cyber claims.
- **Commercial umbrella**—An umbrella policy can fill in any gaps in coverage. This can provide additional coverage if the business causes damages that exceed the general liability policy limit.

Proper insurance coverage can protect plumbing contractors and their businesses from liability. For more information, contact us today.

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