

Texas Contractor Risk Management Checklist

This checklist is designed for Texas trade contractors to identify, manage, and mitigate business risks. Use it to review your insurance coverage, safety protocols, and compliance practices to ensure your business is built strong, protected, and ready to grow.

1. Business & Administrative Risk

- Verify all business licenses and permits are current and compliant with Texas regulations.
- Maintain up-to-date contracts with clients and subcontractors.
- Ensure all subcontractor agreements include hold harmless and indemnification clauses.
- Review your general liability limits annually to ensure adequate protection.

2. Insurance & Coverage Management

- Confirm your General Liability, Auto, Property, and Workers Comp policies are active and adequate.
- Add all new vehicles, tools, and equipment to your policy within 30 days of purchase.
- Ensure Certificates of Insurance (COIs) are current for all subcontractors.
- Maintain coverage for inland marine, builder's risk, and pollution liability if applicable.

3. Safety & Jobsite Management

- Implement written safety policies and conduct regular safety meetings.
- Document all employee safety training and certifications.
- Inspect jobsites weekly for compliance with OSHA and Texas state safety requirements.
- Ensure PPE (Personal Protective Equipment) standards are enforced across all crews.

4. Employee & HR Risk

- Use employee handbooks that define conduct, safety, and reporting procedures.
- Verify all employees and subs have the correct classifications for workers comp.
- Maintain updated records of MVR (Motor Vehicle Records) for all drivers.
- Ensure payroll, taxes, and benefits comply with Texas labor laws.

5. Financial & Contractual Risk

- Require written contracts for every project with defined scope, payment terms, and change orders.
- Track certificates of insurance and lien waivers for all subs and vendors.

- Regularly reconcile your insurance audits to avoid unexpected premium increases.
- Maintain an emergency fund or line of credit for cash flow interruptions.

6. Business Continuity & Growth

- Develop a disaster recovery and continuity plan specific to Texas weather risks.
- Secure cyber liability insurance to protect against data breaches and ransomware.
- Schedule annual risk reviews with your insurance advisor (EIS-Texas).
- Review succession and key-person plans annually.

For a comprehensive review of your business coverage and risk exposure, contact Eastman Insurance Solutions (EIS-Texas) for a complimentary Contractor Risk Assessment.