



BUILDING TOGETHER

4 Things

Construction companies need to gain **control** over a hardening market.



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THE STARR GROUP: Performance-driven analytic risk advisors that deliver insurance, benefits, cost control, and DE-RISKING strategies to ambitious leaders looking to break-free from insurance dependency and boost performance.

THE PROBLEM:

- Increases in building materials, labor shortages, and CAT losses cause alarming rate increases in insurance.
- Rate increases are usually in the double digits.
- Insurance dependency provides contractors with limited options to reduce costs.
- Contractors need to find other ways to reduce costs to stay profitable and continue to win bids.

THE OPPORTUNITY:

- Duplicate what **top-performing organizations** are doing to **break-free from insurance dependency**.

THE ANSWER:

- Stop relying on **luck and random** market favor.
- **Take control of your insurance narrative** so carriers fight for your business.
- Proactively **DE-RISK your business**, leading to reduced costs and less dependency on insurance.
- **Run an "open bid" auction** to get the best rates for the right amount of insurance.



Here are **FOUR** strategies to help create demand for your insurance/risk package, helping you gain control and avoid the hard market rate hikes:

1. Create a comprehensive risk transfer agreement

Have a risk transfer agreement with effective indemnification clauses and complete insurance requirements. Have contractors commit to compliance otherwise face consequences (i.e. holding checks, losing bids, fines, evictions).

2. Certificate tracking

Automate your system to truly track all aspects of your certificate like renewal dates and compliance issues while sending compliance notices and preserving documentation.

3. General contractor/lessee checklist

Create checklists of common policy exclusions that the general contractor's insurer must verify prior to commencement of job.

4. Make it easy to comply

Have reasonable measures in place to make it easy for the contractor and insurance agent to comply while providing tools to educate the contractor on why compliance is in their best interest.

Sounds simple, right? It is, however, we find 9 out of 10 construction companies are lacking these 4 strategies. Keep in mind that when this is done effectively it **nearly eliminates the insurers exposure by fundamentally closing gaps, setting you up with undeniably favorable negotiating terms with an insurance carrier.**

BONUS – By eliminating most of your exposure, you now have created an opportunity to explore the potential for captives. For those eligible (based on size/portfolio), you can elect a program that **refunds 10-50% of your total insurance spend annually.**

Don't wait for random market favor, take control of your narrative.