



Traditional Practice Policy Versus Project Specific/Wrap General Liability Policy: What is the best approach?

In the world of construction, there are various types of general liability policies that home builders and general contractors can choose from: annual “practice” policies, project specific and wrap policies. Which one is the best fit for your client’s needs?

According to Managing Director, Stephen Harrell, “Coverage complexities and uncertainty around terms for future renewals add significant risk to a builder’s balance sheet when relying on traditional practice policies for all risk-transfer needs. “Close-of-escrow” wording can be endorsed in ISG’s annual practice policies, and it’s included in all project-specific and wrap policies. This one endorsement can solve huge coverage gaps and should be considered for most construction-related risks. ISG can help.”

Project Specific/Wrap Advantage

- Dedicated limits and extended products-completed operations coverage through the applicable state statute.
- Project-appropriate terms without concerning tract home exclusions, multi-family exclusions, condo exclusions, etc.
- Ability to name both owner and general contractor as named insureds on one policy.
- Enhanced claims-handling efficiency.
- Up to 36-month policy term is available.
- Wraps eliminate coverage gaps in subcontractor insurance and avoid difficult subcontractor insurance oversight requirements.

Wrap & Project-Specific policies provide coverage tailored to the specific needs of each scheduled project. They can cover multiple projects when needed. These policy structures are often needed to satisfy a project’s insurance requirements from the owner and/or lender.

Insureds need to be educated on the uncertainty associated with future practice policy renewals and the risks that could be presented in a hardening insurance environment. Complex multi-family construction projects are often much better insured under project-specific and wrap policies. ISG’s underwriting team can help evaluate the best approach and provide you with options to discuss with the insured.

Our focus is providing strong **general liability and builders risk policies** supported by industry-leading **loss control, risk management, and construction quality assurance for your residential general contractors**. We are here to help!

WANT TO KNOW MORE?

For more information about the General Liability program for residential general contractors, and other insurance products offered by ISG, please reply directly to this email to connect with our Director of Marketing & Sales, **Ellen Goldstein** at egoldstein@isgins.com.