



Understand the true cost of being underinsured and navigate the risks to your company, contractors, subcontractors, jobsites, and more.

In Q1 of 2024, the average cost of U.S. commercial insurance rose 6.3%. Managing costs in the construction industry is a constant challenge, especially for small to mid-sized companies, and saving money on insurance costs is top of mind for any business. As insurance costs rise, many contractors opt for the minimum insurance coverage needed to meet

ruin if unexpected events occur.

THE APPEAL OF MINIMUM COVERAGE

For smaller construction companies, the allure of minimum insurance coverage is understandable. With tight budgets and

may provide immediate cost savings, it often fails to cover the full spectrum of daily risks that contractors face.

POTENTIAL RISKS OF UNDERINSURANCE

about 20% of the 5,486 fatalities that occurred across all



of construction projects means that unexpected issues and incidents can arise at any moment.

When contractors opt for the minimum insurance coverage, can have severe consequences for their business. Financial liability is one of the most immediate dangers. In the event

Legal complications are another risk. Minimum coverage insurance mandates. In some jurisdictions, stringent insurance regulations might be in place that minimum policies fail to serious consequences, such as legal penalties, project can drain a contractor's resources and delay project timelines. if they fail to adequately insure a project. In the construction and maintaining solid client relationships. If clients and due to inadequate insurance coverage, this perception can lead to lost opportunities and a decline in business prospects, further compounding the contractor's challenges.

coverage are at risk of losing equipment and materials in the project site could destroy expensive machinery and building

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