

5 Key Reports Every Manufacturer Needs to Improve Coverage and Reduce Premiums

Manufacturers face a wide range of operational risks, including equipment failure, cyber threats, fire loss, and supply chain disruption. While insurance is a critical safeguard, effective risk management goes beyond purchasing a policy.

Insurance providers are increasingly seeking evidence that manufacturers are proactively managing risk. One of the most effective ways to demonstrate this is through well-documented reporting.

Below are five key insurance reports that help manufacturers strengthen coverage, reduce the likelihood of claims, and position themselves more favorably with insurers, resulting in improved terms and reduced premiums.

1. EQUIPMENT MAINTENANCE REPORTING

Equipment failure remains one of the most common causes of manufacturing losses. Unplanned breakdowns can result in production delays, safety incidents, and costly insurance claims.

A structured equipment maintenance report demonstrates initiative-taking risk control by:

- Scheduled maintenance during planned downtime
- Checklists for high-use and failure-prone components

- Visual standards outlining acceptable wear versus replacement thresholds
- Manufacturer-recommended failure rates and service intervals
- Maintenance logs completed by both operators and technicians

Motivating operators to engage in regular inspections aids in the early detection of potential problems, which significantly decreases the chances of serious mechanical failures, thereby lowering claim frequency and long-term expenses.



2. CYBER TRAINING AND RISK MANAGEMENT REPORTING

Cyber incidents are no longer limited to financial institutions or large technology firms. Manufacturers of all sizes are increasingly targeted by cyber criminals, exposing both operations and customer data to risk.

An effective cyber risk report typically outlines:

- Company-wide cyber training programs
- Identified cyber vulnerabilities
- Incident response and mitigation plans
- IT security protocols and ongoing updates

While cyber liability insurance is available, insurers place strong emphasis on prevention.

Demonstrating structured cyber risk management can improve coverage availability and pricing.

3. FIRE SUPPRESSION AND SPRINKLER SYSTEM REPORTING

Fire continues to be one of the most significant loss risks in manufacturing facilities. Sprinkler systems are essential for loss prevention, a fact acknowledged by insurers.

Manufacturers that keep documented inspection records for fire suppression systems might be eligible for substantial premium discounts, with reductions reaching as high as 60% on fire coverage in certain instances.

Key elements of this report include:

- Proof of sprinkler system inspections
- Compliance with inspection standards
- Documentation provided through recognized inspection services

In many cases, premium savings over time can offset the cost of installing or upgrading fire protection systems.

4. INSURANCE-TO-VALUE (ITV) REPORTING FOR PROPERTY

Industry statistics reveal that a considerable proportion of commercial properties are inadequately insured, frequently by 40% or greater. In the case of a loss, underinsurance may lead to high out-of-pocket costs.

Insurance-to-value reporting helps ensure property limits accurately reflect replacement costs by considering:

- Construction and material costs
- Inflation and market fluctuations
- Equipment and machinery valuation

- Business-specific operational requirements

Accurate ITV reporting reduces coverage gaps, supports claims settlement, and improves insurer confidence.

5. SUPPLIER QUALITY CONTROL REPORTING

Manufacturers rely heavily on suppliers to maintain product quality and consistency. Failures in supplier quality can result in recalls, liability claims, and reputational damage.

A supplier quality control report demonstrates:

- Supplier monitoring and evaluation processes
- Quality assurance standards
- Procedures for responding to quality deviations
- Ongoing supplier risk assessments

Insurers view strong supplier management as a key indicator of reduced liability exposure and improved operational resilience.

CONCLUSION

Manufacturers that take a proactive, documented approach to risk management are better positioned to protect their operations and secure favorable insurance outcomes.

Implementing these five key insurance reports helps:

- Reduce the frequency and severity of claims
- Align coverage with actual risk exposure
- Strengthen underwriting confidence
- Support long-term premium optimization

By investing in structured reporting and preventative controls, manufacturers can better manage risk while supporting operational continuity and financial stability.

If you have questions specific to your business, or would like additional information, please reach out to your HK Henderson Advisor.

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Saskatoon
Regina
Moose Jaw

hkhenderson.ca
info@hkhenderson.ca
1.888.661.5959

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