

General Liability-Only Wrap-Ups for Property Owners

Why Insurance Needs a Seat at the Table from Day One

When developing a property, owners can spend months refining designs, aligning budgets, meeting with local agencies and navigating permitting. Yet they can still put their entire investment at risk by treating insurance as an afterthought or not identifying costly coverage gaps.

Too often, insurance enters the conversation at the tail end of a project when construction is already underway, contracts are signed and risk decisions are locked in. When insurance is treated as a checkbox instead of a strategic tool, owners lose visibility, leverage and protection.

Unfortunately, these mistakes occur more often than many realize and can be extremely costly for a line item that may affect project costs by up to five to six percent across much of the U.S. with potentially higher percentages in some areas. One common solution overlooked at this stage is implementing an Owner Controlled Insurance Program (OCIP) early in the process to ensure cost certainty and better control.

The Issue: The Afterthought Problem

Insurance should not be the last thing you think about. For too many property owners, that is exactly the problem. As a result, many brokers focus on simply quoting and binding a policy without comprehensive strategy. Without strategic input, it is too late to influence contract terms or secure the most comprehensive coverage at the right price. Additionally, what many owners and even some brokers do not recognize is that even with some coverage in place, relying solely on owner's interest, existing operational liability policies or contractor-provided general liability (GL) often leave coverage gaps. These policies vary in quality, limits and exclusions. They often do not align with the owner's project needs or contractual requirements. Programs like OCIP or wrap-up insurance can prevent these misalignments with a consolidated approach.

Waiting until the project is ready to break ground limits options and exposes owners to unnecessary risks and costs.

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Late Coverage. Long-Term Risks.

Delayed decisions regarding insurance coverage can lead to:

- Inflated costs due to limited market competition because of time restraints.
- Delayed or denied claims because of poorly structured policies.
- Liability exposure from misaligned contract language.
- Long-term risk associated with completed operations.
- Once the project is complete, it is too late to go back and correct mistakes.

A Solution: GL-Only Wrap-Ups

A GL-only wrap-up fills a critical gap in project protection and gives owners strategic control they cannot always attain from their subcontractors and other policies. A GL-only wrap-up removes the guess work by centralizing liability coverage under one policy, chosen and managed by the owner. It is one of the most effective forms of wrap up insurance for targeted liability protection.

This strategic approach to coverage translates to fewer coverage disputes, cleaner claims processes and cost efficiencies. When a GL-only wrap-up is implemented strategically, it allows the owner to align insurance strategy with contract language, site safety protocols and long-term risk management goals. Many large-scale projects benefit significantly from adopting an OCIP to streamline oversight.

The Benefits: Cost, Coverage and Control

1. Cost:

Early planning unlocks better pricing, allows for the removal of premiums in bids and improves negotiating power. This is especially true when integrating OCIP from the beginning.

2. Coverage:

Involving the right broker from the start ensures tailored protection from commencement of construction operations to completed operations with no gaps. Wrap up insurance helps address these nuances through a unified policy.

3. Control:

Wrap-ups streamline claims and give owners oversight across all phases of the project. The OCIP structure further centralizes this control for complex builds.

Great development is not just about design and deadlines. It is about risk management, both the apparent and subtle risks.

How NFP Helps

At NFP, we work with owners and developers to take comprehensive insurance coverage off the sidelines and make it a core part of the project planning, construction and completion. Our Construction and Infrastructure Group brings decades of experience in:

- Preconstruction strategy and coverage alignment.
- GL-only (and full wrap-up) design and administration.
- Contract language review and risk allocation.
- Claims management and completed operations coverage.
- Total cost of risk analysis and performance benchmarking.

We help you make better decisions from the start so you can protect your investment long after the project is done. That includes recommending wrap up insurance solutions like OCIP to help you maintain control, coverage and cost savings from day one.

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For your people.
For your life.

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