

**MOBILE
TRADES
ADVICE
WORTH
LISTENING
TO.**

FMG
Advice & Insurance

We're here for the good of the country.

FMG'S APPROACH TO YOUR RISKS

WE PLACE YOUR RISKS INTO THREE BUCKETS



PHYSICAL RISKS

Motor vehicle accidents

As a mobile tradesperson, you spend a lot of time in a vehicle going to and from various sites and jobs. It's not surprising then that almost 70% of mobile trades claims paid out by FMG relate to motor vehicle accidents, the majority of which are for on-road, vehicle-on-vehicle crashes.

The New Zealand Transport Authority has identified several factors frequent in road accidents:

- Speed – the faster you drive, the less time you have to respond to hazards and the more likely you are to suffer serious injury in a crash.
- Alcohol or drug-affected driving – consuming alcohol or other substances can impair your judgement and slow your reaction time behind the wheel.
- Driver fatigue – driving when you're tired, weary or exhausted slows your reflexes and affects your ability to concentrate and make good decisions.
- Driver distraction – anything that diverts your attention for more than two seconds can significantly increase your likelihood of having a crash.
- Giving way at intersections – failing to give way at intersections is one of the main causes of death and injury on New Zealand roads.

For more information visit nzta.govt.nz/safety/driving-safely/

It is also important to ensure your employees have the correct licences for the vehicles they are required to drive:

- Regularly (at least every 90 days) check that your employee's driver licences are current and take copies if possible (employees should advise you of any driving offences or accidents that occur away from work).
- Make sure your employees carry all the required licences with them while in control of vehicles.

Burglary and theft

Tools of trade are essential to your business. Unfortunately, they are also very tempting for thieves. In FMG's experience, almost 60% of mobile trade tools and equipment theft is stolen out of vehicles. The remaining 40% is split evenly between theft from the home base and theft from the work site.

- Where practical, remove tools and equipment from vehicles overnight or during the weekend.
- Ensure vehicle storage areas are well lit, and if possible close to your home.
- Where possible, vehicles that contain tools should be garaged or parked away from the roadside and alarmed.
- If you have a container on-site where you store tools, this should be fitted with a heavy duty lockbox-style steel cover to prevent the padlock being cut.
- Portable alarms are recommended for on-site storage containers.
- Police recommend people record serial numbers of tools or engrave them. This makes it easier to recover them under search warrants or from second-hand dealers, and to prosecute offenders. We also recommend that you keep invoices for your tools.

Accidental damage to tools and equipment

In FMG's experience the three most common causes of accidental damage to tools and equipment are items falling from moving vehicles, being run over by vehicles and being dropped while in use.

- Ensure loads are fully secured before starting any work/journey.
- Keep the work area/job site tidy - don't leave tools lying around.
- Consider the use of tool safety lanyards when working at heights.

OPERATIONAL RISK

Health and safety

Construction is one of the four sectors with the worst worker injury rates, worker fatalities in this industry are more than double the average of all other sectors. Harmful dusts, fumes and asbestos can lead to serious ill-health or even early death, and construction workers may be exposed to these risks on a daily basis.

Below are some tips from WorkSafe to ensure that your health and safety processes are on the right track:

- Identify health and safety hazards and risks, and take steps to prevent these from happening.
- Make sure health and safety in your business is led from the top, is understood by your staff, and is reviewed regularly.
- Hold regular training on health and safety matters.
- Engage workers in health and safety matters that affect them.
- Support all officers to get up to date with health and safety issues and key risk factors.
- Report and monitor health and safety goals, making sure to carry out frequent health and safety audits.
- Regularly review any incidents.

For more information visit business.govt.nz/worksafe and <http://construction.worksafe.govt.nz/>

Make sure that you and your employees wear appropriate safety boots, goggles, face masks, gloves and reflective vests and use ear protection. Ensure appropriate techniques are used when lifting or carrying heavy, awkward or large objects. Also ensure that you train users on the correct and safe use of vehicles and machinery.

It's important to note that as a PCBU (person conducting a business or undertaking) you are also responsible for ensuring the health and safety of your contractors, subcontractors and apprentices.

Employment law

Issues can arise with hiring, firing, discrimination, harassment, workplace bullying and employee fraud.

Ask yourself:

- Are you aware of your obligations as an employer and do you comply with these?
- What checks and processes do you have in place to prevent employee fraud?

Contract Works

- Before starting construction it's essential that a building agreement is in place for the project.
- Contract Works insurance should also be in place prior to starting the job.

Sub-contractors

- If you're employing sub-contractors to complete work, ensure that agreements setting out the terms of the arrangement including what is clearly expected of them are in place. You should always check that they have adequate liability insurance.

Legal liability and professional indemnity

- You may be held liable for loss you cause to others' property when completing building, electrical, plumbing or other trade work. For example, liability issues may arise when working on others property, doing design work or when allegations of faulty workmanship are made. There may also be industry specific obligations and duties that you need to be aware of and comply with, such as your obligations as a licensed building practitioner.
- You may also be held liable in connection with underground service and you should ask authorities and take reasonable precautions in this respect.
- Check that your vehicles and how you use them are compliant with regulations.

Directors

Directors and officers of companies have serious management obligations that if breached, expose them to personal liability and their personal assets are therefore at risk.

KEY PERSON RISKS

The risks of injury, disablement and death are very real.

In a small to medium operation, one, two or more people may be the key revenue generators. The survival of that business may be at stake if they're unable to work. The "key" person may be you, a family member, a manager or another employee in the business.

Ask yourself, if I or another "key" person are in a position where they are unable to work for a prolonged period of time due to a serious health event or injury:

- Will I be able to meet my financial commitments to the bank, customers, suppliers and employees?
- Can my operation afford financially for me or the "key" person not to be there?
- Will we need to employ extra labour? Will they be as productive remembering the inevitable training period?

The full financial implications of key person risks are not always considered and adequate personal risk protection is very easily underestimated. We recommend reviewing your personal insurance and making sure you have adequate cover in place to provide for a prolonged period of incapacitation.

The above is a summary of your risks as a builder, electrician, plumber or other tradesperson.

For more information:

Talk to your FMG representative | Call us on 0800 366 466

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