
DESANCTIS INSURANCE AGENCY, INC.

Phone: (781) 935-8480
Fax: (781) 933-5645

36 Cummings Park
Woburn, Massachusetts 01801

To Our Valued Clients

February 2010

Wrap Ups Are You Covered?

More and more of our Contractor insureds seem to be getting involved in Owner or Contractor controlled insurance programs, or Wrap Ups. Under such programs the owner or GC provide most of the important lines of coverage for all contractors involved in a single project. Once limited to only the largest of projects, Wrap Ups are appearing on smaller ones as well.

Few contractors have the opportunity to get involved early in the Wrap Up project formation and have little input in the details of the insurance program provided. There is always concern that you don't really know what coverage is actually being provided for you by the Wrap Up. Are you aware of the Wrap Up's limitations or exclusions? Are there exclusions for damage to the project? Is there a high deductible for which you are responsible? Are there adequate limits to cover all the work performed by all the contractors on the job?

From a General Liability perspective it's important to know what coverage is provided by the Wrap Up insurance during the project, but it is equally important to understand what coverage is provided after your work is completed, and how long it lasts. All Wrap Up insurance programs come to an end and they only provide coverage for your Completed Operations for a limited period of time. When the Wrap Up insurance coverage terminates, your liability for the work you completed may very well be uninsured, as Wrap Up work is often totally excluded under your own General Liability insurance policy.

If you are, ever were, or ever become involved in a Wrap Up project, be sure to let us know so we can discuss what your possible exposure is and what possible alternatives there may be, if any, for covering gaps that may exist in the coverage provided by the Wrap Up.

Very truly yours,

DeSanctis Insurance Agency, Inc.