

## Legal Cover For Tradies

### Cover the gaps in your current business insurance

What do tradies (be it a plumber, electrician, or a handyman) have in common? You're working hard juggling many aspects of your business and all facing similar business challenges.

Often, we don't consider the cost of engaging a legal professional until it's too late. As a small business it's all about the bottom line, and usually you make decisions based on the commercial realities of cost v reward, having legal expense insurance provides your business with the choice to exercise your legal rights.



**1 in 5 businesses**

have been involved in a legal dispute in the last 5 years



**49%**

of all abandoned disputes were due to the costs associated outweighed the potential gains

ARAG Legal Expense Insurance provides affordable and comprehensive cover for Tradies regardless of your size or industry. **It's like having a lawyer in your back pocket.**

- Criminal prosecution defence (including WHS investigations)
- Property and goods
- Identity theft
- Statutory licence
- Compliance and regulation
- Tax audit or investigation (that results in accountancy fees that come with an audit)
- Contract disputes
- Tenancy disputes
- Debt recovery
- Employment (optional)

As an added benefit, each policy comes with access to our Legal document centre & legal information helpline. You can access these at no cost, and at any time. Our legal experts and documents are there to provide you with the support and advice that will potentially minimise risks to your business.

The cost for accessing legal advice in Australia may stop you from accessing or pursuing your rights, but covering the gaps when you need it most!

# Case Studies

## Contract Dispute

Bright Spark Electrics have ordered and purchased specific bespoke lighting, with accompanying cables and power points for a large residential project. Mid-way through the installation the client changes their mind and wants to change the style of lights being used. They request that the electrician cancel the remaining order. Bright Spark explain that the client will need to pay for the additional change the lights and accessories are non-refundable and given they were specific to this project and cannot be used on any other project. The client initially agrees and Bright Spark order and install new lights. However, when they were issued with the final invoice, which included the unused material and labour the client then refused to pay for the unused lights despite agreeing to. The client refused all requests for payment and denied they had agreed to pay for the unused material, despite text messages and email correspondence. Bright Spark contacted the ARAG Legal Information Helpline where the matter was referred to the ARAG claims team, who appointed lawyers to recover damages from the client. After debt recovery proceedings commenced the client agreed to pay for 80% of the total invoice. ARAG paid all legal costs incurred in the proceedings, and Bright Spark Electric paid a \$1,000 excess.

## Criminal Prosecution Defence

Following an accident on their worksite, SafeWork attended the premises and issued a Prohibition Notice requiring the business to stop work. The business challenged the Prohibition Notice on the grounds that the system of work was deemed safe. The insured contacted ARAG and a claim was lodged. ARAG appointed lawyers who ran proceedings to challenge the Prohibition Notice with the result being that the Prohibition Notice was cancelled. ARAG paid the business' legal costs in relation to the proceedings.

## Contract Dispute

Knock on Wood, a carpentry business, was approached by a customer to install skylights in their customer's home. Knock on Wood is a small enterprise and engaged a Skylight contractor to supply and install the skylights. The skylights were installed and not properly sealed. The cost of installation of two skylights was \$7,000. Following complaints by the customer, Knock on Wood arranged for the skylights to be replaced by a different contractor, they then claimed damages from the original contractor. The originally contractor refused to compensate Knock on Wood. Knock on Wood contacted their broker who then contacted ARAG Claims team, and formally lodged a claim on behalf of their client. ARAG reviewed and accepted the claim, appointed lawyers who forwarded a demand for payment of compensation to the contractors which resulted in negotiations and a quick settlement with damages paid to Knock on Wood. As there was a nil excess there were no out of pocket expenses and ARAG paid the legal costs incurred.

## Tax Protection

Perfect Plumbing has been lodging its BAS statements and Tax returns regularly. The ATO has announced its intention to look at compliance in several industries including the plumbing industry. The then ATO randomly selects Perfect Plumbing for a tax audit. After preliminary inquiries the ATO advised Perfect Plumbing's accountant that it intended to audit their BAS lodgements. ARAG appointed accountants to assist with the audit and demonstrate BAS has been appropriately accounted for. ARAG met all costs of the appointed accountant other than the excess which was paid by Perfect Plumbing to the appointed accountant.

## For more information

To find out more about ARAG's Service Legal Expense Insurance products please visit [www.arag.com.au](http://www.arag.com.au) or call us at (02) 8066 0162 or email [contact@arag.com.au](mailto:contact@arag.com.au)



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