

A construction site at dusk. Scaffolding is visible on the right side of the frame. A string of warm, yellow string lights is draped across the middle of the image, with one light in the foreground being particularly bright. The background shows a blurred street scene with cars and buildings under a dim sky.

RISK MANAGEMENT

Time Allotment: 2 Hours

Instructor: Brandee Anderson

OVERVIEW:

- General Liability
- Commercial Auto
- Workers Compensation
- Contractor's Equipment
- Bonding

AFTER THIS CLASS YOU WILL:

- **Have a better understanding of your insurance rates and how to use them while job costing.**
- **Understand how your workers compensation claims are affecting your bottom line, and how to minimize unnecessary costs.**
- **Know which auto coverage fits you best and where you are at risk.**

GENERAL LIABILITY





GENERAL LIABILITY LIMITS

- DOPL requires that contractors maintain general liability coverage of at least \$100,000/\$300,000.
- Who does general liability protect?
- Are these limits enough?



MY RECOMMENDED LIMITS

- Bodily Injury/Property
Damage General Aggregate
\$2,000,000
- Bodily Injury/Property
Damage (Each Occurrence)
\$1,000,000



GENERAL LIABILITY

- Provides coverage for bodily injury or damage of property of others.
- Protects you in the event of a lawsuit, provides defense coverage if loss is a covered peril.



UMBRELLA COVERAGE



LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY

LOC 001 BLDG 001 Tbd - Check Audit Notes
Park City, UT 84098

TERRITORY: 001 COUNTY: Summit

Classification	Subline	Premium Basis	Rates	Premium
<p>CODE 91340 Carpentry - Construction Of Residential Property Not Exceeding Three Stories In Height</p>	<p>Prem/Op Prod/Comp Op</p>	<p>Payroll 27,000 27,000</p>	<p>Each 1000 28.898 11.532</p>	<p>\$780.00 \$311.00</p>
<p>CODE 91583 Contractors-Subcontracted Work-In Connection With Building Construction, Reconstruction, Repair Or Erection Of One Or Two Family Dwellings</p>	<p>Prem/Op Prod/Comp Op</p>	<p>Total Costs 250,000 250,000</p>	<p>Each 1000 1.089 3.771</p>	<p>\$272.00 \$943.00</p>
<p>CODE 49950 Additional Interests Sched Add'L Ins-Excl Zions Bank</p>	<p>Prod/Cops Prem/Op</p>		<p>Flat Charge</p>	<p>\$20.00</p>
<p>Bilo Giovanniello</p>	<p>Prem/Op</p>		<p>Flat Charge</p>	<p>\$20.00</p>

AUDITS



"Auditor's here."

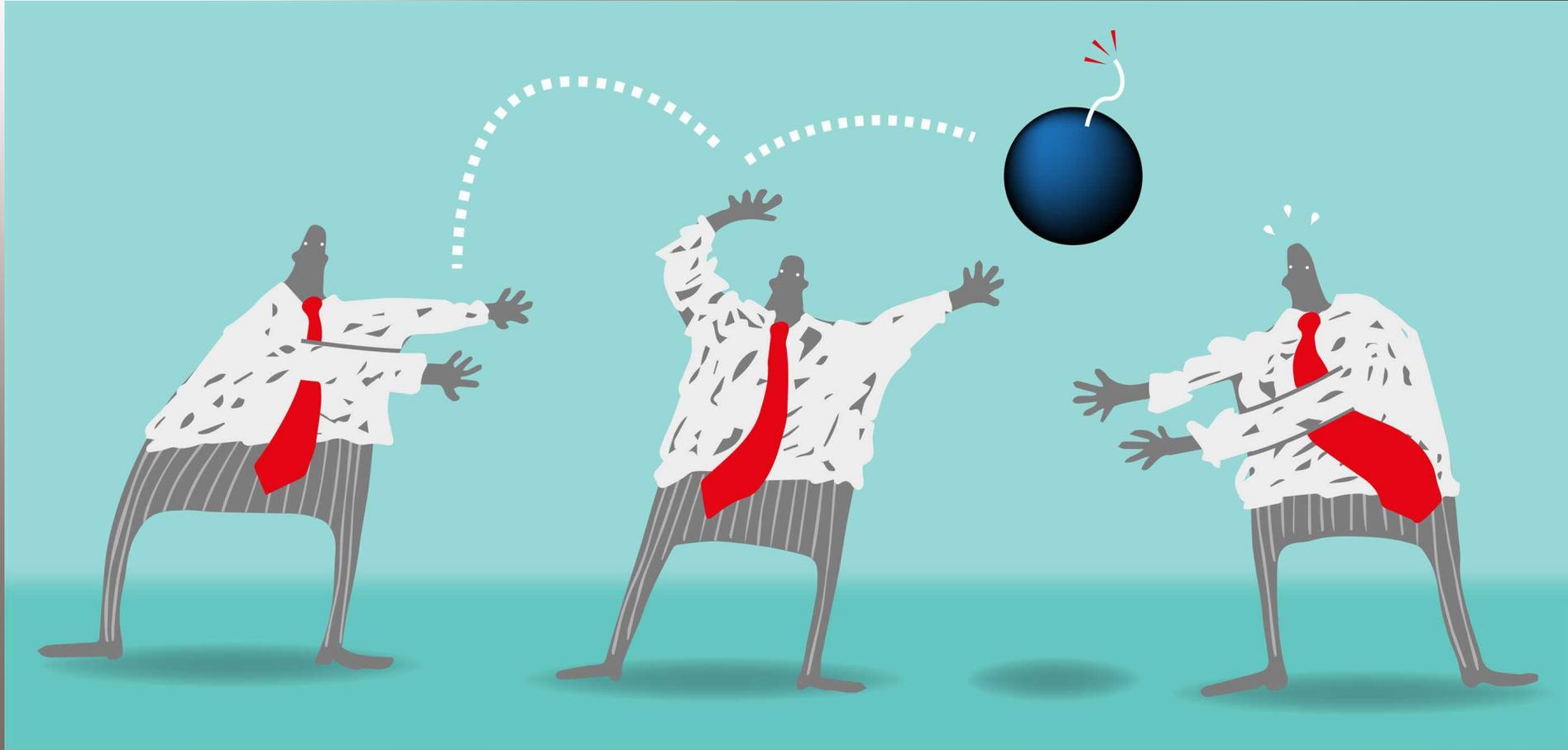
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SUB CONTRACTORS – RISK TRANSFER



SUB-CONTRACTOR COMPLIANCE CHECKLIST

[Pick the date]

CONTRACTOR

[Type the recipient name]

[Type the recipient address]

[Type the salutation]

You have been awarded the contract for **Job Name**. We are excited to work with you.

Please prepare all pertinent submittals for your scope of work as soon as possible and send them to **Contact Name**.

- Business License and/or Contractor's License
- W-9
- Insurance Certificate containing the following:
 - General Liability Limits of at least
 - \$1,000,000 Each Occurrence
 - \$2,000,000 General Aggregate
 - \$2,000,000 Products-Comp/Ops Aggregate
 - General Liability Per Project Aggregate, box on certificate checked and include form
 - Additional Insured forms for General Liability (including Ongoing and Completed Operations) and Auto Liability
 - Primary and Non-Contributory Form for General Liability and Auto Liability
 - Waiver of Subrogation forms for General Liability, Auto Liability and Workers Compensation
 - 30 Day Notice of Cancellation forms for General Liability, Auto Liability and Workers Compensation
 - Auto Limit of at least \$1,000,000 Combined Single Limit
 - Workers Compensation Limits of:
 - \$1,000,000 EL Each Accident
 - \$1,000,000 EL Disease – Each Employee
 - \$1,000,000 EL Disease – Policy Limit
 - Excess Liability of at least \$1,000,000, following form

Respectfully,

Contact Name

CONTRACTOR

SUB-CONTRACTOR AGREEMENT

INSURANCE REQUIREMENTS:

Before commencing the Subcontract Work, and as a condition of payment, the Subcontractor shall purchase and maintain insurance having the minimum limits as follows:

(a) Workers Compensation Insurance - A worker's compensation policy shall be in-force with limits of \$1,000,000 bodily injury by accident each accident, \$1,000,000 bodily injury by disease each employee, \$1,000,000 bodily injury by disease policy limit. The State in which work is being performed must be a covered State on the workers compensation policy and shown on the certificate of insurance. Contractor must be Certificate Holder and a Waiver of Subrogation, in favor of Contractor and Owner must apply to Workers Compensation.

(b) Comprehensive General Liability Insurance - Each occurrence limit \$1,000,000 or full per occurrence limit of the policy, whichever is greater, Personal and Advertising injury limit \$1,000,000, Fire Damage Limit \$100,000, Products/Completed Operations Aggregate Limit \$2,000,000, General Aggregate Limit \$2,000,000, Medical Expenses, any one person \$10,000. Subcontractor's policy must contain a per-project aggregate. Policy shall be Primary and Non-contributory for Ongoing and Completed Operations and Contractor must be Certificate Holder and a Waiver of Subrogation, in favor of Contractor and Owner must apply to General Liability.

(c) Comprehensive Automobile Liability Insurance Combined Single Limit \$1,000,000 for property damage and bodily injury. Policy must include coverage for non-owned automobile liability coverage and hired vehicle coverage and Contractor must be Certificate Holder and a Waiver of Subrogation, in favor of Contractor and Owner must apply to Auto Liability.

(d) Umbrella/Excess Insurance - \$1,000,000 Each occurrence limit and aggregate limit. Policy shall be primary and non-contributory. Aggregate shall apply on a per project basis. Such coverage shall be maintained in form and with companies having a minimum AM Best rating of A- VII.

All policies shall also provide for at least (30) thirty days notice of cancellation of any insurance to contractor.

To our valued subcontractor:

We, the undersigned, agree to indemnify and hold SAMPLE CONTRACTOR, INC., it's Owners and Officers and the project owner harmless from any and all insurance claims, demands, suits, costs and attorney fees incurred by SAMPLE CONTRACTOR, INC., and project owner arising out of claims made in connection with the project whether made by the undersigned or its suppliers and personnel.

Dated this _____ day of _____, 2011

Subcontractor/or Supplier: _____.

Signed By: _____.

Title: _____.

Date:

Please take the necessary time to insure that all information is complete, up to date and accurate.

If you have any questions or concerns, please call me. This information can be e-mailed to SAMPLE CONTRACTOR, INC., at 'samplecontractorinc@email.com'

HOLD HARMLESS

CERTIFICATE OF INSURANCE

ACORD, CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 6/29/2005
PRODUCER (801) 555-3000, Fax (801) 555-0893 Your Insurance Agent 2500 Bond Street Salt Lake City, UT 84109 Agent's Name		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURED Your Company Name Here 123 Main Street Draper UT 84020		INSURERS AFFORDING COVERAGE INSURER A: Any Insurance Company INSURER B: Any Insurance Company INSURER C: INSURER D: INSURER E:
		NAIC #

COVERAGES
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENL. AGGREGATE LIMIT APPLIES PER: POLICY <input checked="" type="checkbox"/> PER-ACCIDENT <input type="checkbox"/> LOC	123456789	01/01/2011	01/01/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ex occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	123456789	01/01/2011	01/01/2012	COMBINED SINGLE LIMIT (Ex accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	987654321	01/01/2011	01/01/2012	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER EL EACH ACCIDENT \$ 100,000 EL DISEASE - EA EMPLOYEE \$ 100,000 EL DISEASE - POLICY LIMIT \$ 500,000
		OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENTS/SPECIAL PROVISIONS

CERTIFICATE HOLDER DOPL PO Box 146741 Salt Lake City, UT 84114-6741	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>10</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE Insurance Agent Signatur
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CERTIFICATE OF LIABILITY INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/05/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Agency Name Address City, State, Zip		CONTACT NAME: CBR PHONE (000) 000-000 FAX (000) 000-0000 E-MAIL Insurance's Agents Email ADDRESS:	
INSURED Insured's Name Address City, State, Zip		INSURER(S) AFFORDING COVERAGE INSURER A: Carrier # INSURER B: Carrier # INSURER C: Carrier # INSURER D: Carrier # INSURER E: Carrier # INSURER F: Carrier #	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PND CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL COVERAGES	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		POLICY NUMBER	01/01/2023	01/01/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMWOP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> RENTED AUTOS ONLY <input type="checkbox"/> OTHER AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		POLICY NUMBER	01/01/2023	01/01/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (P/accident) \$ BODILY INJURY (P/accident) \$ PROPERTY DAMAGE (P/accident) \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE				EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETARY PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y N/A	POLICY NUMBER	01/01/2023	01/01/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate Holder is an additional insured with respects to the General Liability and Automobile Liability of the Named Insured, on a primary and non-contributory basis, and a waiver of subrogation applies if required in a written contract. A Workers Compensation waiver of subrogation applies in favor of the certificate holder if required in a written contract.

CERTIFICATE HOLDER Please Call with Questions	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
---	--

ADDITIONAL INSURED - WHY ASK?

- Transfers the Risk
- Direct Access to the Policy
- Prevents Subrogation
- Increase Limits
- Bankruptcy of Sub-Contractor



NOW YOU KNOW WHAT'S COVERED...

- Let me tell you what's not.
- In the standard ISO Commercial General Liability Coverage form, there are 2 exclusions that limit the protection for contractors.
- Exclusion for your work
- Exclusion for your product

ADDITIONAL EXCLUSIONS

- **Minimum/ Earned Premiums on Surplus Lines Policies / Self insured retention**
- **Subsidence, Movement or Vibration of Land (cave in, collapse) Also, Earthquake**
- **Flood Insurance, Open Structure “Water” Damage**
- **Over Three story exclusion**
- **Overspray**
- **Abandoned Work**
- **Tract Homes Project Exclusion / Multi-Unit**
- **Pollution**

CONTRACTORS ERRORS & OMISSIONS COVERAGE:

- Provides coverage by removing the requirement that property damage exist to cover claims out of faulty workmanship. The following are some examples of classes eligible for coverage:
 - Air Conditioning Systems
 - Door, Window or Assembled Millwork
 - Electrical Work within Buildings
 - Interior Decorators
 - Landscape Gardening
 - Painting - Exterior or Interior
 - Plumbing
 - Tile, Stone, Marble work

COURSE OF CONSTRUCTION / BUILDER'S RISK

- When should you have it?
- What does it cover?





COMMERCIAL AUTO



WHAT TYPE OF COVERAGE SHOULD YOU HAVE?

- **Commercial**

- Vehicles use for business purposes
- Required if car will be driven by employees
- If company itself needs commercial insurance
- When equipment is attached to the vehicle
- Higher coverage limits

- **Personal**

- Used for only personal purposes
- Employees non-owned liability coverage is not available under personal lines policies.
- **Personal auto policies exclude business use.**

DECAL ON YOUR VEHICLE

If you have your company name decal on your auto, it needs to be on a commercial policy



WHY HAVE HIGHER AUTO LIMITS?



WHY HAVE HIGHER AUTO LIMITS?



COVERAGES	COVERED AUTOS	LIMITS The most we will pay for any one accident or loss	PREMIUM
LIABILITY	1	\$ 1,000,000	\$ 1,155.00
PERSONAL INJURY PROTECTION (or equivalent No-Fault Coverage)	5	Separately stated in each PIP endorsement minus \$ NIL deductible.	\$ 5.00
UNINSURED MOTORISTS	7	Bodily Injury \$ 1,000,000 Each Accident	\$ 9.00
UNDERINSURED MOTORISTS	7	Bodily Injury \$ 1,000,000 Each Accident	\$ 34.00
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	7	Actual cash value or cost of repair, whichever is less, minus the deductible shown in ITEM THREE for each covered auto, but no deductible applies to loss caused by fire or lightning. See ITEM FOUR for hired or borrowed "autos."	\$ 71.00
PHYSICAL DAMAGE COLLISION COVERAGE	7	Actual cash value or cost of repair, whichever is less, minus the deductible shown in ITEM THREE for each covered auto. See ITEM FOUR for hired or borrowed "autos."	\$ 155.00
PREMIUM FOR ENDORSEMENTS			\$ 250.00
ESTIMATED TOTAL PREMIUM This policy may be subject to final audit.			\$ 1,679.00

LET'S TALK ABOUT TRAILERS ...



HIRED, NON-OWNED

- **Hired**

Any auto that you rent, hire, lease, or borrow from others.

- **Non-Owned**

An auto that you do not own, hire, rent, or lease.

Includes an auto owned by your employees while in the conduct of business.

- **Hired & Non-Owned Physical Damage**

Any auto you rent, hire, lease, or borrow from others.

DON'T BE A FOOL, PROTECT YOUR TOOL(S).

- Inland Marine
 - Contractor's Tools
 - Contractor's Equipment
 - Installation Floater
 - Rented & Leased Equipment



CO-INSURANCE

- If you insure your equipment for less than the full amount, your insurance company imposes a "coinsurance penalty" once a claim is filed.





WORKER'S COMPENSATION

- What is it?
- Why do you need it?
- What bad things could happen if you don't have it?



WHAT DOES IT COVER?

- Medical Costs
- Compensation Time/Loss of Work
(60% of Wages)
- Rehab



AGENCY INTEGRATED INSURANCE SOLUTIONS INC
 43-0094-00 3191 VALLEY ST # 206 (801) 487-3000
 SALT LAKE CITY UT 84109 MKT TERR 076

ITEM 1
 INSURED

ADDRESS

COMPANY
 BILL

INSURED IS - CORPORATION

OTHER WORK PLACES NOT SHOWN ABOVE:

- ITEM 3 A. WORKERS' COMPENSATION INSURANCE: PART ONE OF THE POLICY APPLIES TO WORKERS' COMPENSATION LAW OF THE STATES LISTED HERE: UT
- B. EMPLOYERS LIABILITY INSURANCE: PART TWO OF THE POLICY APPLIES TO WORK IN EACH STATE LISTED IN ITEM 3. THE LIMITS OF OUR LIABILITY UNDER PART TWO ARE:
- | | | |
|---------------------------|-----------|---------------|
| BODILY INJURY BY ACCIDENT | \$100,000 | EACH ACCIDENT |
| BODILY INJURY BY DISEASE | \$100,000 | EACH EMPLOYEE |
| BODILY INJURY BY DISEASE | \$500,000 | POLICY LIMIT |
- C. OTHER STATES INSURANCE: PART THREE OF THE POLICY APPLIES TO THE STATES, IF ANY, LISTED HERE: AL, AR, AZ, CO, FL, GA, IA, ID, IL, IN, KS, KY, MI, MN, MO, NC, NE, PA, SC, SD, TN, UT, VA & WI UNLESS ALREADY LISTED IN ITEM 3A.
- ITEM 4 THE PREMIUM FOR THIS POLICY WILL BE DETERMINED BY OUR MANUALS RULES, CLASSIFICATIONS, RATES AND RATING PLANS. ALL INFORMATION REQUIRED BELOW IS SUBJECT TO VERIFICATION AND CHANGE BY AUDIT.

CLASSIFICATIONS OF OPERATIONS	CLASS CODE	ESTIMATED TOTAL ANNUAL REMUNERATION	PREMIUM BASIS	RATES	ESTIMATED ANNUAL PREMIUM
STATE OF UTAH ID# 0010 (SEE FED NUM 001) DESC 001 CARPENTRY - DWELLINGS - THREE STORIES OR LESS	5651	60,000		10.76	6,456
		TOTAL			6,456
		.880 EXPERIENCE MOD		775-	5,681
		PREMIUM DISCOUNT		74-	5,607
		10% MULTI-POLICY DISCOUNT		561-	5,046
		EXPENSE CONSTANT		200	5,246
		TERRORISM-SEE FORM 27317		6	5,252
		CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) SEE FORM 27322		6	5,258
		TOTAL ESTIMATED ANNUAL PREMIUM			5,258

STANDARD VS. PREFERRED RATES

Standard Rates		Preferred Rates	
Excavation	6.4	Excavation	4.55
Carpentry	13.87	Carpentry	9.87
Sheet Metal Fabrication	8.35	Sheet Metal Fabrication	5.97
Roofing	26.88	Roofing	19.22
Tile	5.86	Tile	4.20
Electrical	3.35	Electrical	2.39
HVAC	5.44	HVAC	3.87



SAMPLE WORKSHEET

 WORKERS COMPENSATION EXPERIENCE RATING									
Risk Name:		Risk ID:							
Rating Effective Date: 07/01/2012			Production Date: 03/01/2012			State: UTAH			
State	Wt	SRP	Exp Excess Losses	Expected Losses	Exp Prim Losses	Act Exc Losses	Ballast	Act Inc Losses	Act Prim Losses
UT	.11	0	31,292	38,628	7,336	0	14,700	356	356
(A) Wt	(B)	(C) Exp Excess Losses (D - E)	(D) Expected Losses	(E) Exp Prim Losses	(F) Act Exc Losses (H - I)	(G) Ballast	(H) Act Inc Losses	(I) Act Prim Losses	
.11		31,292	38,628	7,336	0	14,700	356	356	
	Primary Losses		Stabilizing Value		Ratable Excess		Totals		
Actual	(I)	356	C * (1 - A) + G 42,550		(A) * (F) 0		(J) 42,906		
Expected	(E)	7,336	C * (1 - A) + G 42,550		(A) * (C) 3,442		(K) 53,328		
	ARAP		FLARAP		SARAP		MAARAP		Exp Mod
Factors									(J) / (K) .80
RATING REFLECTS A DECREASE OF 70% MEDICAL ONLY PRIMARY AND EXCESS LOSS DOLLARS WHERE ERA IS APPLIED.									

CLAIMS: FREQUENCY Vs. SEVERITY

- Which is worse?

FREQUENCY

SEVERITY

MONOPOLISTIC STATES

- What is a monopolistic state?
- Who are they?
- North Dakota
- Ohio
- Washington
- Wyoming
- Additionally, Puerto Rico and the U.S. Virgin Islands

INCIDENT EXAMPLE



THE MORE YOU KNOW

- Save by association. When looking for insurance, check with your trade association. Many associations offer competitive group insurance.

• CLOSE YOUR EYES IF YOU HAVE A WEAK STOMACH









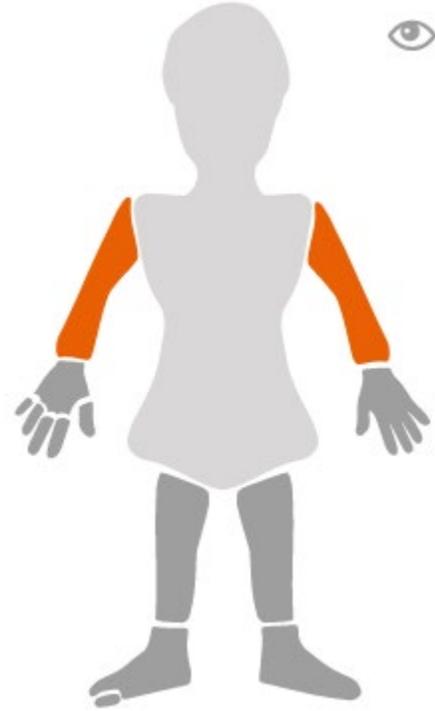




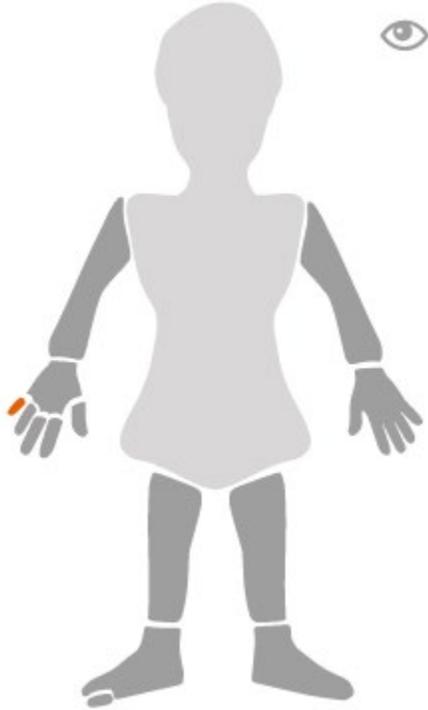


HOW MUCH ARE YOU WORTH?

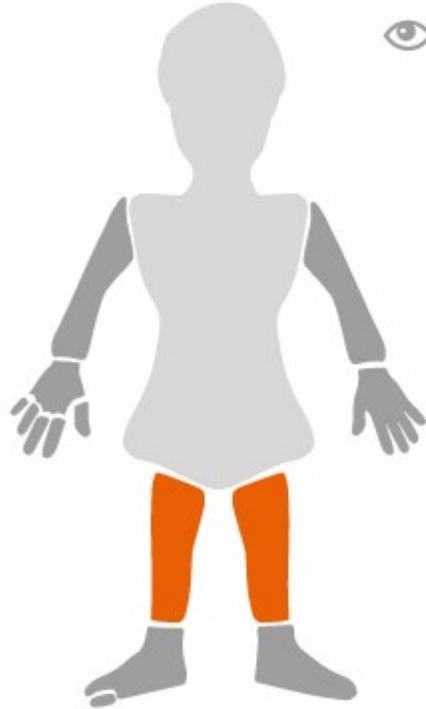
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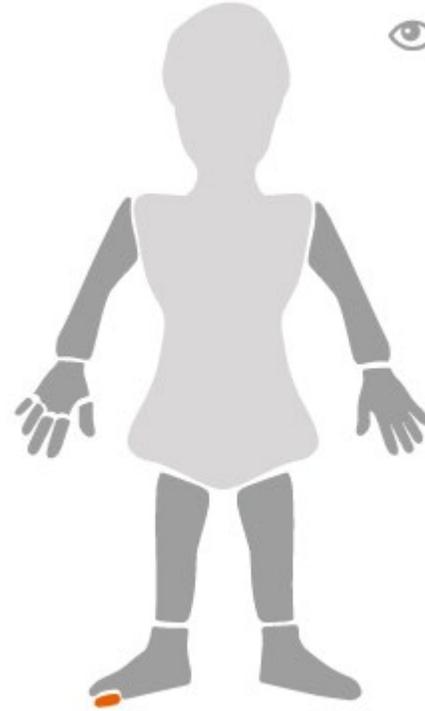
\$4,216



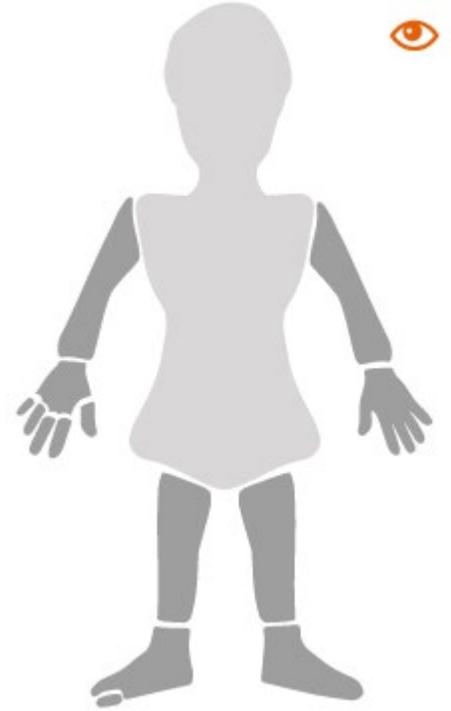
\$65,875



\$13,702



\$63,240





BONDING



TYPES OF BONDS

- Bid Bond
- Payment Bond
- Performance Bond
- License & Permit



FOUR Cs OF SURETY UNDERWRITING

Capital

Capacity

Character

Conditions

PREQUALIFICATION

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graph TD; A[Financial Strength] --- B[Character]; A --- C[Experience]; B --- D[Equipment]; B --- E[Credit History]; C --- D; C --- E; D --- F[Banking Relationships]; E --- F;
```

**Financial
Strength**

Character

Experience

Equipment

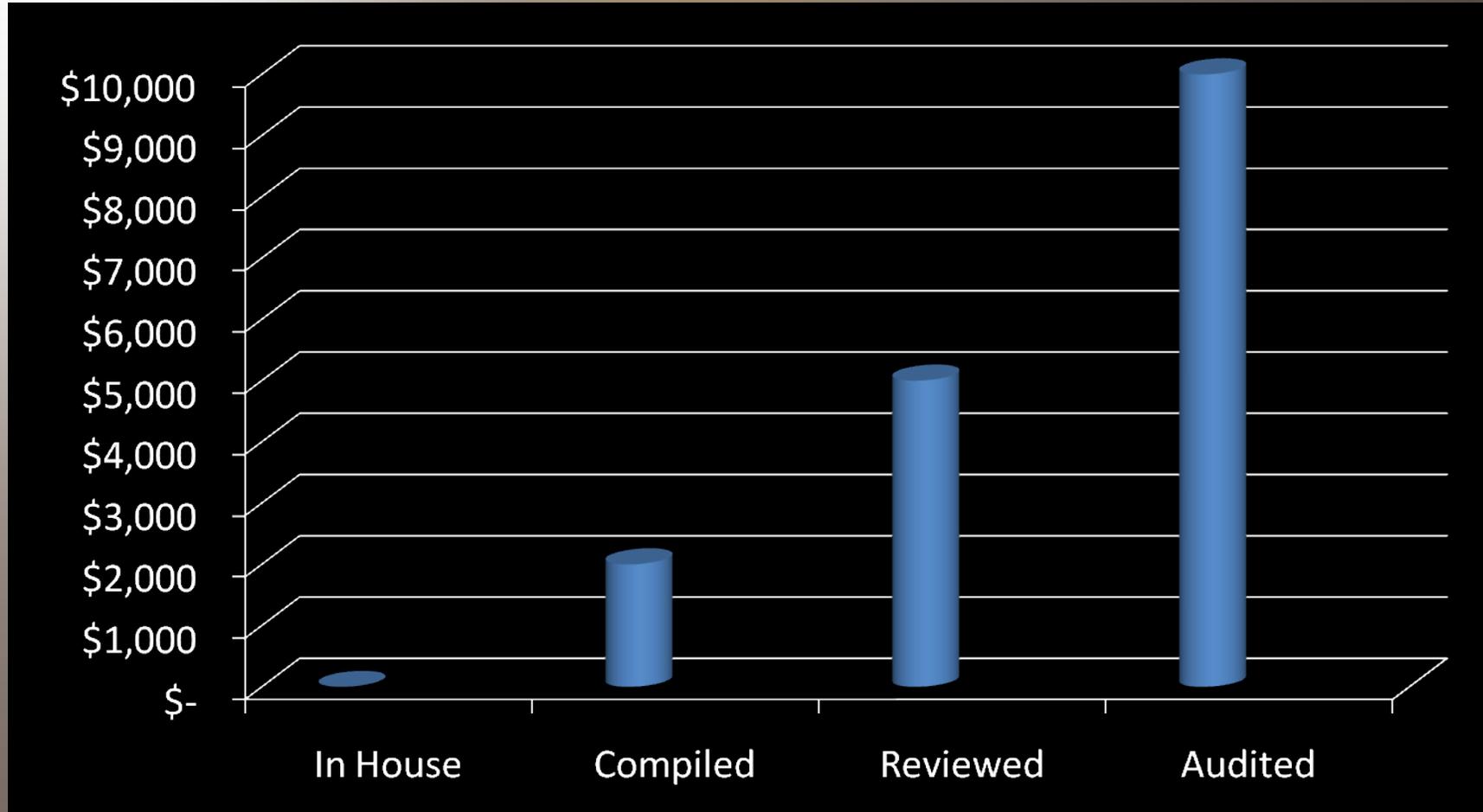
**Credit
History**

**Banking
Relationships**

INTRODUCTION TO FINANCIAL STATEMENTS

- **In-House**
 - Done internally (QuickBooks, etc.)
- **Compilation**
 - Accountant puts all information in proper format. No assurance.
- **Reviewed**
 - Inquiries and analytical procedures aimed providing a reasonable basis for expressing assurance.
- **Audited**
 - Accountant critically evaluates the contractor's accounting and internal control systems.

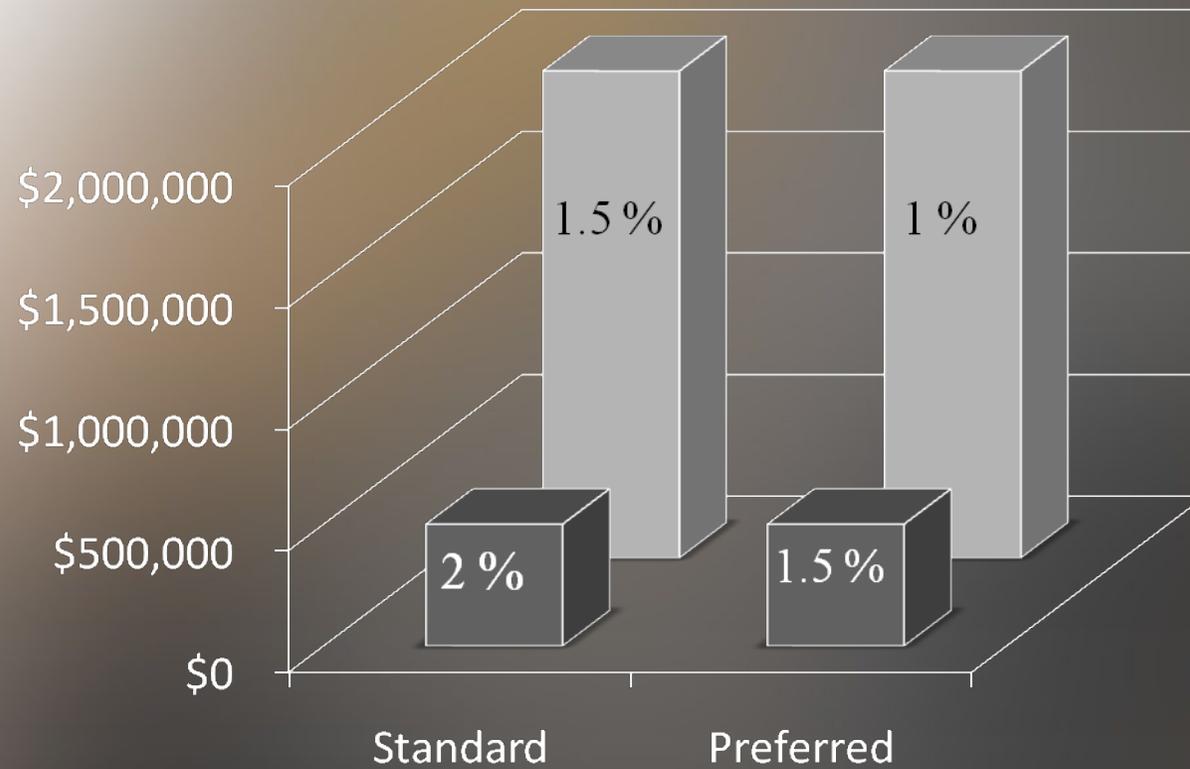
COST OF FINANCIAL STATEMENTS



COST OF BONDING



STANDARD VS. PREFERRED PRICING



BONDING FOR SMALL BUSINESS IS NOT IMPOSSIBLE!



U.S. Small Business
Administration

BRANDEE'S HELPFUL HINTS ...

- **Maximize Insurance**
 - Making sure you have high enough limits
 - Different trades have different rates- keep track
 - Protect yourself through Additional Insured
 - Purchase Hired & Non-Owned Auto
 - Avoid Co-Insurance Penalties
 - Know your Bonding Capacity



THANK YOU!

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CRIME COVERAGE

- Employee Dishonesty
- Forgery & Alteration
- Money & Securities
- Computer Fraud
- Funds transfer Fraud



CYBER LIABILITY

- **What is a Cyber Risk?**
 - **Cyber Risks are those exposures associated with computers, electronics or communication systems. A range of cyber risks exists, including:**
 - **Simple Data Breaches**
 - **Failures of an electronic system**
 - **Cyber attacks or terrorism**
 - **EVERYTHING in between**

CYBER LIABILITY

- 2014 Data Breach
- 145 Million Users
- Est Cost \$200 Million

- 2014 Data Breach
- 56 Million Card Accounts
- Est Cost \$80 Million

- 2014 Data Breach
- 40 Million Card Holders/Data on 70 Million Customers
- Est Cost \$250 Million +



CYBER LIABILITY STATISTICS

- **554 Million Data Records compromised in first half of 2016. (up 150% from 2015)**
- **Identity Theft accounted for over 60% of those breaches.**
- **6 Billion Data Records stolen sine 2013**



TOP 5 CYBER RISKS FOR BUSINESSES

- **1 Human Error: Lost and Stolen Laptops and Smartphones**
- **2 Hacker**
- **3 Spear Phishing: Social Engineering Targeted at Employees**
- **4 Extortion (Ransomware)**
- **5 Hacktivism: Social and Political “Hactivists”**

CYBER COVERAGE

- **Data Breach**

- **Loss of Digital Information or Assets (1st & 3rd Party)**
- **Errors & Omissions**
- **Network Security & Privacy**
- **NON physical Business Income**
- **Credit Monitoring Services**
- **Defense & Settlement Costs for pending lawsuits**
- **Consulting fees to identify & correct cause of Breach**
- **Costs to retain PR consultant to restore reputation**

CYBER COVERAGE

- **First Party** Coverage Can Include, but not limited to:
 - Forensics
 - Drafting of Notification letters
 - Call Centers costs
 - Privacy Attorney Services
 - IT Systems, and Data Restoration in the event they are damaged
 - Business Interruption
 - Extortion Demands and Reputational Harm

CYBER COVERAGE

- **Third Party** Coverage Can Include, but not limited to:
 - Lawsuits brought against you in the aftermath
 - Bodily Injury - (Jeep Cherokee)

BEST PRACTICES

- **Check Bank Statements Monthly**
- **Spot Check Credit Card Statements Monthly**
- **Check Supplier Statements**
- **If you have employee loans, have procedures in writing, and promissory notes, not just a handshake.**
- **Background Checks on Employees**
- **Credit Checks on Employees**

CYBER COVERAGE

- **DON'T BE A VICTIM !**

- In addition to insurance coverage, contractors can protect themselves through basic risk management: Among the things a contractor can do to reduce cyber liability exposures are:

- Ensure strong password protection for all company systems and individual email accounts and logins.

- Review and revise (as necessary) current cyber security procedures.

- Hire a cyber security expert to help look for vulnerabilities.

- Analyze cyber security issues and exposures before.

- Provide mandatory cyber security training for all employees. (Simple training about email phishing could have prevented the Target breach and all of the resultant losses.)



THANK YOU!

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