

# Protecting Your Investment: Ensuring Your Builder Has Adequate Public Liability Insurance

As a homeowner, ensuring your builder has adequate public liability insurance is crucial in protecting your investment. Construction projects can be riddled with issues such as [delays](#), subpar workmanship, and property damage. Without adequate insurance coverage, homeowners can be left footing the bill for any mishaps or accidents that occur during the construction process. In this article, we'll explore the importance of public liability insurance and what homeowners need to know to ensure they are adequately protected.

## Understanding Public Liability Insurance

Public liability insurance is a type of insurance that provides coverage for claims made against a business or individual for third-party property damage or injury. In the context of construction, public liability insurance is important, as it protects homeowners from any financial losses due to property damage or injury that occurs as a result of the builder's work. Builders may have different types of public liability insurance policies, including broad form liability policies, product liability policies, and completed operations policies. It's important for homeowners to understand the different types of policies available to builders and ensure that their builder has adequate coverage to protect their investment.

## Importance of Verifying Builder Insurance

Verifying a builder's insurance is a crucial step for homeowners before entering into a contract for construction work. It is important to verify that the builder has adequate public liability insurance to protect against potential losses or [damages](#) that may occur during the construction process. The verification process for builder insurance in NSW involves requesting proof of insurance from the builder, such as a certificate of currency, and confirming that the insurance covers the specific type of work being undertaken. If a builder does not have adequate public liability insurance, homeowners may be left financially responsible for any damages or injuries that occur on their property during construction. It is important for homeowners to protect themselves by verifying a builder's insurance before entering into a [contract](#).

## Common Issues with Builder Insurance

Homeowners may face various issues with builder insurance, such as discovering that the insurance policy is insufficient or discovering that the policy does not cover the damages caused

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by the builder's work. Furthermore, some builders may claim to have insurance but fail to provide proof, leading to potential [disputes](#) between the homeowner and the builder.

These issues can be prevented through adequate verification and communication. Before hiring a builder, homeowners should verify the builder's insurance by requesting a copy of the policy and contacting the insurance company to confirm its validity. It is also crucial to communicate with the builder and ensure that their insurance policy covers the scope of the project.

If a builder does not have adequate insurance, homeowners may face significant legal and financial risks. For instance, they may be held liable for any damages or injuries that occur on the construction site, which can result in costly legal battles and [compensation payments](#). Therefore, it is essential for homeowners to take proactive steps to protect their investment by ensuring that their builder has adequate public liability insurance.

## Tips for Verifying Builder Insurance

Verifying a builder's insurance is an essential step that homeowners should take before starting any construction project. Here are some tips on how to verify a builder's insurance:

1. **Request a copy of the builder's insurance policy:** Homeowners should ask their builder to provide a copy of their insurance policy, which should include details such as the policy number, the type of policy, and the coverage limits.
2. **Contact the insurance company directly:** Homeowners can contact the builder's insurance company directly to verify the policy details and confirm that the policy is current and in good standing.
3. **Check public databases:** Homeowners can check public databases, such as the Australian Securities and Investments Commission (ASIC) and the Australian Business Register (ABR), to verify the builder's insurance and registration details.

By taking these steps, homeowners can ensure that their builder has adequate insurance coverage and protect themselves from potential legal and financial risks.

## Protecting Your Investment: Verifying Builder Insurance

Verifying a builder's insurance is crucial for homeowners to protect their investment during the construction process. In this article, we discussed the importance of public liability insurance, common issues with builder insurance, and tips for verifying builder insurance. Homeowners should always request and verify their builder's insurance information, including policy details and expiration dates. By taking the necessary steps to verify a builder's insurance, homeowners can

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prevent legal and financial risks that may arise in the event of accidents or damage during construction.

Download our "Builder License and Insurance Verification Checklist" to ensure that you have all the necessary information and tools to verify your builder's insurance and protect your investment during the construction process. As a solicitor and [construction lawyer](#) with over 10 years of experience in construction law, I have compiled this checklist to assist homeowners in verifying builder insurance and avoiding legal and financial risks.

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