CORY WASHINGTON & CO.
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PAYROLL SERVICE PROVIDER — COVERAGE CHECKLIST

Pull out your current policy and check the box next to any coverage you can confirm is already in place — anything unchecked is worth a quick conversation with your advisor. Coverage checklist for payroll service providers, reporting agents, and payroll bureaus. Priorities reflect typical exposure for this class; confirm against your actual operations.

CORE **PREVALENT** **SITUATIONAL** — *Core: almost always needed · Prevalent: commonly carried by businesses in this class · Situational: depends on specific exposure*

	COVERAGE	WHY THIS BUSINESS NEEDS IT	PRIORITY
☐	**Errors & Omissions (Technology / Professional)**	Covers client penalties, interest, and losses from payroll and tax filing errors.	CORE
☐	**Commercial Crime (Incl. Client Property)**	Covers employee theft of client funds; confirm third-party and client property coverage.	CORE
☐	**Cyber Liability**	Covers breaches of SSNs and bank data and ransomware that stops payroll.	CORE
☐	**Funds Transfer & Social Engineering Fraud**	Covers payroll diverted by fake bank-change requests or hacked ACH files.	CORE
☐	**General Liability**	Covers premises and advertising injury claims.	PREVALENT
☐	**Directors & Officers Liability**	Covers owners and officers in lender, investor, and client claims.	PREVALENT
☐	**Fiduciary Liability**	Needed if you administer retirement or benefit plans.	PREVALENT
☐	**Employment Practices Liability**	Covers claims from your own staff.	SITUATIONAL
☐	**Fidelity / Surety Bond**	Some states, banks, and clients require bonds on funds handlers.	SITUATIONAL
☐	**Workers' Compensation**	Required for your own employees.	SITUATIONAL

COMMON COVERAGE GAP FOR THIS CLASS

The gap most often missed by payroll providers is crime coverage for clients' money. A standard crime policy covers the provider's own funds, but the dollars at risk belong to clients, and clients stay liable to the IRS for taxes you fail to deposit. MyPayrollHR's 2019 collapse left thousands unpaid. Confirm your crime policy includes client property and funds-transfer fraud, and that E&O covers tax penalties you cause.

IMPORTANT — PLEASE READ

This checklist is a free educational tool from Cory Washington & Co. to help you review your own coverage and have a more informed conversation with a licensed insurance professional. It is general information only — not insurance, legal, or financial advice, and not a recommendation to buy, change, or cancel any policy. The Core / Prevalent / Situational labels describe general patterns observed for this class of business — what is commonly carried, not a personalized recommendation or needs analysis for your specific operations. Coverage terms, availability, limits, and requirements vary by policy, carrier, and state, and only the language in your actual policy governs what is and isn't covered. Checking or leaving blank any item above does not indicate that you are adequately insured or under-insured. Using this checklist does not create a client, agency, or fiduciary relationship. Always consult a licensed professional about your specific situation.

This checklist is an educational self-review tool. It affords no coverage and is not insurance, legal, or financial advice.