**How to Reduce Risks in Construction**

Construction of any kind of building or structure is a major undertaking, involving many stakeholders and professional teams overseeing different tasks till project completion. Effective risk management is one of the most challenging aspects of a successful construction project that directly impacts resource usage, scheduling, completion, and overall costs of the project.

So, what are the best ways for reducing risks and enhancing the integrity of a construction project? The answer can be found in good processes and preparing for the worst with the help of insurance. They are a set of processes that are easy-to-follow, robust, and refined over time to help contractors and stakeholders take the most suitable actions and decisions. Couple these processes with suitable insurance coverage and you will have a well-rounded risk management plan that not only caters to risks at an enterprise level, but also at a project level.

**Common Types of Risks in Construction**

* Occupational Risk: Minor or fatal injury to a worker caused due to methodologies, weather, technologies, or a third party.
* Contractual Risk: Liabilities pertaining to using wrong practices or violating contractual terms.
* Project Risk: Inadequate company policies, miscalculation of resources and time allocation, improper project management, and more.
* Natural Risk: Natural disasters such as earthquakes, floods, and others that cause damage to the construction site.
* Financial Risk: Lack of sales, overtrading, increases in material prices, unmanaged growth, and others.

**Ways to Mitigate Risk in Construction**

While some events are predictable and contingency plans can be created to cope with them, you need to have proper coverage to avoid incurring costs in terms of damages, claims, liabilities, and other types of risks. If you are engaged in the construction industry, here are some important types of insurance coverage you should consider to include in your risk management plan:

*General Liability Insurance*

Commonly known as GL, it is a critical form of construction insurance that provides protection to companies against property damage or bodily injury caused to others. It also safeguards from lawsuits and other liabilities stemming from accidents and mishaps.

*Workers’ Compensation*

In the United States, companies are required to provide their employees with workers’ compensation benefits to ensure that they are covered if they sustain a related illness, injury, or death. Workers’ compensation pays for medical treatment and lost wages up to 60 percent of the time an employee was not able to work due to their illness or injury.

*Commercial Vehicle Insurance*

If your construction business use trucks, vans, cars, or any other type of vehicle for logistical purposes, you should consider commercial vehicle insurance to get coverage for any property damage or bodily injuries that are caused to a third party by you.

*Builder’s Risk Insurance*

It is a special type of insurance that specifically provides coverage for on-site property damage to equipment and materials prior to their use or installation. Generally, the value of the construction project determines the coverage limit when completed.

It is important to carefully evaluate the different aspects of your [construction business](https://www.sub-ins.com/construction/) to ensure you are opt for coverage policies that provide you optimum protections against all kinds of risks. To get professional insights into what types of insurance will work best for your risk management plan, you may [contact](https://www.sub-ins.com/SIA-Property-Casualty-System/) Suburban Insurance Agencies, Inc. today at (630) 325-4000 to schedule an appointment.