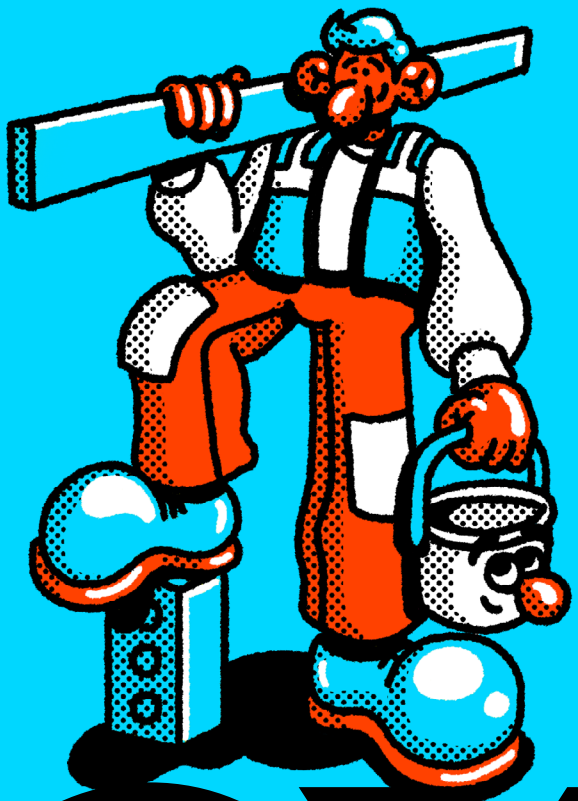
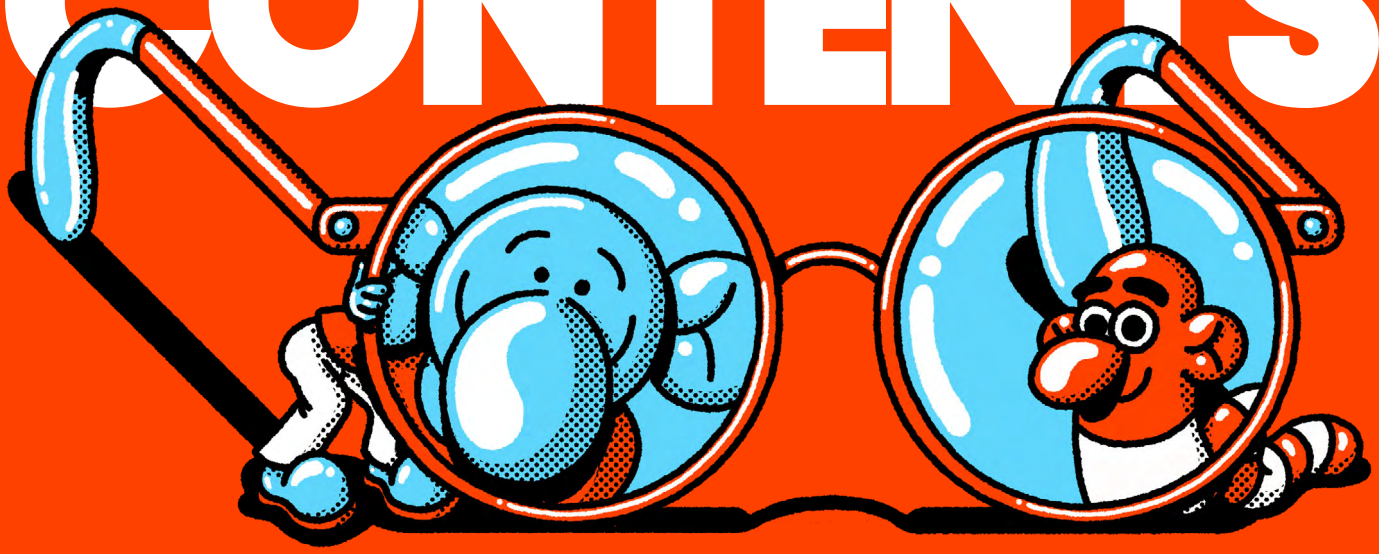
BUSINESS INSURANCE ESSENTIALS

for construction & landscaping trades



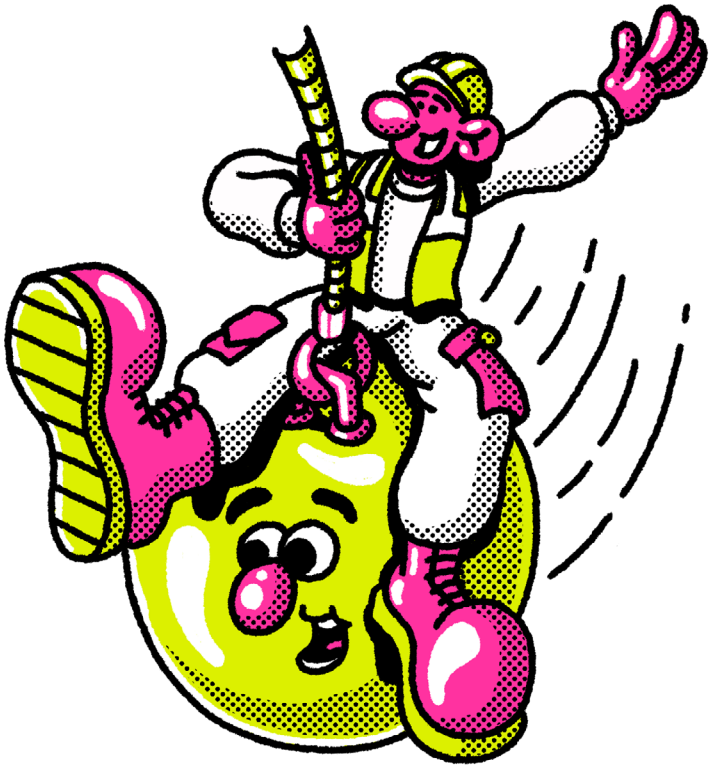
NEXT

TABLE OF CONTENTS



	Page
Introduction	03
General contractors	04
Plumbers	06
Electricians	08
HVAC	10
Landscapers	12
What to look for in an insurance partner?	14
About NEXT Insurance	15

INTRODUCTION



The post-pandemic construction boom is in full swing.

While business is picking up, a variety of challenges are making it harder to take on and complete new projects.

Increased material costs, supply chain disruptions and labor issues have made it difficult for contractors to continue to churn a profit, hire the workforce they need and keep projects on schedule.

But with increased demand comes increased liability.

Maintaining safety and quality control is critical with an abbreviated workforce. It's more important than ever to make sure you have the right financial backup if something goes wrong with your projects this year.

That's where NEXT can help. We're sharing our recommendations in this report for insurance coverage for different construction trades — & tips for finding the business insurance provider that is best for you.

Continue reading to learn more about essential coverage for your business.



- As many as 93% of contractors face at least one material shortage, while 55% of the same group report a high level of difficulty in finding workers, according to the U.S. Chamber of Commerce.[1]
- The National Association of Home Builders reported more than 345,000 open construction positions in early 2022.[2]
- Non-residential construction is expected to grow by 4.6% this year at the same time the residential sector will see a 5.4% increase.[3]

Sources:

[1]Commercial construction contractors struggle to find workers, materials as recovery stalls
[2]National association of home builders
[3]Consensus construction forecast, July 2021

GENERAL CONTRACTORS



As a general contractor, you can look forward to a busy 2022. Non-residential construction is expected to grow by 4.6% this year at the same time the residential sector will see a 5.4% increase.[1]

Know your risks:

25,770

In 2019, the construction industry reported 25,770 non-fatal slips, trips or falls.[2]

$30.7M

The average cost of construction disputes rose globally from $30.7 million in 2019 to $54.26 million in 2020.[3]

$1B

About $1 billion in construction equipment, materials and tools are stolen from construction sites annually.[4]

The right coverage can protect you from losses due to:

- Injuries
- Property damage
- Equipment and tool damage or theft
- Client lawsuits
- Worker illness
- Vehicle accidents
- Flawed workmanship or materials
- Slander and defamation

Tips to protect your business

1. Reduce injuries and accidents before they happen. Provide safety training for employees, maintain equipment and follow incident protection protocols.[5]

2. OSHA's number one workplace safety hazard is falling from heights for the eleventh year in a row, followed by respiratory protection and ladder malfunctions.[6]

3. Improve job site security with lighting, cameras and fencing. And stay on top of your inventory and delivery schedules.[7]

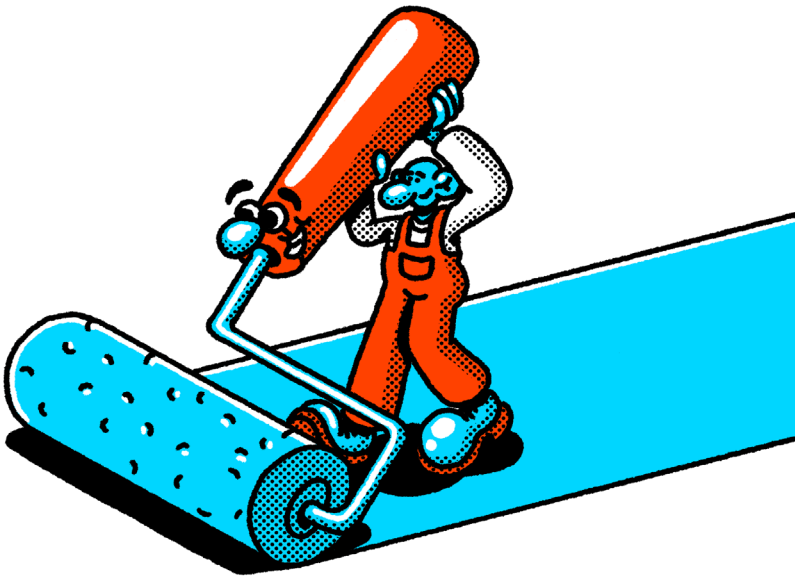
Sources:
[1]Consensus construction forecast, July 2021
[2]Fatal and nonfatal falls, slips, and trips in the construction industry
[3]2021 Global construction disputes report
[4]An Exploratory Look at Thefts from Construction Sites
[5]Construction worksite safety
[6]OSHA reveals top 10 safety violations for fiscal year 2021 at NSC safety congress & expo
[7]Reduce theft on the jobsite from day 1

CASE STUDY:

Faulty painter's tape causes $17,000 damage to new hardwood floors

A general contractor used blue painter's tape to safeguard a customer's new hardwood floors when painting.

When he lifted the tape, it took the floor's new clear coat finish with it, causing $17,000 in damages. The contractor did everything right and yet a claim was still filed against him. Without proper general liability insurance, that would have an out-of-pocket expense.



Common business insurance claims for general contractors

- Water damage
- Damage to other people's property
- Injuries
- Stolen equipment and tools
- Property damage caused by tree trimming

Most general contractors need:

General Liability
General liability protects you from having to cover costs for damage to customer property or for worksite slips, trips or falls that cause injuries. It's often required by project owners and licensing agencies.

Contractors' E&O
A contractors' errors & omissions policy covers you from mistakes you make in your work. For example, if a shower floor was installed incorrectly, causing a flood in a single-family home, an E&O policy can help cover the damages.

Workers' Compensation
This will help pay wages and medical expenses for employees who are injured on the job. You can also add owner's coverage to your workers' comp package.

Tools & Equipment
Damage or theft of equipment you own, employee tools and equipment you borrow are all covered under a tools and equipment policy.

Commercial Auto
Most states require this coverage for business driving. It can help cover injuries and damages costs caused by work-related accidents.

Commercial Property
Commercial property helps to cover structural damage to your office, warehouse or storage facility, as well as your inventory and equipment. It can also cover any improvements or upgrades you make to your workspace, such as built-in furniture.



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PLUMBERS

Water damage is one of the leading causes of damage to buildings and homes. It's important to make sure your business and your work is protected with business insurance in case something goes wrong.



Know your risks:

48%

Up to 48% of plumbers report hearing loss due to banging tools, noisy pipes and electronic machinery.[1]

$25,000

Just one inch of water can cause $25,000 of damage to a single-family home.[2]

125M

More than 125 million people are exposed to asbestos on the job. It is the No. 1 cause of respiratory death and a common exposure for plumbers.[3]

Reduce out-of-pocket costs with the right coverage and protect yourself from:

- Injuries
- Property damage
- Tool theft or damage
- Professional mistakes
- Injuries or damage involving business vehicles
- Legal defense

Tips to protect your business:

1. Wear the right gear to safeguard your eyes, skin and lungs from biohazards, chemicals and other toxic substances on the job like mold, asbestos and lead.[4]
2. Properly secure equipment on job sites to reduce trip, slip and fall accidents where the surroundings are wet and when working from heights.
3. Check all deliveries and purchases to avoid installing incorrect or damaged products that could cause damage or require a correction of work.[5]

Sources:
[1]Hazards plumbers should be aware of
[2]The cost of flooding
[3]Hazards plumbers should be aware of
[4]Top jobsite dangers to watch for
:

CASE STUDY:

Seals malfunctioned, causing a flood and damaging drywall

A plumber put temporary seals on piping before leaving a residential basement build job one evening. Overnight, the seals malfunctioned and flooded the basement, damaging flooring and walls. Insurance helped to cover the cost of the repairs.



Common business insurance claims for plumbers:

- Property damage
- Injuries
- Installation errors
- Equipment theft or damage



Most plumbers need:

General Liability
In many states, you need a general liability policy to obtain a plumber's license. This kind of coverage will protect you if you damage a client's property or if someone gets hurt as a result of your work.

Contractors' E&O
If you are accused of installing the wrong sink at a client's property, your policy could help cover expenses to fix the problem.

Commercial Auto
If your truck is vandalized while you're working on a job site, your personal auto insurance might not cover business-related repair costs.

Workers' Compensation
Most states require businesses with more than one worker to have workers' comp. You'll be glad you have it if someone gets injured on the job.

Tools & Equipment
It's an add-on to general liability insurance that protects you whether your gear is stored in a vehicle, at a jobsite or in a trailer.

Commercial Property
Do you rent or own an office, storage space or warehouse? Those structures and all their contents need to be protected from damage and theft.

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ELECTRICIANS



The U.S. is currently facing a shortage of more than 81,000 electricians.[1] Make sure you're ready for more work and your business is protected with the right electrician insurance coverage.

Know your risks:

17%

2,220 non-fatal electrical injuries involving days of missed work were reported in 2020, a 17% increase from the previous year.[2]

51,000

Home electrical fires account for about 51,000 fires each year.[3]

5.3%

5.3% of all electrical incidents were fatal in 2020.[2]

The right coverage will save you from paying out of pocket for:

- Burns, lacerations and other on-the-job injuries
- Damage to property
- Medical expenses due to injured workers

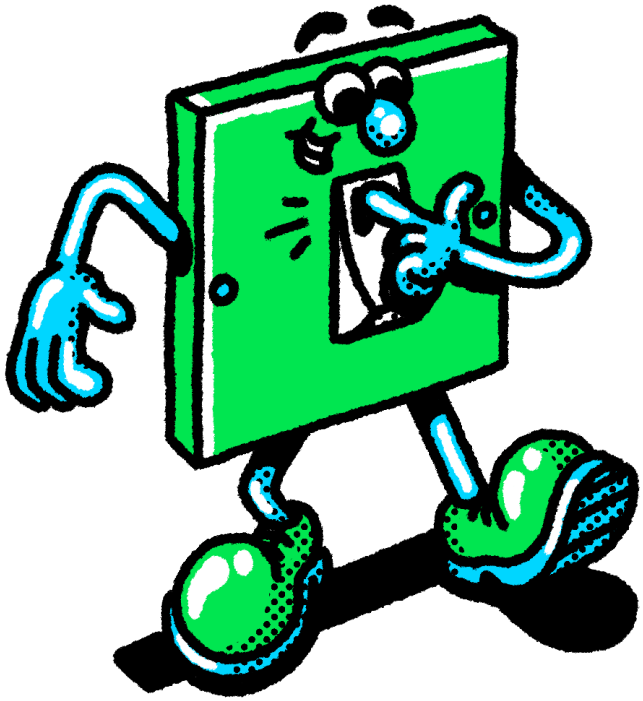
Tips to protect your business:

1. Stay current on licenses, training, permits and insurance.
2. Invest in your education by joining trade groups.
3. Use caution and follow established OSHA protocols to prevent accidents.[4]

Sources:
[1]The Severe Electrician Shortage in America of 2021: Is there an end in sight?
[2]Workplace injury & fatality statistics
[3]Home electrical fires
[4]OSHA electrical

CASE STUDY:

One journeyman's failure to test for power led to a loss of wages and a workers' comp claim



One licensed journeyman in Texas learned just how important it is to test for power first when he got electrocuted capping off lines.

The journeyman fell from his ladder and broke his hand. He filed a workers' comp claim with his employer, the subcontractor on the job.

Soon the journeyman began having life-altering back issues. He was able to get the care he needed to heal his hand & back, while not bankrupting his employer with financial help from workers' compensation. Not testing the power could have been an even more expensive mistake without the right coverage.

Common business insurance claims for electricians

- Electrical failure
- On-the-job accidents
- Damaged or stolen equipment
- Electrical fires



Most electricians need:

General Liability
General liability can provide financial help after accidents that cause injuries or damage to someone else's property. General liability might be required for an electrician license in your state, and it's common for clients to ask for proof of coverage.

Contractors' E&O
Contractors' errors & omissions coverage protects against negligence claims from your clients. If you or your team wires an outlet incorrectly and it needs to be fixed, you'll have financial help.

Workers' Compensation
You might be required to have workers' comp before you're hired for a job, and it's almost always required if you have employees. It's used to cover medical bills and lost wages after a workplace injury.

Commercial Auto
You'll need this coverage if you drive to different job sites or do any other driving for business-related purposes outside of commuting.

Tools & Equipment
You can add this coverage to your general liability insurance to protect your tools.

Commercial Property
Commercial property insurance can help protect your tools, equipment and inventory. It can also provide coverage for your equipment while it's on the premises, as well as for the building itself (if you own it).

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HVAC



Managing your risk is crucial for the long-term success and profitability of your business. Learn more about the insurance claims that are most common for HVAC pros and how to protect your business.

Know your risks:

HVAC

HVAC workers have one of the highest rates of injury and illness of all occupations.[1]

60%

Falls, struck-by accidents, electrocutions and getting caught in or between structures or equipment account for more than 60% of construction deaths annually.[2]

2,500

HVAC and plumbing workers saw 2,500 "struck-by" injuries in 2019 in which an object or piece of equipment strikes a worker.[3]

The right coverage can help you pay for:

- Fires, thefts, burst pipes
- Employee medical claims
- Damage to or theft of tools and equipment
- Customer lawsuits
- Vehicle damage
- Legal defense costs

Tips to protect your HVAC business:

1. Create and follow plans and procedures during HVAC installations. Keep a paper trail to avoid discrepancies.
2. Make an inventory checklist for each job and bring the right tools. Improvising mid-job can lead to mistakes with serious consequences.
3. Wear the proper gear to protect from respiratory hazards, chemical exposure and inclement weather.[4]

Sources:
[1]Mesothelioma Cancer
[2]25 construction safety statistics for 2022
[3]Fatal and Nonfatal Struck-by Injuries in the Construction Industry, 2011-2019
[4]HVAC & Refrigeration Safety: Personal Protective Equipment (PPE)

CASE STUDY:

HVAC contractor's mistake led to significant water damage

One HVAC contractor sent a junior employee to the field who deemed the condensation lines on a building's unit to be in good working condition. Only they weren't.

Water overflowed into the ceiling below, causing significant damage. The right insurance can help you get through scenarios like these without going out of business.



Common business insurance claims for HVAC contractors:

- Incorrect installations
- Employee accident leading to medical claims
- Damage to or theft of equipment
- Flooding due to system malfunction

Most HVAC businesses need:

General Liability
General liability protects you from legal claims that might arise due to accidents including slips and falls, as well as damage to other people's property. It's often required by project owners, individual clients and licensing agencies.

Contractors' E&O
Contractors' E&O protects you from claims based on a mistake you made in the field or a business disagreement. If you are accused of installing the wrong furnace filter, it could help cover related expenses to defend yourself or redo the job.

Workers' compensation
Workers' comp can help cover medical bills and lost wages after work-related injuries. Most states require it as soon as you hire your first employee, and you might need coverage before you can get your HVAC license.

Commercial Auto
Most states require this coverage for business vehicles. Personal auto insurance usually won't provide coverage if you rear-end another vehicle with your work van.

Tools & Equipment
If you don't own or lease property and regularly take expensive gear to a job site, this coverage offers protection against damage or theft.



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LANDSCAPERS

Landscaping services remain in high demand in warm seasons as homeowners look to spruce up their property and commercial clients prepare for more foot traffic. Make sure you have the right coverage for every project you take on.



Know your risks:

12,380

12,380 nonfatal injury and illness cases require days away from work annually. For every 10,000 full-time workers, 185 get hurt.[1]

46–55%

46% to 55% of all serious injuries occur during a landscaper's first year on the job.[2]

9X

Equipment is nine times more likely to be stolen than vandalized worker.[3]

Having the right insurance coverage will help with claims like these:

- Damage to customer property
- Towing a work truck
- Employee injury
- Pesticide harms a customer's pet
- Gear stolen from your truck
- Damaged equipment
- Legal defense costs

Tips to protect your business:

1. Before a job, clear lawn debris so branches and rocks don't go flying or cause property damage or injury.[4]
2. Make sure you and your employees wear the right personal protective gear.[5]
3. Landscaping equipment is a large and costly investment. Keep trucks locked, outfit trailers with alarms, unhook trailers from trucks and use hitch locks to prevent them from being driven away.

Sources:

[1]Occupation snapshot: Landscaping and groundkeeping workers

[2]Workers' Compensation Data Sheds Light on Hazards in Landscaping

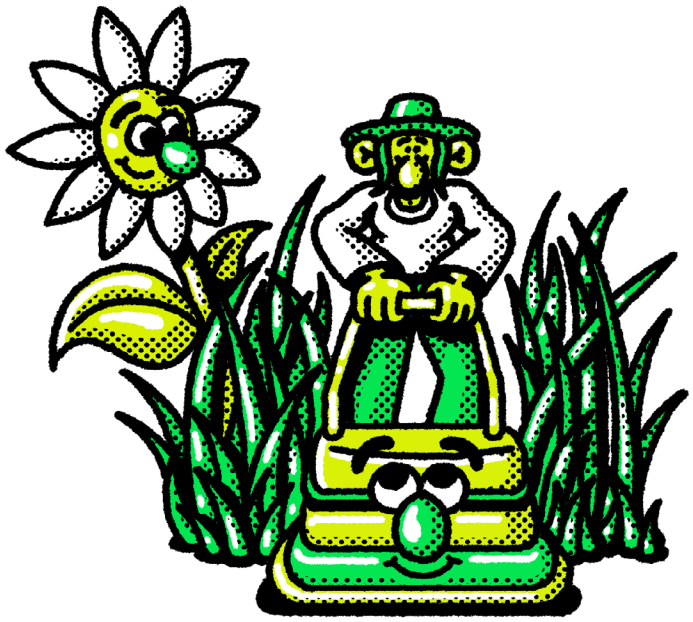
[3]National Equipment Register (NER)

[4]Safely transporting equipment/materials

[5]Personal protective equipment

[6]Utilities companies list by state

CASE STUDY:



Stray rock shatters customer's window after mowing accident

A landscaper was mowing a multi-acre property when a rock got lodged under the lawnmower.

Before the landscaper had a chance to remove it, the rock ricocheted directly into the front window of the customer's home, shattering the glass and scratching a piece of furniture inside.

Luckily, the landscaper had general liability insurance to cover the claim.

Common business insurance claims for landscapers

- Property damage
- On-the-job injuries
- Equipment theft
- Vehicle accidents
- Professional mistakes

Most landscaping businesses need:

General Liability
General liability will help to cover accidents and job site risks including employee injuries or damage to your clients' property. Project owners will often require this type of insurance and some states require a license.

Contractors' E&O
Contractors' E&O will help cover defense costs if you are accused of planting a species that negatively affects local wildlife.

Commercial Auto
If your work vehicle blows a tire and hits a guard rail, your personal auto policy might not provide the financial backup you need.

Workers' Compensation
Workers' comp can help you and your employees after a workplace accident. Most states require it as soon as you hire your first employee, and you might need coverage before you can get your landscaper license.

Tools & Equipment
If your mower is stolen off the back of your truck, you'll have financial backup for replacement costs.

Commercial Property
Commercial property insurance can help protect your landscaping equipment, inventory and even the building itself (if you own it).



Get Instant Quote

WHAT TO LOOK FOR IN AN INSURANCE PARTNER



Your insurance provider is there for you in good times and bad, so it's important they understand exactly what you need — and the scope of your business.

As you research the best insurance options for your business, look for a company that:

Understands your business

Make sure the insurer knows your business and works with other professionals in your field. An insurance company that works in your industry will know the exposures you face — and how to manage the risk and liability with the right limits.

Produces a certificate of insurance quickly

The right insurer will be able to produce your certificate of insurance as soon as you need it, without delays. Look for insurers who can provide 24/7 access to your COI and without extra fees to add additional insureds.

Offers flexible payment plans and makes it easier

Your insurer should lighten your burden, not make it harder to pay your bills. If a monthly payment option works better for you, your insurer should be able to accommodate you.

Makes sure to put you first in the claims process

Make sure your insurance company has a solid track record when it comes to resolving claims. It's important to know that if you do have to make a claim, it gets resolved quickly so you can get back to work ASAP.

Is transparent with policy quotes

You should be able to get a quote for coverage quickly, without having to wait for an agent to get back to you. Look for a partner who allows you to access coverage limits and costs with just a few strokes of a keyboard.

Has a streamlined website or mobile app

Digging around on your insurance carrier's website is time and money lost. Find an insurer who can make it as easy as possible to find what you need. Having a mobile app is a bonus so you can get the information you need on the go.

Prioritizes customer service

Knowledgeable agents should be available if you need to speak with a human or need help filing a claim.

Is reliable and keeps their promises

Get referrals from like-minded business owners to find out whether an insurer keeps their promises. Check the company's financial solvency through an insurance rating agency.

Finding the right insurance partner will go a long way to maintaining a professional business that will last long into the future. Do it right the first time around.

ABOUT NEXT INSURANCE



NEXT is a one-stop shop for construction business insurance.

With our easy online platform, you can quickly get the coverage you need at an affordable price to win bids, protect your employees and your gear. Oh, and you'll save when you bundle two or more of our policies.

Once you purchase your coverage, you can share your certificates with a push of a button from our mobile app or website.

How much does construction insurance cost?

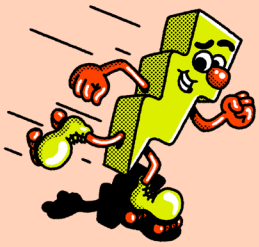
You can save an average of 15%* with NEXT insurance and get instant coverage. The exact amount you pay will depend on:

- The kinds of projects you do
- The locations where you work
- The types of jobs your employees do and how muchyou pay them
- How many vehicles you drive for work

*According to the most common lines of business offered by NEXT (restaurant and construction), as compared to NEXT's top 5 competitors in these classes of business in the U.S. (March, 2022).

Business insurance has never been easier

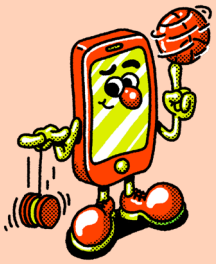
Customized business insurance to protect you and your clients



Get covered in 10 minutes and save up to 15%



Instant proof of insurance and easy monthly payments



100% online with support from licensed U.S.-based advisor

Get a free quote online today in less than 10 minutes

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