



Risk Management Checklist

Development Phase

Development Phase	Approximate Timing (Working on an Average of 12-month Construction Schedule)	Insurance Coverage Recommended	Obtain Insurance Verification from Others to Reduce Risk
Date of incorporation, formulation of co-op, LLC or corporation	1 st month	Directors & Officers/Employment Practices Liability	
Pre-financing construction loan - negotiate land, easements	1 st Month	Banks will require the purchase of standard operating coverage for any Real or Personal property: + General Liability + Hired & Non-owned auto + Umbrella + Crime + Property IMA can review these agreements.	
Acquire Land	1 st Month	Commercial General Liability and Umbrella covering site and the project.	
Prior to disbursement of funds: + Construction contract + Negotiate utilities + Marketing + Flood Zone determination / Earthquake Zone	1 st Month	IMA can provide assistance with contract review, environmental issues and flood zone/earthquake zone determination.	Require insurance certificate from Contractor verifying Professional Liability and General Liability (including property owner as additional insured) and Workers' Compensation
Builder's Risk Insurance	1 st Month	Determine policy requirements + Deductible limits + Include soft costs, testing, flood, and quake? + Business Income + Establish the limits per project + Include permission to occupy + Reporting terms Monthly / Quarterly?	
Owner or Contractor to carry Builder's Risk	1 st Month	Owner needs to be named additional insured if Contractor carries Builder's Risk. Contractor needs to be named additional insured if owner carries Builder's Risk.	Require Insurance Certificate from "all" contractors and subcontractors working on the premises, supplying materials or product, performing installation, etc. coverage should be provided for General Liability including Product Liability, Workers Compensation, Auto & Umbrella
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FF&E	1 st month	Include FF&E in Builder's Risk policy (only if included in contract with General Contractor and they are responsible), if not – begin permanent coverage on FF&E only as soon as FF&E arrives	
Operate with management company or owner operated	1 st month	If owner operated hiring and employee benefits need to implemented	
Hiring	6 th month	Workers Compensation and Umbrella coverage	
Implement Employee Benefits coverage	6 th month	Establish Benefit Package + Medical + Dental + Short and Long-Term Disability + Accidental Death + Life & Dependent Life + Vision	
If vehicles are purchased, this phase varies. Vehicles can be purchased at any time during the process.	Varies	Auto Liability coverage for owned auto	
Develop Safety & Human Resource Policies and Procedures	7 th month	Claim Handling Guidelines should also be established for negotiation with insurance carriers. IMA can assist with developing Claim Handling Guidelines for internal use as well as insurance company use to ensure that claims are handled in a satisfactory manner.	
Property and Casualty Insurance Program determination	7 th month	Review insurance options and coverage. Most lenders will require that property insurance must be adequate enough to cover entire amount of loan.	General Liability, Hired & Non-Owned auto, Umbrella, Crime, Property, Workers Compensation
Safety Program and training employees	9 th month	Safety Program implemented as part of employment training	
FF&E prior to opening	3 weeks prior to opening	Does Builder's Risk cover FF&E? Place permanent coverage.	
Permanent financing established	3 weeks prior to opening	Certificates of insurance needed for lender and franchisor.	
Restaurant becomes operational - approximately 12 months from construction begin date.	12 months from incorporation/dependent on financing	All coverage must be in effect to protect all exposures.	Require Certificates of Insurance verifying General Liability and Product Liability from all vendors who will be providing you with any product, machinery or equipment, Contracts should include indemnification and insurance requirements.



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