

# Construction insurance: Is your business correctly protected?

Emma Whyatt – Director  
Chris Parkinson - Sales Manager



# About us

## Emma Whyatt



- 13 years working in Construction Insurance in variety of roles (including Admin, Claims, Underwriting, Broking)
- Director of three companies



COVERSURE



Consumer Code for  
NEW HOMES

- Senior Management at Federation of Master Builders
- BSc (Hons) in Business and qualifications with Chartered Insurance Institute, currently undertaking Insurance Degree

## Chris Parkinson



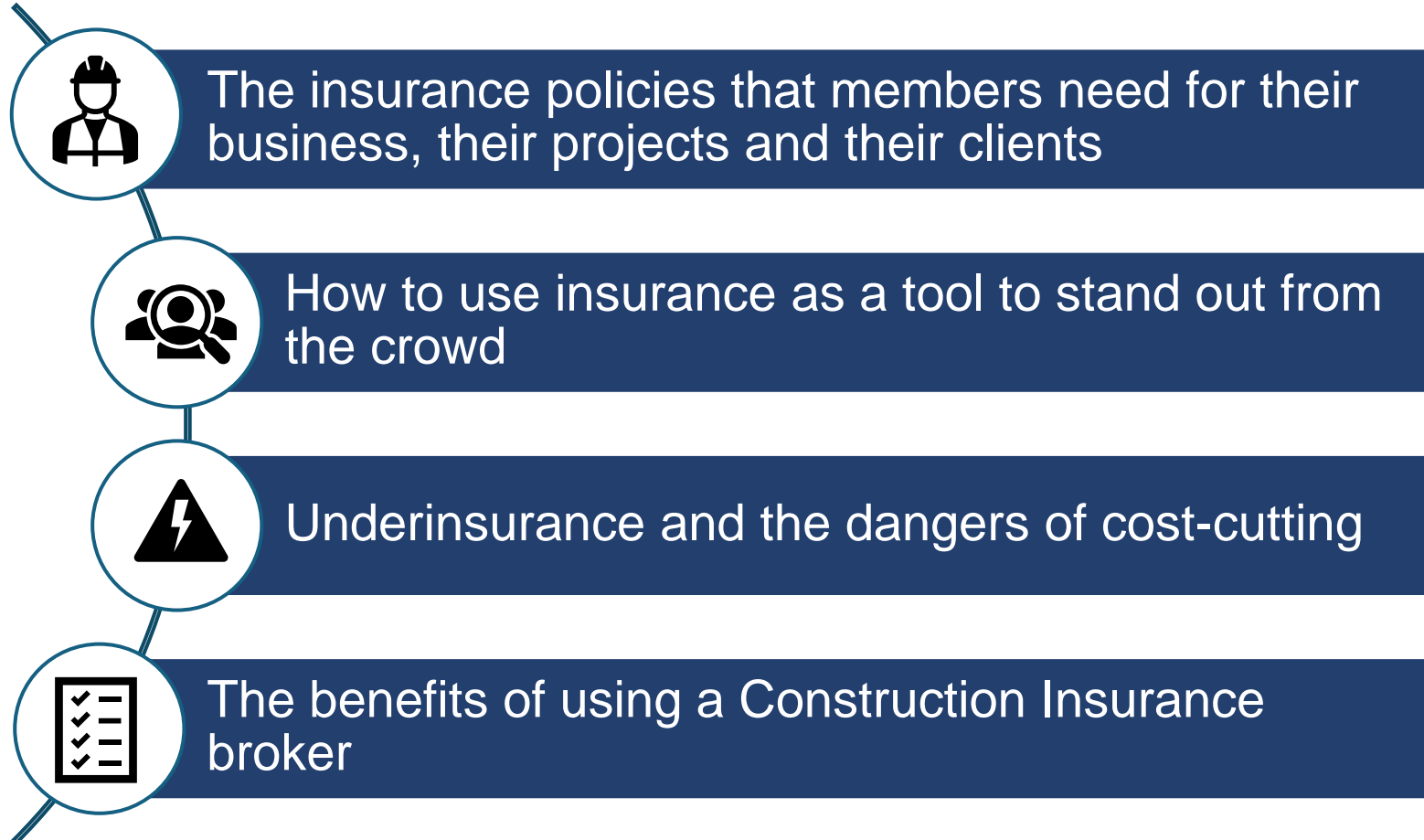
- 22 years working in Insurance, with 15 years specialising in Construction Insurance.
- Manager of FMB Insurance and Coversure Ely franchise



COVERSURE

- Leads the Construction Insurance Broking Team
- Certificate in Insurance from Chartered Insurance Institute

# Learning Objectives





The insurance policies that members need for their business, their projects and their clients

What is the point of insurance?

In the simplest terms...

Insurance is there to return you to the same financial position you were in before the loss happened

# Public Liability Insurance

- Cover for accidental damage to third party property or injury to third parties
- Not a legal requirement, but is an expectation that contractor will hold this
- Various limits available
- What types of claims might we see?

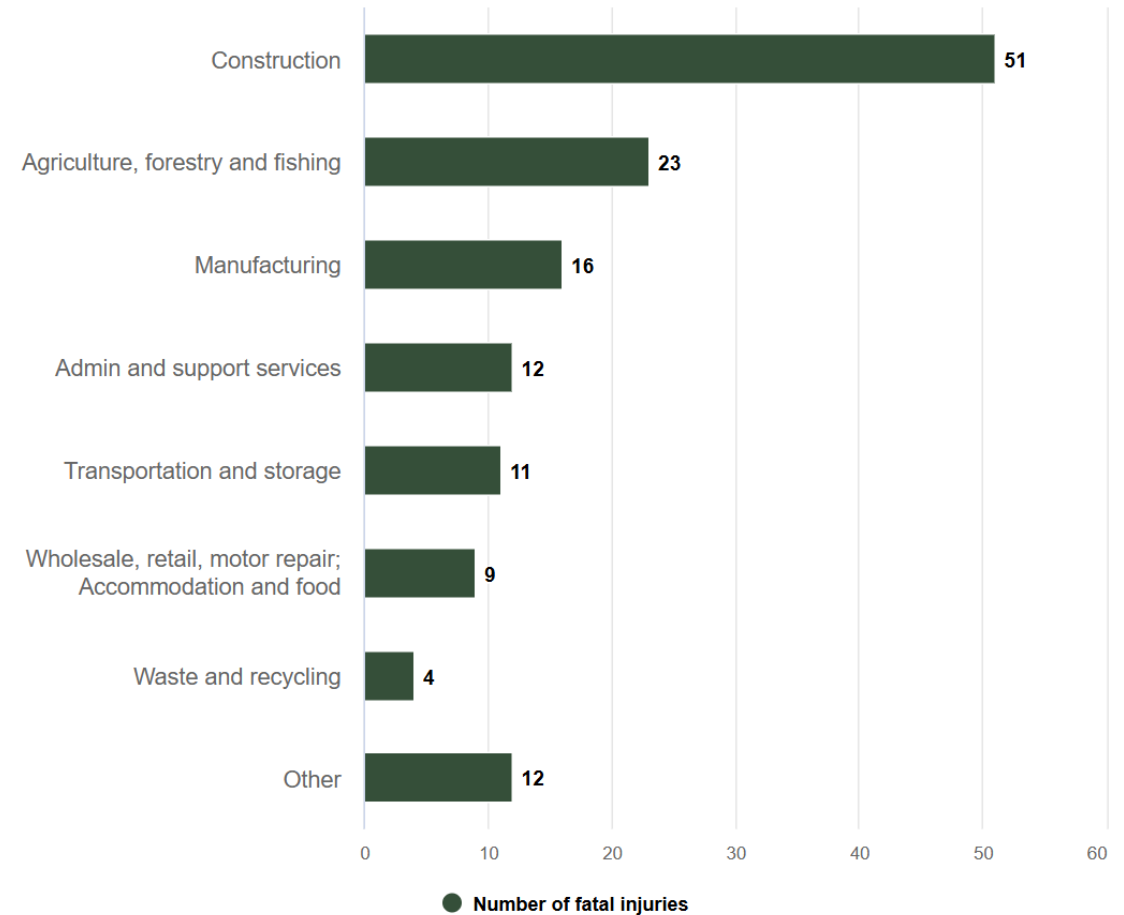


# Employers Liability Insurance

- A legal requirement where you have employees (permanent, temporary, subcontractors, apprentices etc)
- Pays the legal costs and compensation if an employee sues due to work-related injury or illness

**Fatal injuries to workers by main industry, 2023/24**

The construction and agriculture, forestry and fishing sectors continue to account for the greatest number of workers killed in fatal accidents each year





# Contract Works Insurance (Contractors All Risk)

- Designed to cover the cost of works already undertaken if the project is damaged or destroyed before completion.
- Covers similar perils to your home insurance but for works underway.
- Cover can also include things like;
  - Own Plant & Machinery
  - Hired In Plant & Machinery or temporary buildings
  - Employees tools and personal effects
  - Stock and materials

- What types of claims might we see?



# Professional Indemnity Insurance

- Has previously always been assumed that PI is something held by the architect etc
- Design & Build Contractors need this
- Consider what constitutes advice
  - If an architect is doing the structural element and the main contractor is responsible for the electrical/mechanical design then they would need PI
  - Any change to plan e.g. aircon unit won't fit where originally planned
- Covers damage, negligence, breach of duty, financial loss, defamation, breach of confidentiality, providing incorrect information.

*“Even when they do not provide any designs, all builders in the course of their work give advice or information to their clients. If any of that advice or information is incorrect, this may leave the builder open to a claim for negligence.”*





# What other covers might be required?



Commercial Vehicle or Fleet



Personal Accident



Directors & Officers



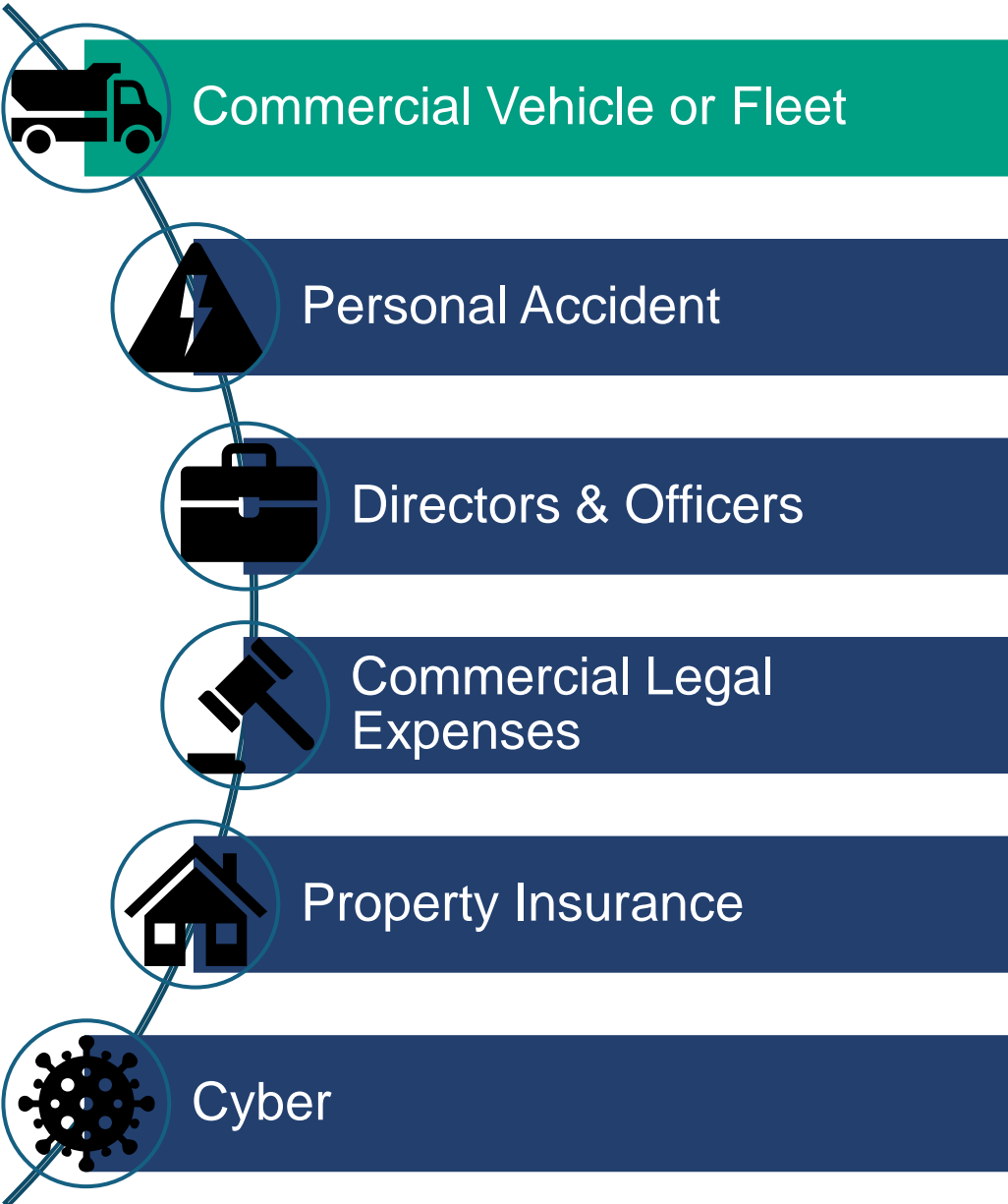
Commercial Legal Expenses



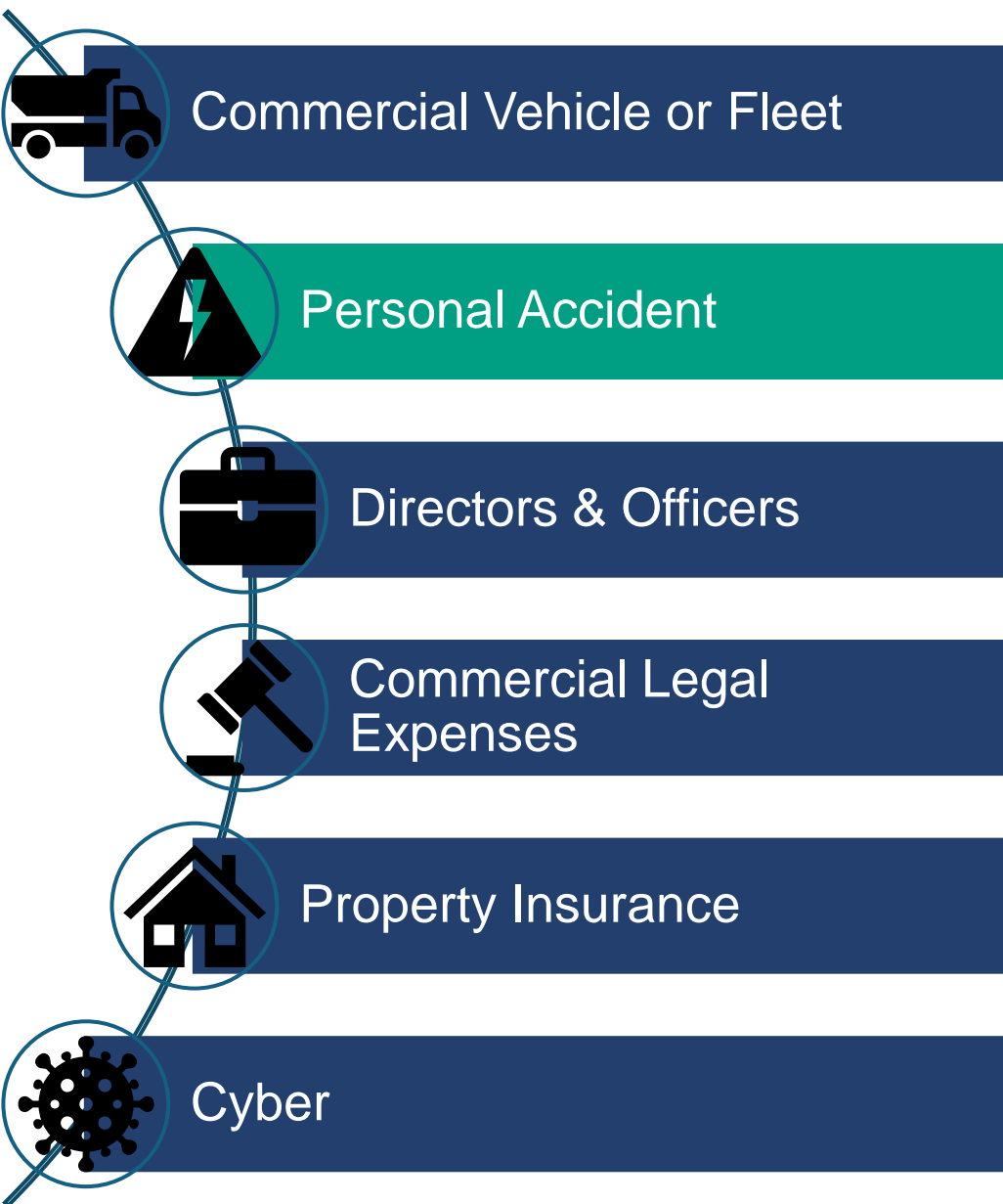
Property Insurance



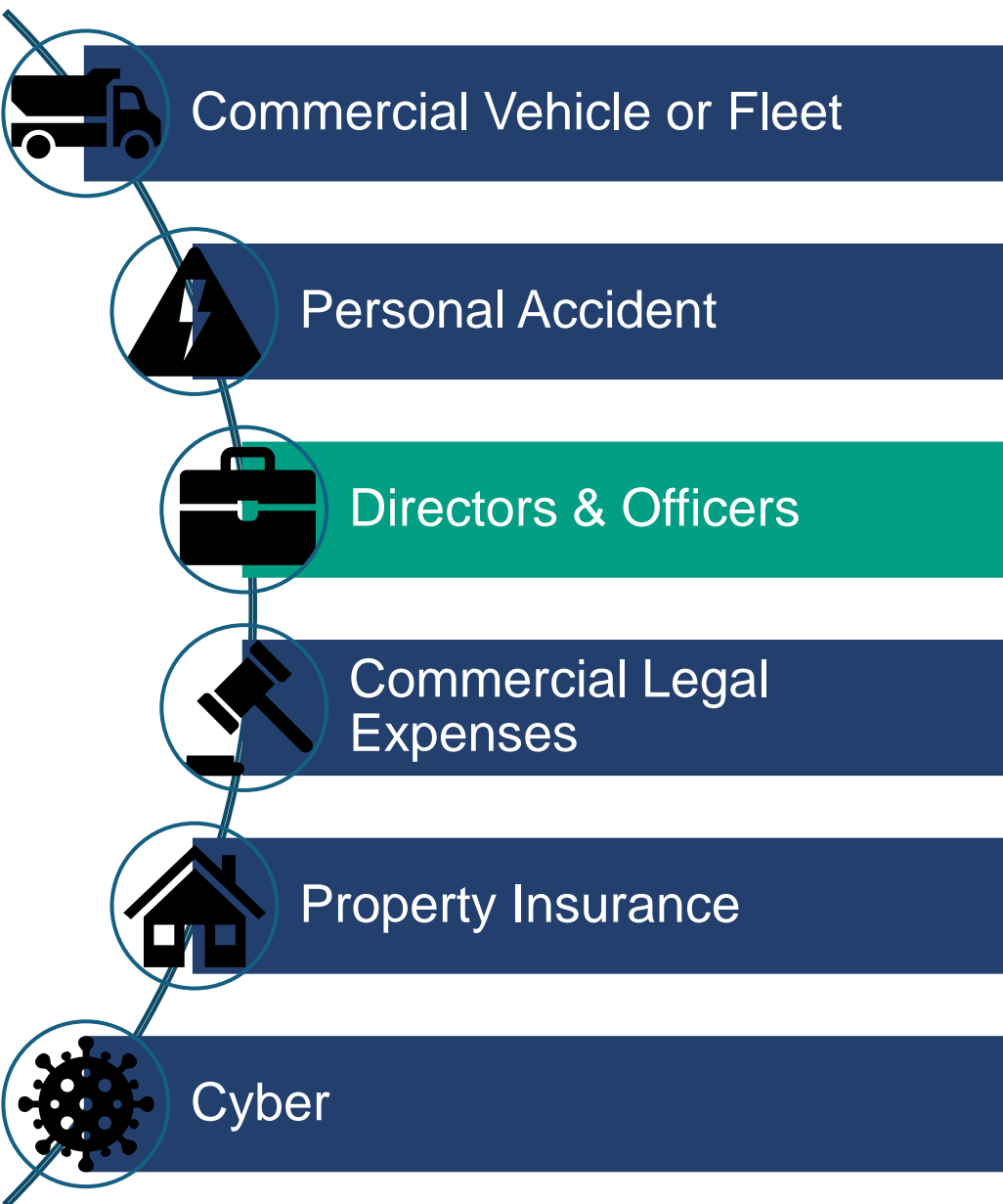
Cyber



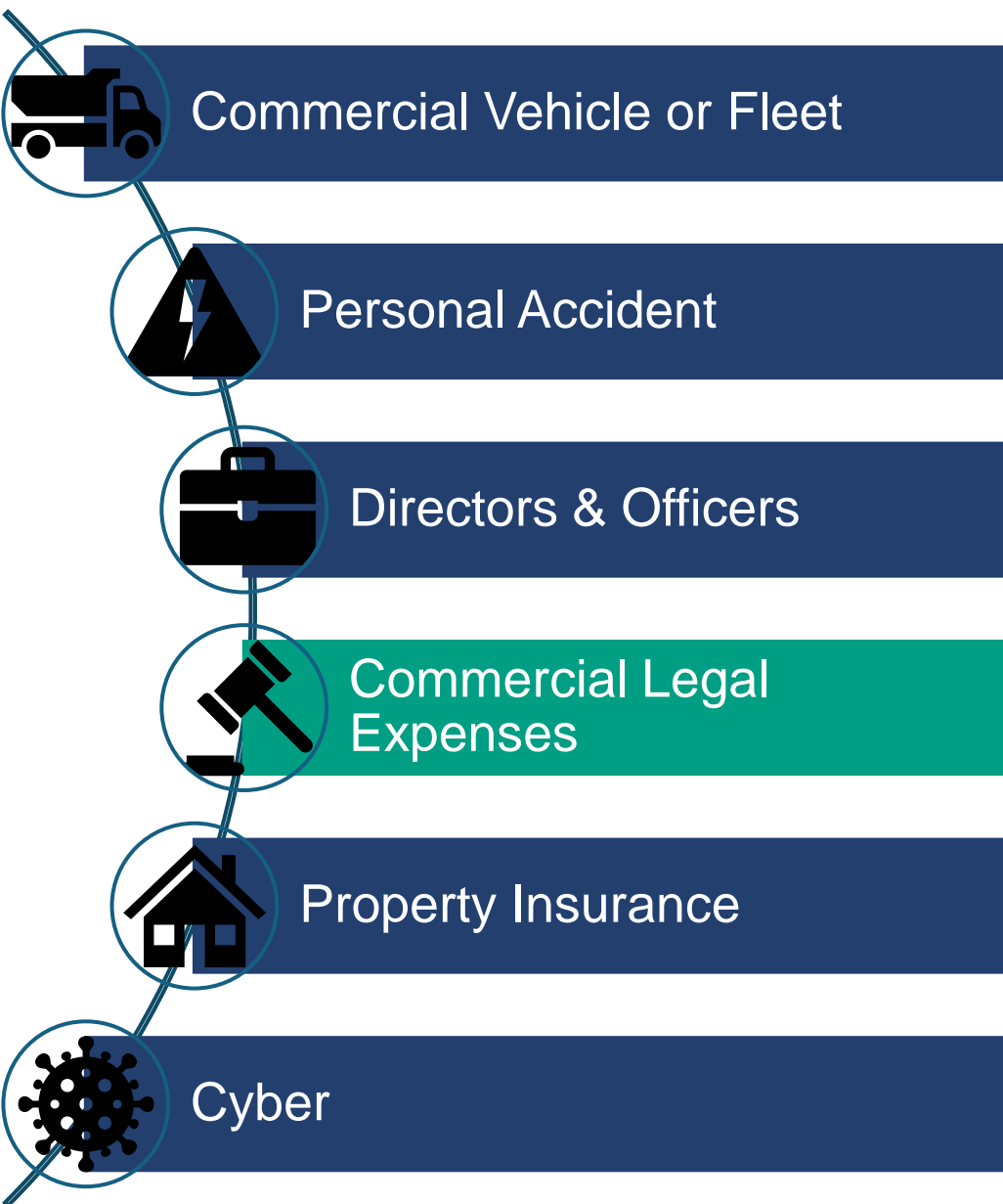
- Legal requirement
- For your commercial vehicles.
- If you have two or more you may find fleet insurance beneficial
- Helps keep your business moving if your vehicles are involved in an accident or suffer a loss



- Pays compensation to people who suffer injury (or death) as a result of an accident
- Protects from loss of income whilst unable to work
- Removes the pressure of not being able to meet financial commitments whilst recovering



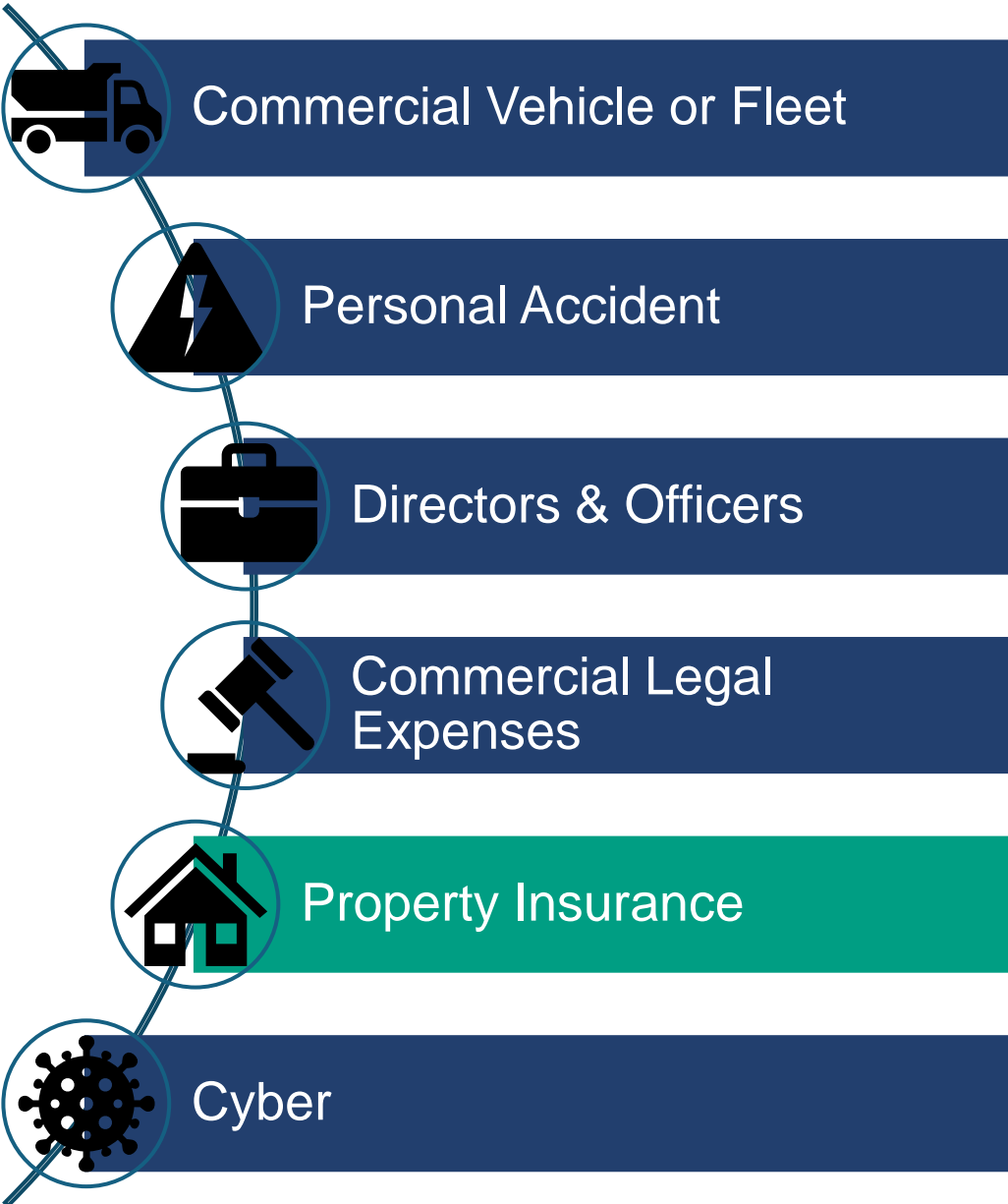
- Protects Directors and Senior members of the business
- Cover for the financial cost of allegations made against them
- E.g. if accused of disregarding H&S regulations or being negligent in the course of their duties.
- Could also cover misleading statements



The policy is designed to meet the needs of your business, providing cover for legal costs that may arise from a claim or dispute that your business is involved in

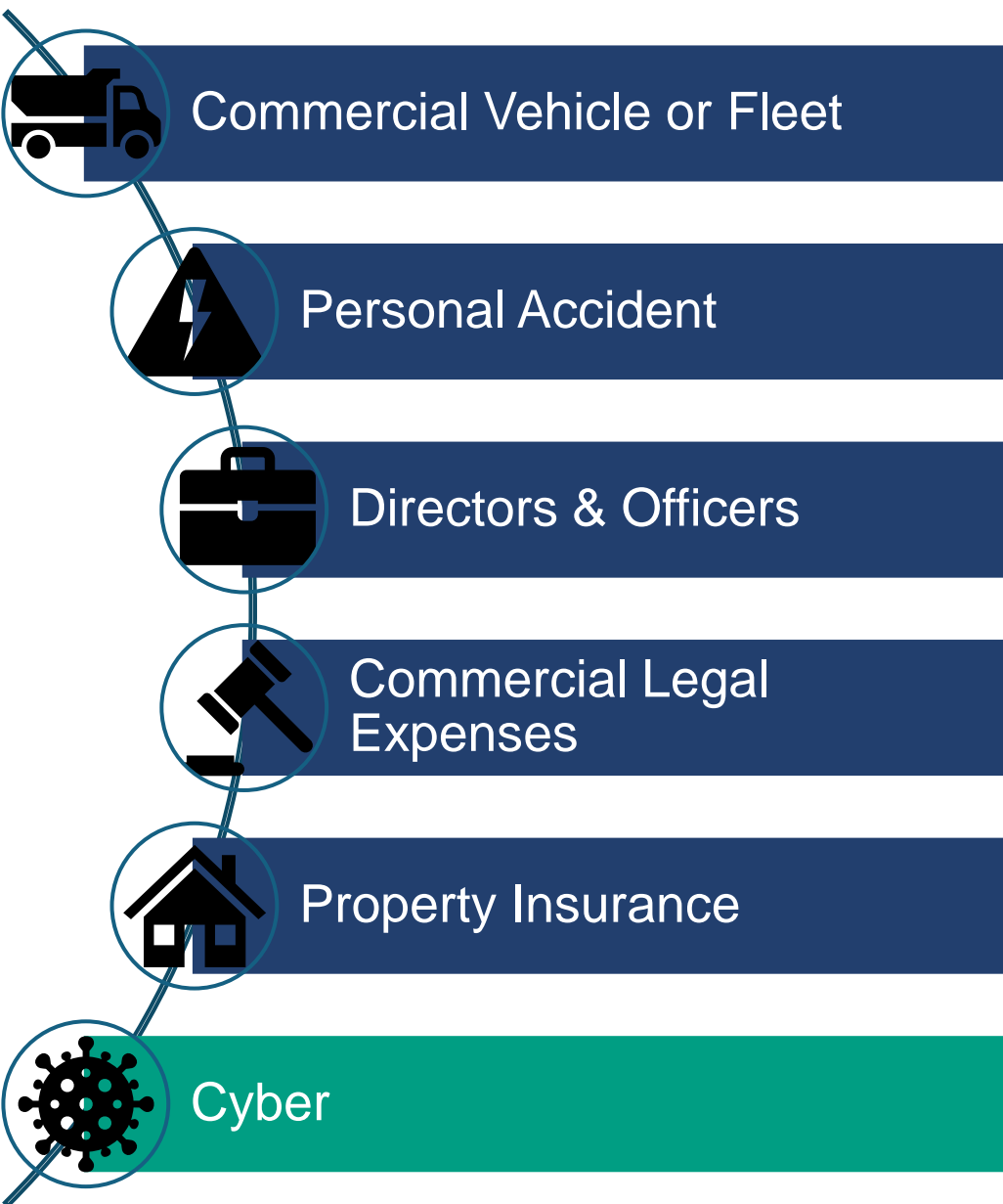
This type of insurance policy could cover costs associated with:

- Employment Contract Disputes & Compensation Awards
- Contract Disputes for sale, hire, lease, goods etc.
- Debt Recovery
- Jury Service and Witness Expenses
- Property Protection
- Data Protection
- Tax Protection, and more...




- Commercial & Residential Property
  - Loss or damage to buildings and contents
  - Could include damage to stock, shortfall in income, loss of rent, fixtures and fittings
- Unoccupied Property
  - For vacant homes such as empty rentals, new builds awaiting sale, buildings awaiting conversion
  - Covers perils like home insurance (flood, fire, storm, theft, vandalism etc)





- Using a computer or mobile phone as part of your work?
- Everything is done digitally - Managing the supply chain, making payments, emailing customers etc
- Cover for things like Ransomware attacks (leading to business interruption) or intercepted payment fraud



Now your business is covered, what  
about your projects?

# FMB Building Work Guarantee

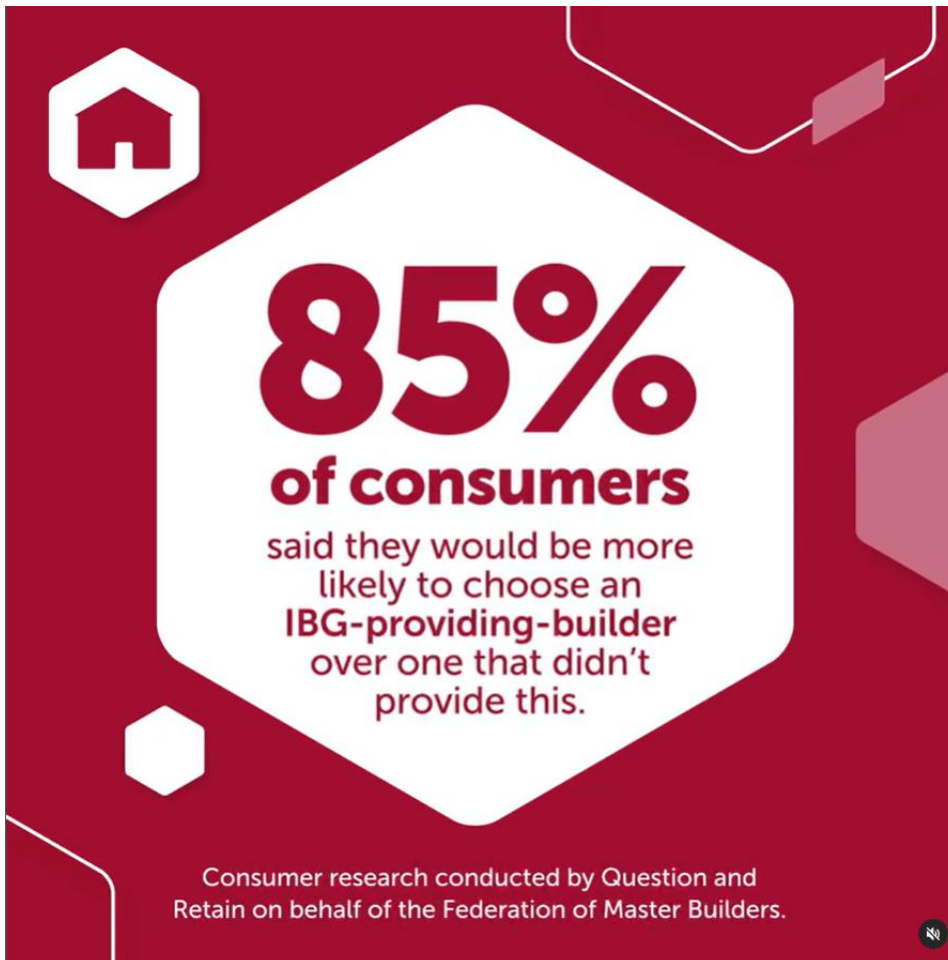
Consumer Peace of Mind!

For any home improvement projects – including extensions, loft conversions, roofing, local authority grant works

Provides protection up to the full contract value for 2-, 6- or 10-years post completion.



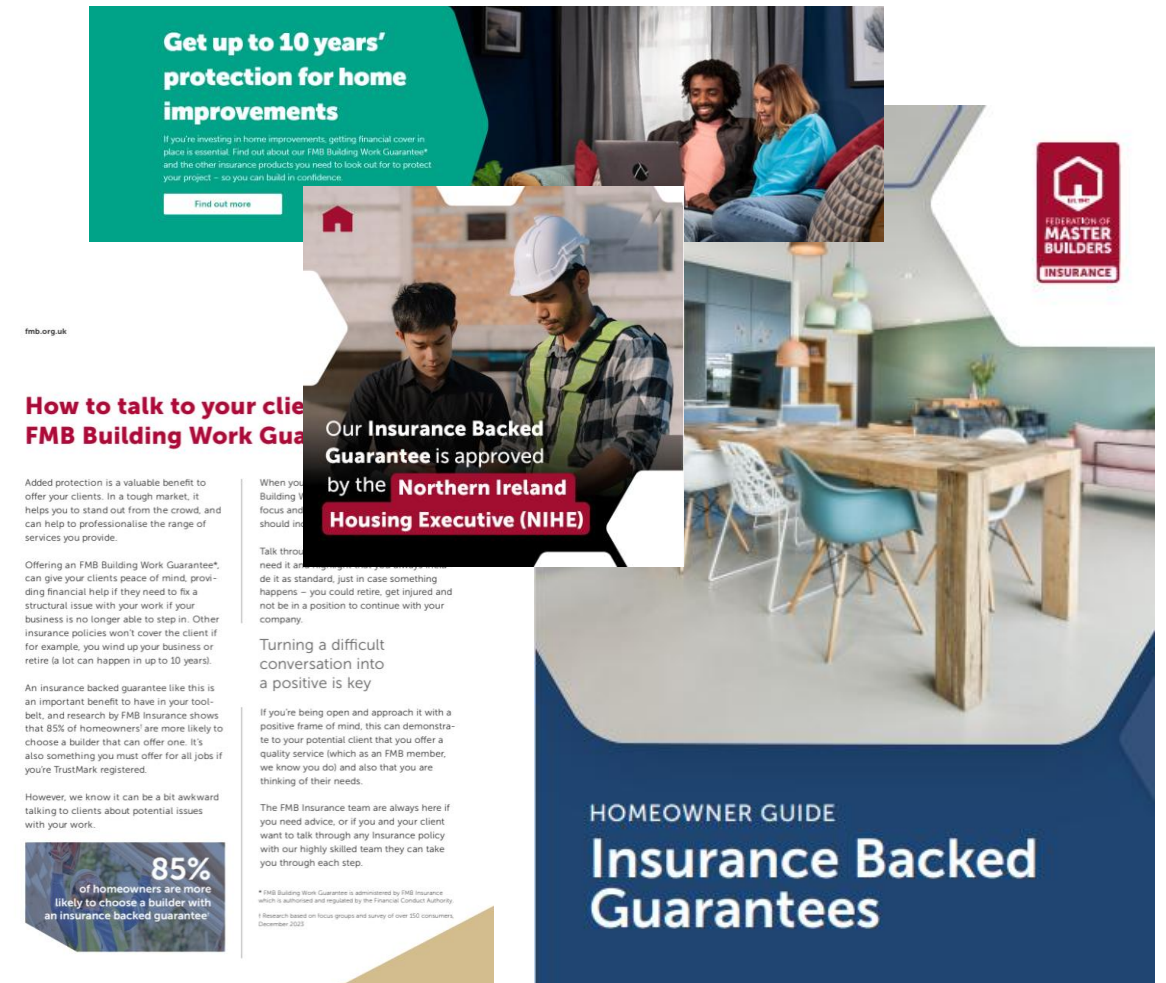
# Why is this product such a good tool?



**85%**  
**of consumers**  
said they would be more  
likely to choose an  
**IBG-providing-builder**  
over one that didn't  
provide this.

Consumer research conducted by Question and Retain on behalf of the Federation of Master Builders.

The infographic features a dark red background with white geometric shapes. A large white hexagon in the center contains the main statistic. A small white house icon is in the top left corner.



**Get up to 10 years' protection for home improvements**

If you're investing in home improvements, getting financial cover in place is essential. Find out about our FMB Building Work Guarantee\* and the other insurance products you need to look out for to protect your project – so you can build in confidence.

[Find out more](#)

**How to talk to your client about FMB Building Work Guarantee**

Added protection is a valuable benefit to offer your clients. In a tough market, it helps you to stand out from the crowd, and can help to professionalise the range of services you provide.

Offering an FMB Building Work Guarantee\* can give your clients peace of mind, providing financial help if they need to fix a structural issue with your work if your business is no longer able to step in. Other insurance policies won't cover the client if for example, you wind up your business or retire (a lot can happen in up to 10 years).

An insurance backed guarantee like this is an important benefit to have in your tool-belt, and research by FMB Insurance shows that 85% of homeowners are more likely to choose a builder that can offer one. It's also something you must offer for all jobs if you're TrustMark registered.

However, we know it can be a bit awkward talking to clients about potential issues with your work.

**Our Insurance Backed Guarantee is approved by the Northern Ireland Housing Executive (NIHE)**

When you need it and focus on your business, it should be as standard, just in case something happens – you could retire, get injured and not be in a position to continue with your company.

Talking through a difficult conversation into a positive is key.

If you're being open and approach it with a positive frame of mind, this can demonstrate to your potential client that you offer a quality service (which as an FMB member, we know you do) and also that you are thinking of their needs.

The FMB Insurance team are always here if you need advice, or if you and your client want to talk through any insurance policy with our highly skilled team they can take you through each step.

**85% of homeowners are more likely to choose a builder with an insurance backed guarantee**

**HOMEOWNER GUIDE**  
**Insurance Backed Guarantees**

**FEDERATION OF MASTER BUILDERS INSURANCE**

The guide is a multi-page document with a dark blue and red color scheme. It includes images of a couple on a laptop, a builder in a hard hat, and a modern dining room. The FMB Insurance logo is in the top right corner.





# New Builds

10 or 12 year New Homes Latent Defects Insurance

Provides cover for defects in design, workmanship or materials that becomes apparent in the structure or waterproofing envelope, after completion of the build

Required by mortgage lenders to sell the property

Can also include elements such as

- Deposit protection
- Non-compliance with building regulations
- Alternative accommodation costs
- Removal of debris





# Underinsurance and the dangers of cost-cutting



# Underinsurance in 2025

- Underinsurance is a growing concern
- Particularly for SME companies
- Economic concerns lead to insured's reducing cover
- 80% of properties believed to be underinsured

# The risk of not being covered correctly

Financial  
Protection

Legal  
Requirements  
(EL & Vehicle)

Loss of  
Income source  
if event occurs

Claim  
declinatures

Decreased  
consumer  
confidence

Puts your  
business'  
future at risk

Insuring =  
Peace of Mind



# The benefits of using a Construction Insurance broker

# FMB Insurance, your Construction Insurance Broker

- Experts in the Insurance Industry, specialising in Construction risks
- Staff qualified by the Chartered Insurance Institute
- Servicing thousands of customers
- Award winning – Insurance Business UK – Best Brokerages in the UK, First Place



**Best Insurance Brokerages in the UK |  
5-Star Brokerages 2023**

★ **1. FMB Insurance Services t/a Coversure  
Ely**



# Who do we work with?



FEDERATION OF  
**MASTER  
BUILDERS**

**INSURANCE**

- We have access to around 50 insurers within the market, including those below.
- We know the appetite of each insurer, allowing us to match each client to an insurer and policy wording that meets their individual insurance needs.
- Dependent on complexity we may use our e-trade relationships with insurers or make manual presentations into market





To understand more about  
Construction Insurance,  
speak to your Construction  
Insurance Broker.

FMB Insurance

01353 652760

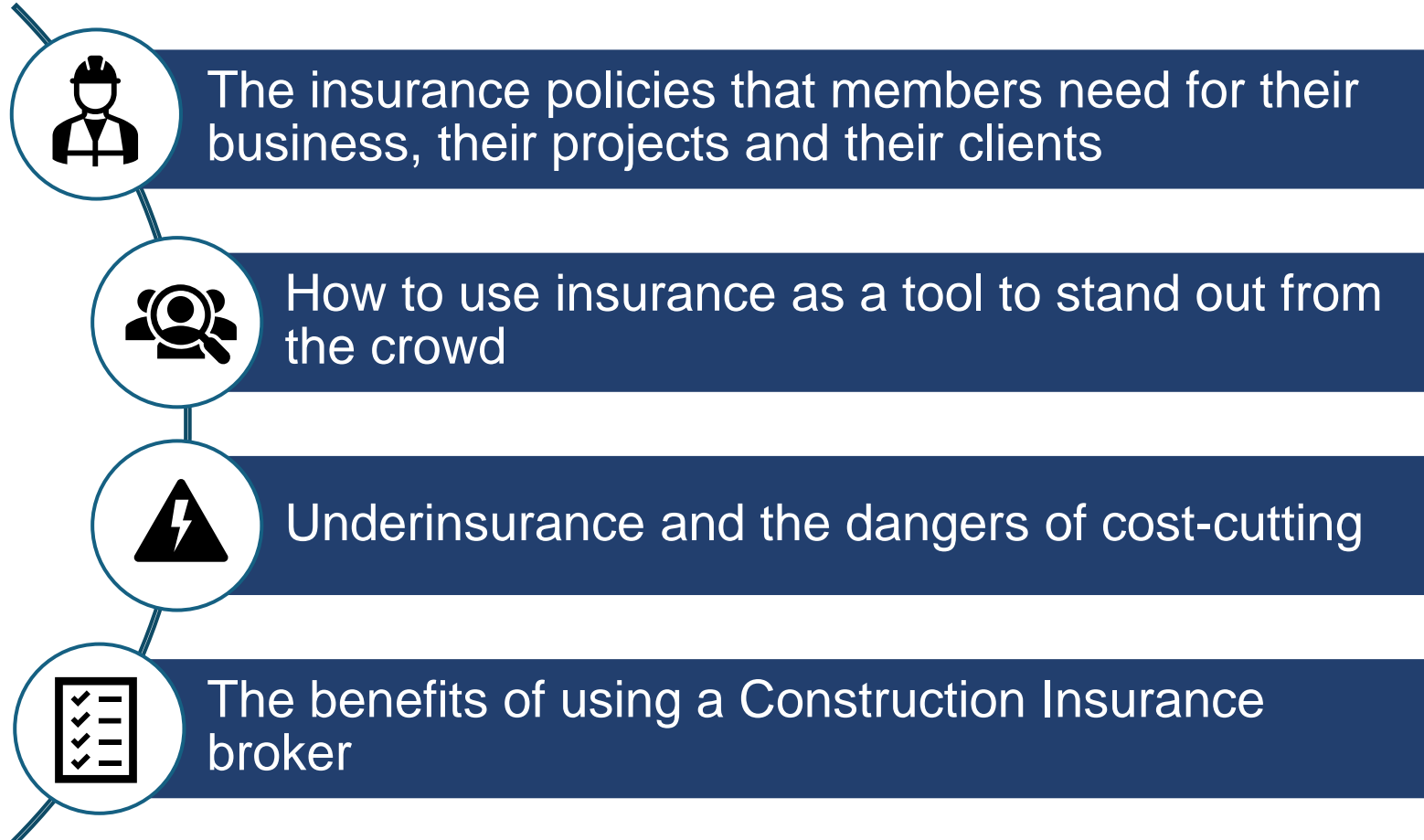
[insurance@fmb.org.uk](mailto:insurance@fmb.org.uk)

Knowledge  
Support  
Quality





# What have we covered?





FEDERATION OF  
**MASTER  
BUILDERS**