

# CONSTRUCTION PROJECT GENERAL LIABILITY

## Wrap-Ups on the Rise

With a 5% increase in total construction spending forecast for 2018, the construction industry is poised to continue its steady growth.<sup>1</sup> A complex and dynamic business, construction also brings the challenges of multidimensional risks and a myriad of exposures.

Controlled Insurance Programs (CIPs), also called “wrap-ups,” are designed to reduce uncertainty by wrapping up the insurance for all contractors and subcontractors involved in a project under a single policy framework, a far more appealing and cost-effective approach than separately procuring and managing multiple independent programs.

### Wrap-Up Policy Benefits

- Greater coverage control and certainty
- Parties have consistent types of insurance, in sufficient amounts, with an approved insurer
- Removes overlapping coverages among subcontractors, potentially making insurance more cost-efficient overall
- Single policy framework for all insureds
- Having one insurer respond to a claim can help streamline the claims handling process

Historically, the typical construction wrap-up insurance program has included General Liability, Excess Liability, and Workers Compensation. However, wrap-ups that include only General Liability and Excess Liability have gained popularity in the current marketplace.

<sup>1</sup> FMI's Construction Outlook, Third Quarter 2017

### Wrap-Ups on the Rise

- General Liability
- Excess Liability

### If you're considering wrap-up insurance for your construction project, asking a few key questions can help inform your decision:

- Are your carrier's underwriters versed in the inherent risks and nuances of construction projects?
- What additional products does the insurer offer to help streamline the insurance product and leave fewer coverage gaps in your insurance portfolio? (e.g., builders risk, contractors' equipment, contractors pollution, professional liability)
- For long-tail liabilities, are the insurer's financials strong enough to ensure a long-term presence in the market?

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