

## Asbestos liabilities and insurance

*This fact sheet provides information about asbestos related health and financial risks, how to reduce those risks and whether insurance can help. The information will be of use to anyone planning minor or major renovation work in a domestic property that might contain asbestos.*

### Key facts

- If your house was built or renovated prior to 1990, there is a good chance it has some asbestos.
- Exposure to asbestos fibres can cause life threatening illnesses.
- You have legal rights and responsibilities in relation to preventing harm from exposure to asbestos.
- It is important to check and plan for the presence of asbestos before you undertake any home renovation and make sure you and any trades people you engage are fully insured to cover accidents involving asbestos.
- You could face significant expenses, as well as risking your own health and that of others, if something goes wrong during home renovation work that causes asbestos fibres to be released into the air.
- In most cases standard insurance policies will either have exclusions for asbestos or will fall far short of covering your actual expenses against these liabilities, and you could find yourself with a large debt.
- Individuals and organisations that are qualified to work with asbestos can readily obtain the types of insurance required to cover clean-up and compensation costs if there's an incident that results in asbestos contamination or exposure.
- If you plan to undertake renovation, the best way to reduce the risk to your health and your liabilities, is to engage licenced asbestos professionals to accurately identify any asbestos that is present and then safely remove and dispose of it.
- When you hire a person to remove asbestos you should ask them for information on their license, their insurances and how they will carry out the work to protect you and your family from exposure to asbestos fibres.



### Why is asbestos a problem?

Asbestos was used in a range of building materials and other products prior to being phased out by 1990 and banned in 2003.

Asbestos is hazardous when disturbed, damaged or deteriorating as asbestos fibres can be released. If your house was built or renovated before 1990 it probably has some asbestos.

Exposure to asbestos fibres causes fatal diseases including asbestosis, lung cancer, mesothelioma and cancers of the larynx and ovary. It is estimated that all these asbestos-related diseases contribute to approximately 4000 deaths in Australia each year.

You don't need a lot of exposure to asbestos fibres to develop a fatal disease later in life.

The people at greatest risk of exposure are those that undertake repairs, maintenance, renovations and other work on older buildings and infrastructure which contain asbestos materials.



## What do the laws require?

You have legal responsibilities under common law, public health law and environmental protection law to protect the health of others as well as yourself and your family. This means that you must take all necessary precautions to prevent or minimise exposure to asbestos fibres.

Any tradesperson, handyman or contractor that you hire to carry out repairs, maintenance or other work on your home must comply with work health and safety (WHS) laws and follow strict safety procedures.



## Insurance is unlikely to cover expenses if home renovation work leads to asbestos contamination or exposure

Because of your legal responsibilities, you could be held accountable and be liable to pay considerable clean-up and compensation costs, if there's an incident involving asbestos at your home.

You are unlikely to be covered for accidents involving asbestos, whether you are undertaking DIY with a standard Home and Contents policy or as an Owner-Builder with additional insurances for the job.

Expenses could include:

- repair to damaged parts of your property
- replacement of soft furnishings that become contaminated from asbestos
- clean-up of your property or neighbouring properties due to asbestos contamination
- compensation claims if someone becomes sick due to asbestos exposure caused by works at your property.

As with home insurance, many motor vehicle policies also exclude anything to do with asbestos. For example, if you are taking pieces of asbestos to a licensed disposal facility on the back of your ute or trailer, and lose your load, your policy may not pay for the clean-up costs which could run into many tens of thousands of dollars. If you have an accident, you may not be insured to have your car repaired or replaced; or to pay for any damage you may have caused.

In most cases insurance policies will either have specific exclusions for asbestos or will fall far short of covering your actual expenses if you had to pay compensation due to asbestos exposure caused by renovation work.

There are special policies designed to cover these types of expenses, but they are generally only available to asbestos professionals and some trades. These include Asbestos Liability, Asbestos Indemnity and Pollution Liability Insurance.

There is a lot of variation across insurance policies, so it is always a good idea to check your insurance policies for asbestos related exclusions and if necessary, explore options for additional cover that could provide greater protection.



## What can insurance cover?

Below are examples of renovation scenarios that could lead to asbestos exposures, their financial risks and whether insurance is likely to provide coverage.

| Is insurance coverage available for:  | Homeowner with basic Home and Contents insurance* | Licensed Asbestos Professional with full insurances relevant to their trade** | Homeowner working as an Owner-Builder having obtained relevant permits and additional insurance for the renovation activity*** | Professional Builder with full insurances relevant to their trade** |
|---|---|---|--|---|
| Cost of repair (e.g. removing a piece of asbestos material that becomes damaged)?                         | No  | Yes   | Maybe  | Yes   |
| Cost to clean-up the property and replace contaminated items?   | No  | Yes   | Maybe  | Yes   |
| Compensation if a neighbouring property is contaminated or a person develops an asbestos related disease? | No  | Yes   | Maybe  | Yes   |

\* Whilst some Home and Contents policies may include some third-party Public Liability cover, it is not standard and where it is part of a Home and Contents package, it is likely to be limited and have asbestos related exclusions.

\*\* Including Asbestos Liability, Asbestos Indemnity and Pollution Liability insurance. May also need to include relevant Workers Compensation and Professional Indemnity insurance.

\*\*\* Depends on the extent to which the range of asbestos specific policies are available to the Owner-Builder and to any tradesperson they have engaged. It may also depend upon whether the Owner-Builder has the appropriate levels of Workers Compensation and Professional Indemnity insurance.

It is also worth noting, that your Home and Contents policy will probably only provide very limited cover for asbestos-related damage caused by an unexpected event such as a natural disaster or a house fire. In this case, you might be covered for some repair costs, but it is unlikely you will be covered for any loss or damages to your personal items inside the house, or any repair costs or compensation to other people as a result of asbestos exposure.

## How can I protect myself and others from the health and financial risks of asbestos exposure?



The best way to protect people's health, address your legal responsibilities and avoid financial risk, is to **engage licensed asbestos professionals** to identify and if necessary, remove asbestos before commencing any repairs, maintenance or renovation work at your home.

Licensed asbestos professionals have the training and equipment needed for the safe handling, removal and disposal of asbestos. They are also **able to access a range of insurance policies that together, provide comprehensive protection against the financial risk of an incident involving asbestos.**

If you are not sure if something is asbestos, ask a licenced asbestos professional to have a sample tested. If asbestos is present in poor condition or if it could be disturbed by renovation work, it is best to have it **safely and legally removed.**

When you hire a person to remove asbestos for you, ask them for **information on their license, their insurances and how they will carry out the work to protect you and your family** from exposure to asbestos fibres.

A licensed asbestos removalist will also usually include the **cost of disposing the asbestos waste legally** with the cost of removal.



### Further information

- [Understand Insurance](#) is an initiative of the Insurance Council of Australia, designed to help Australians better understand general insurance.
- For information about where you might find asbestos, the laws that relate to asbestos management and removal and how to protect yourself, your family and your neighbours from exposure to asbestos: [Asbestos safety for householders and home renovators](#)
- State and territory governments also have dedicated asbestos information websites:

**QLD** [www.asbestos.qld.gov.au](http://www.asbestos.qld.gov.au)

**TAS** [www.worksafe.tas.gov.au/asbestos-safety](http://www.worksafe.tas.gov.au/asbestos-safety)

**NSW** [www.asbestos.nsw.gov.au](http://www.asbestos.nsw.gov.au)

**NT** [www.asbestos.nt.gov.au](http://www.asbestos.nt.gov.au)

**SA** [www.asbestos.sa.gov.au](http://www.asbestos.sa.gov.au)

**WA** [ww2.health.wa.gov.au](http://ww2.health.wa.gov.au)

**VIC** [www.asbestos.vic.gov.au](http://www.asbestos.vic.gov.au)

**ACT** [www.asbestos.act.gov.au](http://www.asbestos.act.gov.au)