

BUSINESS LIABILITY AUDIT

A Quick Self-Assessment for Business Owners to Spot Gaps in Coverage

This audit is designed to help you identify potential exposure areas in your business that could leave you vulnerable to costly claims. Answer each question honestly to understand where you may need additional protection.

How to Use This Audit

Read each question carefully and mark your response with a checkmark (✓). For every "NO" answer, you've identified a potential coverage gap. After completing the audit, count your "NO" responses - each one represents an area where your business may be exposed to risk.

Section 1: General Liability Coverage

General liability insurance protects your business from third-party claims of bodily injury, property damage, and advertising injury.

Question	YES	NO
Do you have general liability insurance in place?	<input type="checkbox"/>	<input type="checkbox"/>
Does your policy cover at least \$1 million per occurrence?	<input type="checkbox"/>	<input type="checkbox"/>
Does your policy cover at least \$2 million aggregate?	<input type="checkbox"/>	<input type="checkbox"/>
Do you know what activities or situations are excluded from your coverage?	<input type="checkbox"/>	<input type="checkbox"/>
Have you reviewed your policy limits in the past 12 months?	<input type="checkbox"/>	<input type="checkbox"/>
Does your coverage extend to incidents that occur at client locations?	<input type="checkbox"/>	<input type="checkbox"/>
If you host events or have visitors at your business, is this covered?	<input type="checkbox"/>	<input type="checkbox"/>

Section 2: Professional Liability / Errors & Omissions (E&O;)

This coverage protects against claims of negligence, mistakes, or failure to deliver promised services.

Question	YES	NO
Does your business provide professional advice, consulting, or services?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have Professional Liability (E&O) insurance?	<input type="checkbox"/>	<input type="checkbox"/>
Does your E&O policy cover both current and past work (prior acts)?	<input type="checkbox"/>	<input type="checkbox"/>
Are all your service contracts reviewed by an attorney?	<input type="checkbox"/>	<input type="checkbox"/>
Do you maintain detailed records of client communications and deliverables?	<input type="checkbox"/>	<input type="checkbox"/>
If a client claims you made a costly mistake, would you be covered?	<input type="checkbox"/>	<input type="checkbox"/>

Section 3: Cyber Liability & Data Breach

In our digital age, cyber liability coverage is essential for protecting against data breaches, ransomware attacks, and other cyber threats.

Question	YES	NO
Does your business store customer data (names, emails, payment info, etc.)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Do you have cyber liability insurance?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Do you have an incident response plan for data breaches?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Are all computers and systems protected with up-to-date security software?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Do you regularly back up critical business data?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Have employees received training on cybersecurity and phishing awareness?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
If your systems were hacked, would you be able to cover notification costs and legal fees?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Section 4: Commercial Property Insurance

This coverage protects your business property, equipment, and inventory from damage or loss.

Question	YES	NO
Do you own or lease a physical business location?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Do you have commercial property insurance covering your building/content?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Does your policy cover business interruption (lost income if you can't operate)?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Is your equipment and inventory adequately insured for replacement value?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Have you updated your property values in the past year?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Do you know what perils are excluded (flood, earthquake, etc.)?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Section 5: Commercial Auto Insurance

If vehicles are used for business purposes, commercial auto insurance is essential.

Question	YES	NO
Does your business own or lease vehicles?	<input type="checkbox"/>	<input type="checkbox"/>
Do employees use personal vehicles for business errands?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have commercial auto insurance for company vehicles?	<input type="checkbox"/>	<input type="checkbox"/>
If employees use personal cars, do you have hired/non-owned auto coverage?	<input type="checkbox"/>	<input type="checkbox"/>
Are all drivers on your policy properly licensed and vetted?	<input type="checkbox"/>	<input type="checkbox"/>
Does your coverage include both liability and physical damage?	<input type="checkbox"/>	<input type="checkbox"/>

Section 6: Workers' Compensation

Required in most states if you have employees, workers' comp covers medical costs and lost wages for work-related injuries.

Question	YES	NO
Do you have employees (not including owners in some cases)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have workers' compensation insurance?	<input type="checkbox"/>	<input type="checkbox"/>
Are all employees properly classified (not misclassified as contractors)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you know the specific coverage requirements in your state?	<input type="checkbox"/>	<input type="checkbox"/>
Have you updated your payroll figures with your insurer recently?	<input type="checkbox"/>	<input type="checkbox"/>

Section 7: Employment Practices Liability Insurance (EPLI)

EPLI protects against claims of wrongful termination, discrimination, harassment, and other employment-related issues.

Question	YES	NO
Do you have employees or are you planning to hire?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have EPLI coverage?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have written employee handbooks and policies?	<input type="checkbox"/>	<input type="checkbox"/>
Have managers received training on harassment and discrimination prevention?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have a clear process for handling employee complaints?	<input type="checkbox"/>	<input type="checkbox"/>
Are termination procedures documented and legally compliant?	<input type="checkbox"/>	<input type="checkbox"/>

Section 8: Umbrella / Excess Liability Coverage

Umbrella policies provide additional liability protection above your primary policy limits.

Question	YES	NO
Are your primary liability limits at least \$1-2 million?	<input type="checkbox"/>	<input type="checkbox"/>
Could a major claim exceed your current policy limits?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have umbrella or excess liability coverage?	<input type="checkbox"/>	<input type="checkbox"/>
Have you calculated your business's total asset exposure?	<input type="checkbox"/>	<input type="checkbox"/>

Interpreting Your Results

Count the total number of "NO" responses across all sections. This number represents your coverage gap score - the areas where your business may be exposed to financial risk.

Your Score	Risk Level	Recommended Action
0-3 NO answers	Low Risk	You have strong coverage. Review annually and update as business grows.
4-8 NO answers	Moderate Risk	You have some gaps. Schedule a consultation to address missing coverage.
9-15 NO answers	High Risk	Significant exposure exists. Immediate review and policy updates recommended.
16+ NO answers	Critical Risk	Your business is dangerously exposed. Contact an insurance professional immediately.

Priority Action Items

Based on your audit results, focus on these high-priority areas:

1. Immediate Priorities (Fix This Week):

- Any missing workers' compensation coverage (if you have employees)
- Lack of general liability insurance
- Operating vehicles without commercial auto coverage
- Storing customer data without cyber liability protection

2. High Priorities (Fix This Month):

- Missing professional liability/E&O; if you provide services
- Inadequate policy limits (under \$1M per occurrence)
- No business interruption coverage for physical locations
- Missing EPLI if you have employees

3. Medium Priorities (Address This Quarter):

- Outdated policy limits that haven't been reviewed in 12+ months
- Missing umbrella coverage if you have substantial assets
- Gaps in documentation (contracts, employee handbooks)
- Lack of incident response plans

4. Ongoing Maintenance:

- Annual policy reviews and updates

- Regular employee training on cybersecurity and safety
- Maintaining accurate business records
- Updating coverage as your business grows

Common Coverage Gaps That Catch Businesses Off Guard

1. Cyber Incidents Without Cyber Insurance

Even small businesses store sensitive data. A data breach can cost \$50,000-\$500,000+ in notification costs, legal fees, and regulatory fines. Standard policies don't cover cyber incidents.

2. Professional Service Claims Without E&O; Coverage

A client claims your advice or service caused them financial harm. Without E&O; insurance, defense costs alone could exceed \$100,000 - even if you win the case.

3. Employee-Related Claims Without EPLI

Wrongful termination, discrimination, or harassment claims average \$75,000-\$125,000 to defend. EPLI coverage is critical if you have employees.

4. Using Personal Auto for Business Without Coverage

Personal auto policies typically exclude business use. If an employee has an accident while running a business errand, you could face major liability without hired/non-owned auto coverage.

5. Operating as Business Grows Without Updating Coverage

As revenue, employees, and operations expand, your original coverage may become inadequate. Many businesses are underinsured simply because they haven't updated their policies.

6. Contract Requirements You Can't Meet

Many clients require specific coverage levels (often \$2M general liability). Without adequate coverage, you may lose business opportunities or be in breach of contract.

What To Do Next

Step 1: Calculate Your Score

Count your total "NO" answers and reference the risk level chart on page 3.

Step 2: Gather Your Current Policies

Collect all existing insurance policies, certificates, and declarations pages.

Step 3: Schedule a Professional Review

Contact Steve Soyebó Insurance Agency for a complimentary coverage analysis. We'll review your audit results, current policies, and business operations to identify specific gaps and recommend tailored solutions.

Step 4: Prioritize & Implement

Work with your insurance advisor to close the most critical gaps first, then systematically address remaining exposure areas.

Ready to Close Your Coverage Gaps?

Steve Soyebó Insurance Agency specializes in helping Houston-area businesses protect what they've built. With access to multiple carriers and deep expertise across industries, we'll design a comprehensive insurance strategy that fits your business and budget.

Contact Steve Soyebó Insurance Agency

- **Phone:** [Insert Phone Number]
- **Email:** [Insert Email Address]
- **Website:** [Insert Website URL]
- **Serving:** Houston, Texas and surrounding areas

Complimentary Services:

- ✓ Free coverage audit and gap analysis
- ✓ Multi-carrier quotes to ensure competitive pricing
- ✓ Ongoing policy management and claims support
- ✓ Annual reviews to keep pace with your growth

This audit is provided for educational purposes only and does not constitute professional insurance advice. Coverage needs vary by business, industry, and location. Consult with a licensed insurance professional to determine appropriate coverage for your specific situation.