



NORTH AMERICAN CONSTRUCTION SUMMIT

JW Marriott Camelback Inn Resort & Spa | Scottsdale, AZ | February 9-10, 2026

WRAP Programs



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What is a CIP

- A controlled insurance program (CIP) is a single insurance plan designed to cover nearly all liability arising from a construction project.
- CIPs can be Owner Controlled (OCIP), Contractor Controlled (CCIP), or others. They can be project specific (one project only) or a rolling program (many different projects with shared limits).
- In addition, Builders' Risk, Contractors Professional Liability, and Owners Protective Professional Indemnity coverages are purchased from the construction project on project specific policies. These other coverages are placed outside of the CIP.
- Pro Tip – Remember, the CIP will be your primary coverage for a project in which you enroll. Make sure it is adequate.

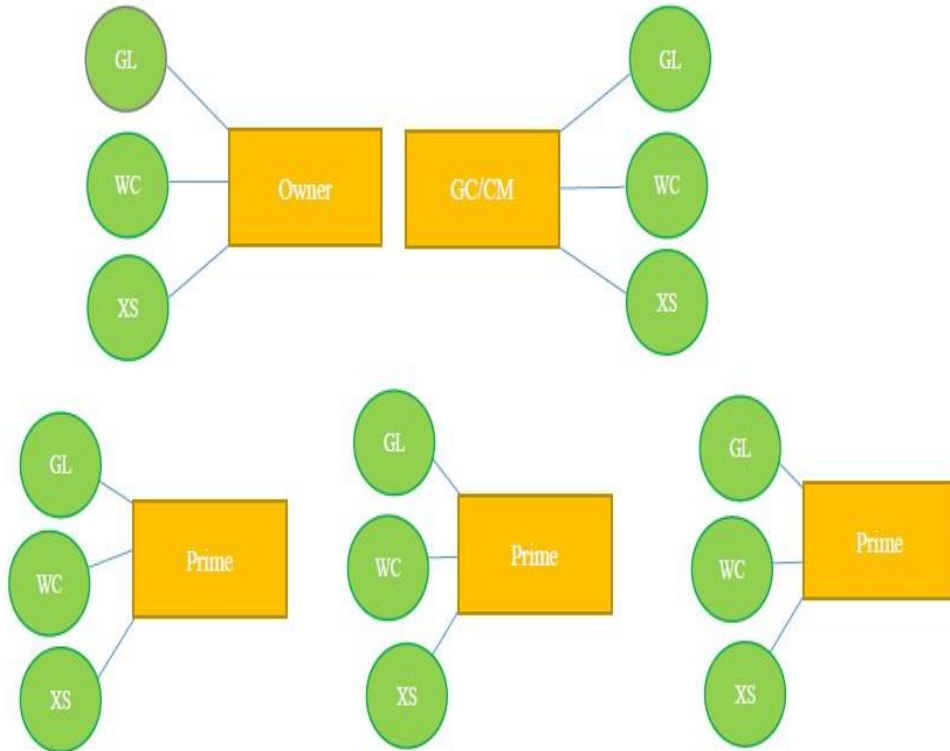


Types of CIPs

- Depends on the sponsor:
 - Owner Controlled: OCIP
 - Contractor Controlled: CCIP
- Coverages Included:
 - One Line: Onsite General Liability and Excess Liability only
 - 2 Line: General Liability, Workers Compensation/Employers Liability, and Excess Liability



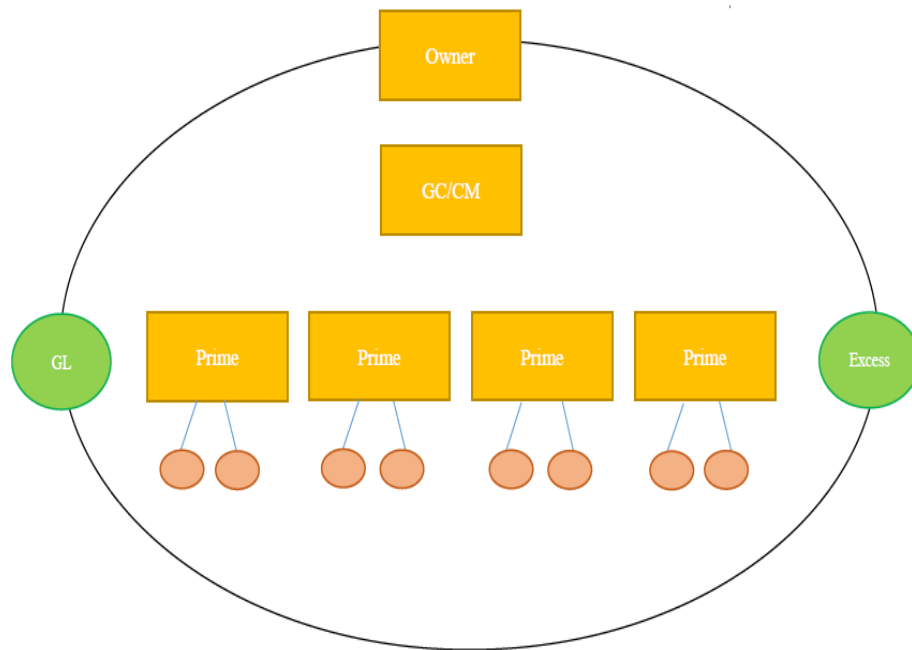
Traditional Insurance Approach



- Responsibility of insurance mainly with each contractor
- Procured through each contractor separately
- Each insurer protects their respective insured
- Owner is protected via additional insured language and indemnification
- Policies are secured at time of construction and monitored during that period



Wrap Insurance Approach



- Responsibility of insurance with a single buyer – sponsor of program
- Single Consolidated Purchase
- Insurer protects all constituents of the project
- If owner is sponsor, owner is named insured vs. additional insured



CIP Advantage and Benefits

- Dedicated coverage limits for the term of the project, plus completed operations coverage through the statute of response (if written right)
- Protects your master program from difficult or hazardous projects (condominium for example)
- Provides higher coverage limits than most contractor's master programs
- Consistent coverage for all project participants who are enrolled
- Eliminates cross suits issues on claims



Pros of WRAP Programs

- **Cost Savings**
 - Can bulk purchase comprehensive coverage for the entire project rather than piecemeal
 - Better rates
 - Contractors remove insurance costs from bids
- **Consistent and Adequate Coverage**
 - Eliminates gaps in coverage because everyone is under one policy, ensures that the project has sufficient limits



Pros of WRAP Programs

- **Reduced Litigation**
 - Single insurer reduces blaming of other parties and disputes between parties
- **Greater Control**
 - Sponsor of program controls policy types, limits, and safety standards
 - Peace of mind knowing that all workers on project are protected



Pros of WRAP Programs

- **Easier Administration**
 - Coverage is uniform until project's end, can extend coverage to all parties without yearly renewal; easier claims process
- **Opportunities for Smaller Contractors**
 - Small subs may not be able to get full coverage on larger projects
 - Access for minority owned businesses and woman owned businesses



Cons of WRAP Programs

- **More Responsibility for Owner**
 - Selecting an insurance agent/broker to design the right program
- **Less Control for Contractor**
 - Wrap could have lower limits or gaps
 - May need excess coverage depending on program
- **No Downstream Liability**
 - Cannot pass liability to downstream subs



Cons of WRAP Programs

- **Adjustment of Bid**
 - Must recalculate bids to eliminate insurance costs
- **Extension of Liability**
 - Liability could extend beyond project's completion, could be exposure if wrap has concluded



Cons of WRAP Programs

- **No Benefits from Workers' Comp**
 - Do not benefit from good safety record because insurance is in owner's name
- **All Needs Not Covered**
 - All insurance needs may not be covered; commercial auto insurance, or coverage for third parties involved in the project working offsite

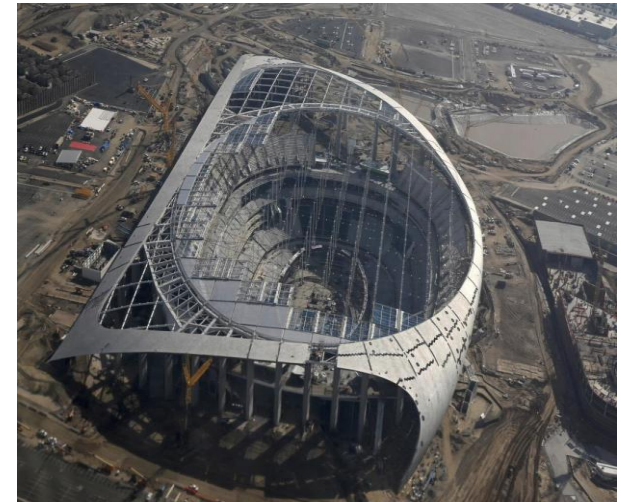


Important Considerations/Pitfalls

- **Review your contract and sub agreement for potential deductible responsibility**
 - Not unusual to be assessed a \$5,000 to \$25,000 CIP GL deductible
- **Review all proposed CIP coverages**
 - Limits placed adequate?
 - Term of coverage (through final completion or not)
 - Repair/warranty extension of coverage
 - Completed operations extension – statute of repose or not?
 - EIFS exclusions, property damage to project exclusions, and more
- **Review the CIP safety requirements**
 - Mandatory drug test certification before allowed onsite?
 - Maximum allowable EMR for you or your subs?
 - Light duty return to work program required?
 - Mandatory Safety Person based on the number of your employees at the site?

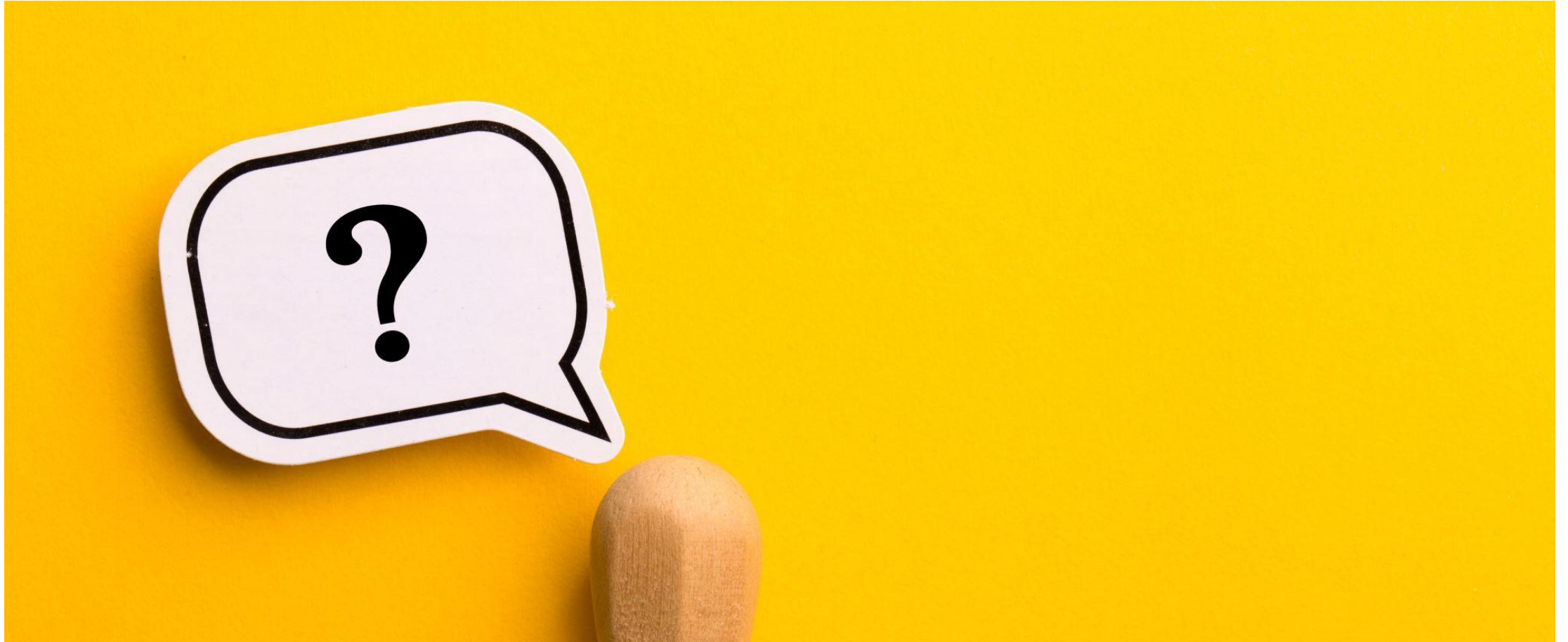


Examples of Stadium Wrap-Ups





What about the Claims?





Pros



Simplified Claim Process

Uniform Policy Terms

Centralized Administration

Faster Claims Reporting

Higher Limits

Unified Defense

Cons



Complex Administration

Potential for Delays

Limited Flexibility

Complex Endorsement Interpretation

Enrollment or Reporting Errors



Case Law involving WRAPs

- ***Liberty Surplus v. Kaufman*, 130 F.4th 903 (11th Cir. 2025)**
 - Commercial office project that included construction of a campus of buildings
 - Kaufman was the general contractor and sponsor of the WRAP for the project
 - Project was to proceed in **phases**
 - November 2020: several buildings had been completed, but overall project was not complete
 - Tropical Storm Eta caused \$3.3M in water damage
 - Liberty Surplus denied coverage based on Course of Construction Endorsement
 - Argued that COCE applied to exclude property damage to any work that occurred prior to completion of the entire project
 - Eleventh Circuit held that the exclusion applied until the **entire** project was completed



Case Law involving WRAPs

***Skanska v. Harleystville Ins.*, 186 N.Y.S.3d 639 (2023)**

- Skanska USA entered into a contract with New York University, or NYU, to renovate one of their campus buildings
- Skanska then subbed out the electrical work, and that subcontractor subbed it out to JM Electrical
- Skanska had a CCIP on the project and neither of the electrical contractors were enrolled in the program
- Another worker injured in the area where JM was working
- Carrier for intermediate sub argued that wrap exclusion in its policy excluded coverage
- Skanska argued that the wrap up exclusion was inapplicable because neither of the electrical subs was enrolled in the program
- Carrier contended that didn't matter; the policy was not limited to excluding enrollees of a wrap up program, but to any project where a wrap existed
- Exclusion was not contingent on enrollment status, the exclusion applied simply because the wrap program was available for the construction project



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