

INDUSTRY OVERVIEW

PLUMBING CONTRACTORS

Presented by ToughComp

Plumbing contractors are trained professionals who generally conduct a variety of operations related to maintaining pipes and fittings that carry liquids, gasses or other substances. They may provide residential or commercial services and conduct their work within a wide range of settings, such as customers' homes, businesses and factories. Common tasks for plumbing contractors include installing pipes and related fixtures (e.g., faucets, sinks, toilets, bathtubs, showers and dishwashers); cleaning and removing obstructions from drains; inspecting, testing and troubleshooting malfunctioning pipes and larger plumbing appliances (e.g., water heaters, water conditioning equipment and sprinkler systems); and repairing and replacing plumbing features as needed. These professionals may be responsible for performing regularly scheduled operations or attending to emergencies that need immediate attention, such as pipe bursts or leaks.

Plumbing contractors have a number of risks to consider, including property concerns, employee safety issues and liability exposures. As such, it's crucial that they protect both themselves and their operations against possible losses by securing proper insurance. Keep reading for an outline of common exposures within the plumbing industry and associated coverage considerations.

Common Exposures

Here's a breakdown of key exposures plumbing contractors may face in their operations:



Property—Plumbing contractors typically leverage several types of specialized tools and equipment (e.g., drills, saws, welding torches and press-fitting devices) to perform their services. These professionals also tend to have office spaces and storage areas where they carry out general business activities and keep important resources. However, a range of unexpected events—including theft, vandalism, accidents, fires and inclement weather—may result in this property becoming damaged, stolen or destroyed, potentially leaving plumbing contractors with significant recovery expenses. In addition to repairing and replacing their affected property, these professionals may experience business interruptions (e.g., lost productivity, temporary closures and delayed projects) amid the recovery process, further compounding their related losses.



Auto—These professionals often utilize vehicles to travel between job sites and transport their materials, tools and equipment. Whether they depend on a single vehicle or possess a fleet, owning and operating vehicles comes with various exposures. After all, it only takes one accident on the road to cause major losses. Following accidents, plumbing contractors could encounter substantial expenses related to vehicle repairs and bodily injuries.



Employee safety—Even if plumbing contractors take proper precautions to protect their employees at work, job-related injuries and illnesses can still happen. Common occupational ailments in the plumbing sector include cuts and lacerations from handling broken pipes or fixtures; blows to the head due to working in confined spaces; musculoskeletal disorders from performing repetitive tasks or using vibrating hand tools; sprains and strains due to lifting heavy materials; hearing loss from prolonged exposure to loud equipment; eye injuries due to being struck by bursting pipes or associated debris; and diseases from contact with hazardous substances (e.g., asbestos and human or animal waste). If their employees get injured or become ill on the job, plumbing contractors could be held responsible for costs stemming from their workers' hospital bills, treatment expenses and lost wages.



Liability—In the event that third parties (e.g., customers, suppliers or passersby) experience injuries or damages on plumbing contractors' premises or as a result of their operations, these professionals could be held liable for the related losses. For instance, a supplier may file a lawsuit against a plumbing contractor if they slip and fall when visiting the contractor's storage area. Furthermore, plumbing contractors could face completed operations losses if customers allege the finished services injured them or damaged their property.

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Cyber—Many plumbing contractors have begun relying on digital systems and software to store customers' personal and financial data, such as their names, phone numbers, addresses, credit card numbers and bank information. Yet, amid growing cyberthreats, using such technology could make these professionals increasingly vulnerable to data breaches and other digital attacks. Following such incidents, plumbing contractors could encounter many costs related to notifying impacted individuals, recovering lost or damaged data and technology, handling associated legal ramifications and reputational losses, and implementing additional cybersecurity measures to prevent future incidents.

Coverage Considerations

To help address their exposures and stay protected amid potential losses, plumbing contractors should consider the following forms of coverage:

- **Commercial property insurance**—This coverage can help pay the resulting repair or replacement costs if a plumbing contractor's commercial property—such as their office area, storage space, tools and equipment—gets damaged, stolen or destroyed due to a covered event.
- **Commercial auto coverage**—If any vehicles in a plumbing contractor's fleet end up in an accident on the road, this type of insurance can assist with the associated vehicle repair and bodily injury expenses.
- **Inland marine insurance**—Such coverage can help pay for losses stemming from a plumbing contractor's materials, tools and equipment getting lost, stolen or damaged while in transit.
- **Workers' compensation coverage**—If a plumbing contractor's employees get injured or become ill on the job, this coverage can help pay those workers' hospital bills, treatment costs and lost wages.
- **General liability insurance**—This coverage can assist if a plumbing contractor is held legally or financially liable for injuries, harm or damage to another party or their property.
- **Completed operations coverage**—If a customer holds a plumbing contractor responsible for injuries or property damage that occurred due to the faulty completion of a project, this type of insurance can help pay the related costs.
- **Cyber liability insurance**—Such coverage can assist with a variety of first- and third-party expenses that may result from a plumbing contractor experiencing a data breach or other cyber incident.
- **Umbrella and excess coverage**—If a plumbing contractor's claim costs exceed the limits for their primary liability policies (e.g., commercial auto and general liability insurance), this coverage can increase those limits. Additionally, umbrella policies can help broaden existing policy coverage.

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