

INDUSTRY OVERVIEW

CARPENTRY CONTRACTORS

Presented by ToughComp

Carpentry contractors are trained professionals who generally perform a range of operations related to constructing, installing and repairing building frameworks and structures made from wood or other materials. They may provide residential or commercial services and conduct their work in a variety of settings, such as office spaces and customers' homes or businesses. Common tasks among carpentry contractors include interpreting and following blueprints to meet customers' specific needs and comply with applicable building codes; installing various structural elements and building fixtures (e.g., windows and molding); measuring, cutting and shaping wood, plastic, fiberglass, drywall and other building materials; constructing and installing building frameworks (e.g., walls, floors and doorframes); inspecting and repairing damaged frameworks and fixtures; and overseeing other construction workers during projects to ensure operations run smoothly.

Carpentry 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 carpentry industry and associated coverage considerations.

Common Exposures

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



Property—Carpentry contractors often leverage several types of tools and equipment (e.g., hand tools, sanders, circular saws, nail guns, welding machinery, cranes, ladders and scaffolding) 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 job materials (e.g., utility belts, protective equipment, lumber products, construction hardware and adhesives). 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 carpentry 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 tools, materials and equipment. Whether they depend on 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, carpentry contractors could encounter substantial expenses stemming from vehicle repairs and bodily injuries.



Employee safety—Even if carpentry contractors take proper precautions to protect their employees at work, job-related injuries and illnesses can still happen. Common occupational ailments in the carpentry sector include musculoskeletal disorders due to performing repetitive tasks; cuts and puncture wounds stemming from the use of certain tools and equipment; eye injuries associated with working near flying particles; skin damage and burns due to handling dangerous chemicals and flammable or combustible materials; respiratory illnesses (including cancer) from exposure to harmful wood dusts, asbestos, mold, bacteria and other toxic substances; sprains and strains related to lifting heavy items; hearing loss from prolonged exposure to loud equipment; slips and falls as a result of working at heights; and impact injuries from auto accidents. If their employees get injured or become ill on the job, carpentry 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 carpentry 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 carpentry contractor if they slip and fall when visiting the contractor's storage area. Furthermore, carpentry contractors could face completed operations losses if customers allege any finished services or projects injured them or damaged their property.

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Cyber—Many carpentry 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, carpentry 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, carpentry contractors should consider the following forms of coverage:

- **Commercial property insurance**—This coverage can help pay the repair or replacement costs if a carpentry 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 carpentry 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/installation floater insurance**—Such coverage can help pay for losses stemming from a carpentry contractor's materials, tools and equipment getting lost, stolen or damaged while in transit.
- **Workers' compensation coverage**—If a carpentry 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 carpentry 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 carpentry 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 carpentry contractor experiencing a data breach or other cyber incident.
- **Errors and omissions (E&O) coverage**—If a customer claims a carpentry contractor provided negligent services, didn't uphold contractual promises, conducted incomplete or substandard work, or made other professional mistakes or omissions, E&O insurance can help pay the resulting expenses.
- **Employment practices liability (EPL) insurance**—In the event that a carpentry contractor is faced with employee lawsuits alleging workplace discrimination or harassment, wrongful termination or discipline, or failure to employ or promote, EPL coverage can assist with the associated defense costs.
- **Umbrella and excess coverage**—If a carpentry 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.

For additional risk management guidance and insurance solutions, contact us today.



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