

# INDUSTRY OVERVIEW

## PAINTING CONTRACTORS

*Presented by ToughComp*

Painting contractors are trained professionals who typically perform a range of operations associated with applying liquid coatings to interior (e.g., walls and ceilings) and exterior (e.g., doors and siding) building surfaces and other structures. They may provide residential or commercial services and conduct their work in various settings, such as office spaces and customers' homes or businesses. Common tasks for painting contractors include calculating the size of the area being painted; determining the volume and number of coatings necessary for the job; setting up drop cloths, tarp and tape to protect floors, furniture and trim from paint splatters on-site; filling any surface holes or cracks with putty or plaster, removing outlet and switch covers, and scraping or sanding rough spots to promote smooth paint application; installing scaffolding and raising ladders for work at heights; applying primers or sealers to ensure paint can stick properly to a surface; and applying stains, paints and any necessary finishes to an area.

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

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### Common Exposures

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



**Property**—Painting contractors often leverage several types of tools and equipment (e.g., brushes, rollers, scrapers, sanders, electric paint strippers, motorized paint sprayers, hand-held paint mixers, ladders, scaffolding and ventilation equipment) to perform their services. These professionals also tend to have office spaces and storage areas where they carry out general business activities and keep job materials (e.g., tape, tarp, drop cloths, buckets, roller trays, brush cleaning products, utility belts, putty, plaster and extra paint products). 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 painting 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, compounding losses.



**Auto**—These professionals frequently use vehicles to travel between job sites and transport their materials, tools and equipment. Whether it's a single vehicle or a large fleet, owning and operating vehicles carries various exposures. After all, it only takes one accident on the road to cause major losses. Following auto accidents, painting contractors could encounter substantial expenses stemming from vehicle repairs and bodily injuries.



**Employee safety**—Even if painting contractors take proper precautions to protect their employees at work, job-related injuries and illnesses can still happen. Common occupational ailments in the painting sector include musculoskeletal disorders from performing repetitive tasks; cuts and abrasions associated with using hand tools; sprains and strains from lifting heavy items; slips and falls related to working at heights; skin damage and burns caused by handling hazardous chemicals and flammable or combustible materials; respiratory illnesses stemming from exposure to paint products, mold, fungi, bacteria, asbestos, lead, animal feces or other toxic substances; impact injuries related to auto accidents; and electric shock or electrocution from working near outlets, switches and wiring. If their employees get injured or become ill on the job, painting contractors could be held responsible for costs stemming from their workers' hospital bills, treatment expenses and lost wages.



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

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**Environmental**—Because painting contractors utilize a range of hazardous products and come in contact with various materials that could be harmful to the environment, they also face environmental pollution exposures. Specifically, they could be held responsible for the resulting losses if they contribute to emissions, leaks, spills or other pollution incidents involving harmful substances. For instance, painting contractors may be held liable for environmental damages stemming from disturbing preexisting contaminants (e.g., asbestos or lead paint) during project preparations, emitting volatile organic compounds into the air due to improper storage of cleaning products on-site and releasing hazardous materials into public soil or water sources following incorrect disposal of paint products.



**Cyber**—Many painting 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, painting contractors could encounter 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.

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## Coverage Considerations

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

- **Commercial property insurance**—This coverage can help pay the resulting repair or replacement costs if a painting 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**—This type of insurance can assist with vehicle repair and bodily injury expenses if any vehicles in a painting contractor's fleet end up in an accident on the road.
- **Inland marine/installation floater insurance**—Such coverage can help pay for losses stemming from a painting contractor's materials, tools and equipment getting lost, stolen or damaged while in transit.
- **Workers' compensation coverage**—If a painting contractor's employees get injured or become ill on the job, this coverage can help pay for hospital bills, treatment costs and lost wages.
- **General liability insurance**—This coverage can assist if a painting 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 painting 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 various first- and third-party expenses that may result from a painting contractor experiencing a data breach or other cyber incident.
- **Environmental liability/pollution coverage**—If a painting contractor is held liable for the release or escape of environmental pollutants during their operations, this coverage can help pay the bodily injury, property damage, cleanup and defense costs.
- **Employment practices liability (EPL) insurance**—EPL coverage can assist with the defense costs in the event that a painting contractor is faced with employee lawsuits alleging workplace discrimination or harassment, wrongful termination or discipline, or failure to employ or promote.
- **Umbrella and excess coverage**—If a painting 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.

Contact us today for additional risk management guidance and insurance solutions.

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