

Roofers face more insurance worries than many other businesses. As well as the possibility of damaging the building you are working on (public liability) and insuring your van or lorry, you need to check that your sub-contractors also carry public liability insurance. You also need to ensure that if you ever use any heat source (such as a hot-air gun or a bitumen boiler) that this is declared to your insurance company. Some insurers even consider that a soldering iron as a heat source!

I apologise in advance for using technical phrases but will try my best to define them when they are used.

**Sub-contractors** are all of the other businesses and workers that help you with your contract, such as labourers and scaffolders, and your insurer will expect you to keep written evidence that you have seen it (such as providing a copy of their public liability insurance certificate).

The reason for this is that if an accident happens, your customer will initially make a claim against you, and your insurers will look to pass this down to the sub-contractor that caused the incident. If they do not hold any insurance, and you cannot prove that you checked that they had any, then you may be personally liable to pay this with no cover from your policy.

Alternatively, you may have a copy of their public liability insurance certificate, only to find that their policy was not valid. Unfortunately, we do find that a lot of businesses cancel their insurance not long after taking out the policy and we suspect that in many cases it was only purchased to obtain their certificate. Additionally, an increasing number of people are buying their insurance via internet comparison websites and entering false information in order to obtain cheaper premiums. The end result of this is that their policy will not pay out any claims because they have made a false declaration.

It is a fact that this makes the sub-contractors personally liable, however unless they can pay thousands (or tens of thousands) of pounds, it is unlikely they will be able to compensate the claimant and the claim will be bouncing back to you. Your insurance policy will need a “**contingency liability**” clause if your insurers are going to entertain the idea of paying the claim themselves.

Alternatively, you can include a sub-contractor under your insurance policy – we call these workers “**labour-only sub-contractors**” and the ones that run their own business “**bona-fide sub-contractors.**”

The definition of what defines a bona-fide sub-contractor varies between insurance companies, but one definition is “works for an agreed price, supply their own tools and equipment, not paid until the work is complete and returns to carry out remedial work.” Most insurance companies also require them to carry their own insurance, and if they don’t, **your** insurance may be invalidated.

If you sub-contract to another contractor, you must make certain that you have an “**indemnity to principal**” extension.

A quick check list of things to insure

- Do you own your workshop? If so, you need buildings insurance of course!

- Add up the new cost of your equipment plus stock and arrange workshop (or commercial combined) contents cover
- If you are a tenant, do you have a responsibility for anything your landlord has provided such as a shop front (including the glass)? This can usually be added to a workshop policy.
- If you are a tenant, did you do anything to your workshop when you moved in – such as decorating, build a counter, sign writing on the glass or install more cables? If so, add tenants improvements extension to the salon policy because if this was damaged in, for example, a fire, your landlord will probably not be replacing it.
- Make sure you have public liability cover for visitors to your workshop (sometimes this is referred to as “property owners” liability)
- You will need to have public liability in case you damage your customer’s property or hurt them.
- Do you use your car or motorcycle for work? If so, tell your insurers because social domestic and pleasure cover won’t be satisfactory and commuting only insures you for driving between your home and workplace.
- If you employ any staff, or you are not the sole worker in a limited company, you will require employer’s liability by law.
- Your van or lorry
- Don’t forget yourself! If you have an accident or fall ill, you may be earning no (or less) money. A personal accident and sickness policy is a simple solution, although your financial adviser can advise upon a wider range of solutions.

When you buy public liability insurance, check these points

- Have you declared all of your work?
- Have you advised all of your work places? There will always be excluded work places (such as nuclear power plants or even factories) and usually height limits (an exclusion of buildings above 15 meters height is very common)
- Does it cover the use of any heat? If you ever use heat and the use is excluded, the insurers can decline a claim even if heat wasn’t used, because you have made a false declaration to obtain the insurance.
- Does it cover the use of sub-contractors?
- Does it include “contingency liability” cover?
- Does it include “indemnity to principal” clause?
- What is the excess? We have seen excesses as high as £10,000. Unless you can put your hands on this sort of money within a few weeks (and can afford it), we think you should find a policy with a lower excess! Bear in mind that heat-related claims often have a higher excess.

A responsible businessman makes sure they have all of the relevant insurance policies in place as soon as their business starts – and makes sure they are all renewed when they are due!

The only insurance policies you require by law will be motor insurance for your vehicles and employer’s liability insurance if you have any staff. You may be surprised to learn that if you are the owner of a

limited company but are not the sole worker (your partner may help you with paperwork for example), then you will require employer's liability for yourself.

It is at this point that we should really recommend that you pick up the phone and speak to a professional advisor about insurance rather than trawl through the internet and hope to stumble upon a website that might be relevant to you – unless you try ours of course!

And if you use heat and have been looking around for insurance already, you may have found that virtually nobody wants to insure you!

Well, the good news is that there are specialist providers around, and at Versatile Insurance, we welcome enquiries from roofers that use heat. We already insure many, many businesses like yours all around the country and are keen to build upon our success.

Ray Colenutt DipCII, the writer of this article, has over 30 years of arranging insurance in the construction industry and is the managing director of Versatile Insurance Professionals Ltd.