



Get a Handle on Your Liability

Like any contractor, landscapers and green-industry service providers face a host of potential liability issues. How you handle these issues can be critical to your business.

by Mark Anderson



[Print This Article](#)



[E-Mail Article](#)

Like many contracting professionals, landscapers and other green-industry service providers face increasing costs when it comes to securing the insurance they need to operate their businesses properly. As a result, making sure that you understand issues surrounding liability both on and off the job may be key to helping your business succeed.

For landscape professionals, liability and the insurance necessary to provide coverage can take many forms. Naturally, most, if not all, of the types of insurance common to small- and mid-sized businesses, such as commercial general liability (CGL), commercial auto and workers' compensation policies are necessary for landscapers as well. Other, more specific types of coverage might be needed also. For example, contractor's pollution liability insurance, which covers liability suits arising from negligent acts that damage the environment such as improper disposal of chemicals that contaminate ground water, may be necessary for those who labor within the green industry.

Where Your Liability Lies

Not surprisingly for an industry as labor-intensive as landscaping, one of the largest areas of liability arises from bodily injury and/or property damage claims, both among workers employed by a firm and non-workers who may be in or around a job site. In recent years, however, two other key areas of liability have grown in importance: water damage causing construction defects, and the potential for mold and mildew. That means for the landscape contractor doing any irrigation work, excavation or land grading—activities that can cause water to be in and around a building—the need for specialized coverage may be critical.

When it comes to understanding liability issues in the landscape contracting business, however, perhaps no aspect is more important than understanding exactly where and when your liability begins and ends on any given job site.

Identify Multiple Risks

For many landscaping businesses, that can mean that when they are working on multi-unit residential projects, such as new-home construction, things can get tricky when identifying transferable risks. That's because of a concern on the part of the insurance industry that involves multiple litigants arising from construction defects on a single construction project.

When a claim arises the insurance company for the general contractor often will name all of the subcontractors as party to the suit. In addition, those claims may arise long after you have completed work on the project, with each state allowing a separate statute of limitations ranging from seven to 10 years and beyond.

Always have a qualified insurance agent review and offer advice on any contract you are considering. Don't be afraid to change or challenge a contract by striking out unfair or unfavorable terms or wording.

In an effort to limit the likelihood of liability issues, create a culture of safety within your company.