

ANNUAL JANITORIAL RISK & INSURANCE AUDIT

The Capstone Resource for the Florida Janitorial Risk Management Series

DON'T RENEW THE POLICY. RE-UNDERSTAND THE BUSINESS. THEN INSURE IT.

Insurance gaps rarely announce themselves. They develop quietly as the business changes. Use this annual audit to compare the janitorial company you operate today with the exposures, payroll, vehicles, contracts, customers, equipment, services, and limits reflected in your insurance program.

1. Company Snapshot

- Legal entity / DBA: _____
- Primary location(s): _____
- Annual revenue: _____ Prior year: _____
- Number of employees: _____ Prior year: _____
- Annual payroll: _____ Prior year: _____
- Number of vehicles: _____ Prior year: _____
- Number of subcontractors / 1099 workers used: _____
- Major new customers, locations, or contracts added this year: _____
- Services added, discontinued, or materially changed: _____
- Major equipment purchases or operational changes: _____

2. General Liability & Operations

- Current operations match the business description on the policy.
- All services performed are disclosed, including specialty cleaning.
- Slip-and-fall prevention procedures are documented and used.
- Customer property damage exposures are reviewed.
- Water, moisture, overspray, and chemical damage exposures are reviewed.
- Completed-operations exposures are considered.
- High-value customer property or care/custody/control exposures are identified.
- General liability limits are compared with current contracts and account size.

3. Workers' Compensation

- Employee count and payroll estimates reflect current operations.
- Job duties are reviewed for proper workers' compensation classification.
- New services or specialty work are reviewed for classification changes.
- Payroll is separated and documented where appropriate.
- Current loss runs have been reviewed.
- Open claims and reserves have been discussed.
- Experience modification information is reviewed when applicable.
- Return-to-work, injury reporting, and pre-injury procedures are current.
- Audit issues from the prior policy year have been corrected.

4. Subcontractor & 1099 Compliance

- Every subcontractor and 1099 relationship is reviewed rather than relying on the tax form alone.
- Written subcontractor agreements are maintained.
- Certificates and required insurance evidence are collected before work begins.
- Workers' compensation compliance is reviewed.
- General liability limits and operations are reviewed.
- Commercial auto exposure is reviewed where subcontractors drive for the work.
- Customer contract requirements are flowed down when required.
- Expiration dates are tracked and renewed.
- Management knows who is actually performing work under each customer contract.

5. Commercial Auto & Drivers

- Every owned, leased, or regularly used company vehicle is on the current schedule as appropriate.
- Authorized driver roster is current.
- Motor vehicle record review procedures are followed.
- Employees using personal vehicles for business are identified.
- Hired and non-owned auto exposure is reviewed.
- Rental and borrowed vehicle use is reviewed.
- Vehicle use, radius, garaging, and equipment transport reflect actual operations.
- Accident frequency, preventability, and driver trends are reviewed.
- Customer auto-limit requirements are compared with current coverage.

6. Property, Equipment & Business Income

- Building, contents, supplies, and equipment values are current.
- Portable equipment and property away from the premises are identified.
- Recently purchased equipment has been added to the insurance review.
- Storage locations are current.
- Windstorm/hurricane deductibles and coverage are understood.
- Flood exposure has been evaluated separately.
- Business income and extra expense coverage reflect current revenue and operations.
- Customer dependency and potential loss of revenue after a catastrophe are considered.
- Property inventories, photos, and records are maintained.

7. Crime, Bonding & Customer Access

- Janitorial/service bond requirements are reviewed.
- Commercial crime and employee dishonesty coverage are reviewed.
- Coverage for customer property and third-party crime exposure is discussed.
- Workforce definitions under applicable crime coverage match actual staffing.
- Keys, badges, alarm codes, and electronic credentials are inventoried.
- Employee access is removed promptly after termination or reassignment.
- High-value or sensitive customer locations receive additional review.
- Theft allegation and lost-key response procedures are current.

8. Chemicals, Pollution & Environmental Risk

- Approved chemical inventory is current.
- Safety Data Sheets are available as applicable.
- Employee chemical training and PPE procedures are current.
- Secondary-container labeling and storage controls are reviewed.
- Chemical transport in vehicles is reviewed.
- Overspray and customer property controls are documented.
- Pollution/environmental exclusions are reviewed.
- Separate pollution or environmental coverage is considered when warranted by operations.
- New chemicals or specialty processes have been disclosed to the insurance professional.

9. Contracts & Risk Transfer

- Major customer contracts are reviewed before signing or renewal.
- Required insurance limits are compared with current limits.
- Additional insured requirements are identified.
- Primary and noncontributory requirements are identified.
- Waiver of subrogation requirements are identified.
- Indemnification and hold-harmless provisions are flagged for appropriate legal review.
- Subcontractor flow-down requirements are understood.
- Additional insurance and compliance costs are reflected in pricing.
- Certificates are treated as evidence, not as substitutes for actual endorsements or policy review.

10. Specialty Cleaning & Customer Mix

- Current customer mix is reviewed by facility type.
- Medical/healthcare exposures are identified.
- Schools and work around minors are identified.
- Restaurant and food-service exposures are identified.
- Industrial and warehouse exposures are identified.

- Post-construction and other specialty work is identified.
- Work at height, pressure washing, window cleaning, biohazard, remediation, or unusual operations are reviewed.
- Training, PPE, insurance classifications, and pricing reflect specialty exposures.
- The insurer has been informed of material operational changes.

11. Cyber & Digital Risk

- Business-critical systems and digital assets are inventoried.
- Multifactor authentication is used for critical systems where available.
- Email phishing and business email compromise controls are reviewed.
- Payroll, banking, and vendor payment-change procedures include independent verification.
- Customer building access credentials are stored securely.
- Employee system access is removed promptly after termination.
- Critical data is backed up and restoration is periodically tested.
- Cyber, crime, social-engineering, and funds-transfer exposures are reviewed.
- Cyber incident-response contacts are current.

12. Hurricane, Flood & Business Continuity

- Hurricane preparedness plan is reviewed before storm season.
- Employee communication and shutdown procedures are current.
- Vehicle, equipment, chemical, and property protection plans are documented.
- Flood-prone locations and relocation options are identified.
- Critical customers and vendors are prioritized.
- Data and remote-access continuity is tested.
- Post-storm work outside the normal scope is subject to safety and insurance review.
- Business interruption and unusual recovery costs can be tracked.
- Insurance and claim-reporting information is accessible away from the office.

13. Claims & Loss Trends

- Current loss runs for all material lines are reviewed.
- Claim frequency and severity trends are identified.
- Open claims and reserves are discussed.
- Recurring causes of loss are identified.
- Corrective actions from prior claims have been implemented.
- Near misses and incidents that did not become claims are reviewed.
- Management understands which losses are driving insurance cost or underwriting concern.
- Risk-control priorities are based on actual loss patterns, not assumptions.

14. Renewal Strategy & Coverage Limits

- Renewal begins early enough to correct issues before marketing.
- Applications reflect current operations rather than last year's assumptions.
- Payroll, sales, vehicle, property, and subcontractor estimates are supportable.
- Current contracts are used to validate required limits.
- Umbrella/excess limits are reviewed against current exposure.
- Deductibles and retentions are reviewed against cash flow and risk tolerance.
- Coverage gaps, exclusions, and endorsements are discussed before binding.
- Management understands material changes from the expiring program.

15. Year-Over-Year Change Register

Area	Last Year	Current Year	Material Change?	Insurance / Risk Action
Revenue				
Payroll				
Employees				
Vehicles				
Subcontractors				
Locations				
Services				
Equipment				
Largest customers				
Contract requirements				

16. Coverage & Limit Review

Coverage	Current Limit / Deductible	Contract / Exposure Need	Gap?	Action
General Liability				
Workers' Compensation				
Commercial Auto				
Umbrella / Excess				
Property / Equipment				
Business Income				
Crime / Bond				
Pollution / Environmental				
Cyber				
Flood / Other				

17. Claims & Risk-Control Priority Matrix

Loss / Exposure	Frequency	Severity	Current Control	Priority / Action

18. Coverage Gap Action Plan

Issue / Gap	Why It Matters	Action Required	Owner	Due Date	Status

19. Final Management Review

- All material operational changes have been disclosed to the insurance professional.
- Payroll, revenue, vehicle, property, and subcontractor information is current.
- Major customer contracts and insurance requirements have been reviewed.
- Claims and loss trends have been discussed.
- Coverage gaps have owners and due dates.
- Required legal, safety, cyber, or specialty reviews have been assigned.
- Management understands the material assumptions, limits, deductibles, exclusions, and outstanding issues before renewal.

Review completed by: _____ **Date:** _____

Insurance review completed with: _____ **Date:** _____

People → Payroll → Operations → Property → Vehicles → Contracts → Customers → Coverage

Important: This audit is for educational and risk-management purposes only. It is not legal, tax, safety, regulatory, or coverage advice. Insurance coverage depends on actual policy terms, conditions, exclusions, endorsements, limits, classifications, underwriting information, and the facts of a loss. Worker classification, contract interpretation, privacy, environmental, and other legal or regulatory issues should be reviewed with qualified professionals as appropriate.