



## Asbestos liabilities and insurance for trades who carry out work involving asbestos

*This fact sheet provides information for trades who carry out work in areas where asbestos materials are present, about the importance of obtaining appropriate insurances to cover potential asbestos-related liabilities. The fact sheet also explains why it is important to check and plan for the presence of asbestos, and how to reduce potential health risks and liabilities by engaging a licenced asbestos professional to safely and legally identify, remove and dispose of asbestos before work commences.*

*This information is relevant to those in the demolition and construction industry, automotive industry, carpenters, plumbers, electricians, installers of fire safety equipment and air conditioning units, and those who undertake maintenance work on buildings.*

### Key facts

- Asbestos was used in over 3,000 products and can be found in many buildings and structures built before 1990.
- Exposure to asbestos fibres can cause life threatening illnesses.
- You can't tell if a material contains asbestos just by looking at it. Only scientific testing of a sample can confirm this.
- In most circumstances, the law requires asbestos to be removed from workplaces by a licensed asbestos removalist.
- You have legal responsibilities to prevent harm from exposure to asbestos and could be liable to pay considerable costs if there's an incident that releases asbestos fibres into the air.
- Buildings that are workplaces must maintain an asbestos register to identify the presence and location of any asbestos containing materials. You may come across asbestos during the course of your work, so always check the register first.

- If asbestos is present, the work health and safety regulations in your state or territory may allow you to legally remove less than 10m<sup>2</sup> without a licence<sup>1</sup>, however you should always ensure that you have the appropriate training and equipment to do so safely and adequate insurances to protect yourself from associated liabilities.
- General insurance policies may have exclusions for asbestos or fall short of covering your actual expenses against these liabilities, and you could find yourself with a large debt.
- A licensed asbestos professional with comprehensive insurances is best placed to safely remove and dispose of any amount of asbestos.

## Why is asbestos a problem?



Asbestos is **hazardous when disturbed, damaged or deteriorating** as asbestos fibres can be released.

**If a building was built or renovated before 1990 it can contain asbestos.**

Exposure to asbestos fibres causes **fatal diseases** including asbestosis, lung cancer and mesothelioma. 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.

This work can also lead to people living in or near those buildings being exposed to asbestos or to the surrounding areas becoming contaminated with asbestos.

## What do the laws require?

Any trade engaged to assess or remove and dispose of asbestos or to carry out installations, repairs, maintenance or other work, must comply with work health and safety (WHS) laws and follow strict safety procedures.

<sup>1</sup> In the ACT, all asbestos removal must be carried out by a licenced asbestos removalist.

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

Any contractor that you hire must also comply with work health and safety (WHS) laws and follow strict safety procedures.

Because of your legal responsibilities, you could be held accountable and be liable to pay considerable costs, if an incident involving asbestos occurs in the course of your work.



## What type of insurance covers incidents resulting in asbestos contamination or exposure?

If you are in a trade where you might encounter asbestos in the course of your work, it is important to **check your insurance policies for asbestos related exclusions**.

In most cases, general insurance policies have **exclusions for asbestos or will fall short of covering your actual expenses if you cause damage that results in exposure to airborne asbestos fibres**.

Expenses could include:

- repair to damaged parts of the premises where you are working
- replacement of soft furnishings at that premises that become contaminated from asbestos
- clean-up of the premises or neighbouring premises due to asbestos contamination
- any damage or pollution caused by an accident when asbestos is being transported for disposal

For example, as with any general insurance policy, many motor vehicle policies will exclude anything to do with asbestos. If you are transporting asbestos on the back of your ute or trailer and lose that load, your policy may not pay for the clean-up costs. This alone could run into tens of thousands of dollars.

If you have a car accident while transporting the asbestos, you may not be insured to have your car repaired or replaced, or to pay for any damage you may have caused.

The most comprehensive forms of insurance for asbestos-related incidents are only available for planned asbestos removal by a trained professional, and are designed to cover unexpected and unintentional matters arising from the asbestos removal process.

There are generally two ways to cover asbestos-related claims. They are either:

1. a specific Asbestos Liability Policy that provides cover for asbestos matters or
2. a General Liability Policy with an Asbestos Extension, **and** a Pollution Liability Policy with an Asbestos Extension to cover asbestos and other environmental or pollution liability.

**Without specific asbestos-related insurances, you are unlikely to be covered for incidents involving asbestos. It is important that you check your insurance policies and speak to a licenced insurance broker to explore your options.**



## What can insurance cover?

The following table provides examples of the type of costs you might face if asbestos containing material is damaged in the course of your work and whether insurance is likely to cover your expenses. The table is a guide only and confirmation about insurance coverage should be obtained from a licenced insurance broker.

<b>Will insurance provide cover for: *</b>	<b>Licenced Asbestos Professional</b> with full insurances relevant to their trade including Asbestos Liability and Contractor Pollution Liability (with an Asbestos Extension) insurance	<b>Tradesperson</b> with general insurances required for their trade but without asbestos-related insurances**	<b>Tradesperson</b> with general insurances required for their trade and asbestos-related insurances***
Cost of removal and disposal of asbestos containing material	Yes	No	Maybe
Cost to clean-up an area contaminated by asbestos fibres	Yes	No	Maybe
Cost to clean-up and replace items contaminated by asbestos fibres	Yes	No	Maybe
Compensation of a third party that's exposed to asbestos fibres.	Yes	No	Maybe

\* Asbestos insurance is designed to cover trained professionals from unexpected and unintentional matters arising from the asbestos removal process, covering additional costs that may arise from such matters, not costs that could have been anticipated to arise.

\*\*General insurances include compulsory insurances such as Workers Compensation, Professional Indemnity insurance and specific insurances relevant to your trade.

\*\*\* Depends on whether the range of asbestos specific policies are available to or taken out by the tradesperson.

## How do I go about obtaining asbestos-related insurances?

Speak to a licenced insurance broker that has experience with asbestos-related policies. The broker should not be an agent for an insurer and should present you with the full range of options that are available, so that you can make an informed decision.

Accessing asbestos-related insurance can be complicated, depending on the amount of risk associated with the work being undertaken and there may also be a limited number insurers that offer it.

Insurance for high risk work can be expensive and this reflects the level of risk involved. However, that initial cost may help protect you from much more expensive liabilities associated with an incident involving asbestos.



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

The best way to protect yourself and others is to check and plan for the presence of asbestos before commencing work. Unless you have the appropriate training and equipment to do so legally and safely, and adequate insurances to protect yourself from associated liabilities, **engage a licensed asbestos professional** to identify and if necessary, remove and dispose of asbestos.

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 health and financial risks of an incident involving asbestos.

## When you hire a person to remove asbestos for you, ask them for information on:

- their license
- their insurances
- how they will carry out the work to prevent contamination and 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

- [Asbestos safety for trades and construction workers | Asbestos Safety and Eradication Agency](#)
- Asbestos and Work Health Safety Laws: <https://www.safeworkaustralia.gov.au/asbestos>
- State and territory governments asbestos information websites:

ACT	<a href="http://www.asbestos.act.gov.au">www.asbestos.act.gov.au</a>	SA	<a href="http://www.asbestos.sa.gov.au">www.asbestos.sa.gov.au</a>
NSW	<a href="http://www.asbestos.nsw.gov.au">www.asbestos.nsw.gov.au</a>	TAS	<a href="http://www.worksafe.tas.gov.au/asbestos-safety">www.worksafe.tas.gov.au/asbestos-safety</a>
NT	<a href="http://www.asbestos.nt.gov.au">www.asbestos.nt.gov.au</a>	VIC	<a href="http://www.asbestos.vic.gov.au">www.asbestos.vic.gov.au</a>
QLD	<a href="http://www.asbestos.qld.gov.au">www.asbestos.qld.gov.au</a>	WA	<a href="https://ww2.health.wa.gov.au">https://ww2.health.wa.gov.au</a>
- Finding a licenced insurance broker:  
<https://connectonline.asic.gov.au/RegistrySearch/faces/landing/ProfessionalRegisters.jspx>
- Compulsory insurances:
  - Workers' compensation insurance is compulsory if you have employees (rules vary between states and territories).
  - Third party personal injury insurance is compulsory if you own a motor vehicle. This is often part of your vehicle registration fee.
  - Public liability insurance covers you for third party death or injury, and is compulsory for certain types of companies.

<https://business.gov.au/Risk-management/Health-and-safety/Work-health-and-safety>