Date: [Insert Date]

To: [Employer Name/Company Name]
Attn: [Owner/Manager Name]
Address: [Insert Address]

RE: NOTICE OF INSURANCE COVERAGE LAPSE AND EMPLOYER LIABILITY RISK

Dear [Recipient Name],

This letter serves as formal notification that our records indicate a lapse in your [Type of Insurance, e.g., Workers' Compensation / General Liability] insurance coverage, effective as of [Date].

Please be advised that operating without active coverage places your business at significant financial and legal risk. Potential consequences of this lapse include:

- **Personal Liability:** The company and its officers may be held personally liable for workplace injuries, damages, or legal claims.
- **Regulatory Fines:** State and local laws often mandate specific coverage. Failure to maintain this may result in heavy fines or a "Stop Work" order.
- **Legal Expenses:** Without insurance, the business is responsible for 100% of legal defense costs and settlement payouts.
- **Contract Breaches:** Many client and vendor contracts require proof of continuous insurance; a lapse may result in immediate contract termination.

To mitigate these risks, we strongly recommend that you secure reinstatement of your policy or obtain new coverage immediately. Please provide proof of active insurance to [Department/Name] by [Deadline Date] to ensure your account remains in good standing.

If you have already secured new coverage, please forward the Certificate of Insurance (COI) to [Email Address] as soon as possible.

Sincerely,

[Your Name]
[Your Title]
[Your Company/Organization Name]