



# GUIDE TO WORLDWIDE WRAP®



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# THE OPPORTUNITY

We live in a pivotal decade where construction has gone global. Today, successfully planning, financing, constructing and operating large-scale construction projects is completely different than it was 10 years ago. Mega projects have become a multinational enterprise.

With over 83 percent of growth in global gross domestic product (GDP) expected to occur outside the United States over the next five years, and the rapid urbanization of emerging markets, it is imperative that more U.S. metros and firms (particularly middle market firms) expand their presence abroad.

Growth in the global construction industry is on an unprecedented trajectory, fueled by the growth of cities and accelerated development in emerging markets. In an increasingly global society, construction projects are no longer bound by borders, bringing both an interconnectedness and a complexity. For the first time ever, rising economies are hosting the majority of the world's construction projects. In less than a decade, emerging markets have gone from posting a third of the world's construction work to just over half of the industry's total revenue. And in the next ten years, nearly two thirds of all construction activity will take place in these rapidly developing nations.

As opportunities for cross border project delivery continues to evolve, so do the complexities. More global projects likely bring an increased level of risk. When the complexity of multiple jurisdictions is introduced, different legal exposures, contractual obligations, tax and compliance issues, and cultural norms such as worker safety, must be taken into consideration.

Still, one claim against a single contractor can put billions of dollars at risk. "The complexities in today's projects: a multitude of international firms performing design, construction, and maintenance services, longer supply chains, thousands of workers in camps on foreign soil, and constructing along accelerated delivery schedules, all give rise to the chances of litigators winning their claims. A short while ago, litigators were limited to one or two countries. Now, with numerous international firms involved in a single project, there is a greater chance that lawsuits will have a more costly settlement. A refinery project in Angola may have designers that are European, financiers from the United States, and a joint venture general contractor from Asia. Because one member of a large team is from the United States, the American court system becomes a viable jurisdiction."

# THE SOLUTION

For those looking to lead in this increasingly global industry, world-class risk management strategies are key. The most effective protection for construction firms looking abroad is the ability to make well-informed decisions in identifying and mitigating both domestic and foreign risk exposures. That is why it is vital for global construction firms to understand the intricacies involved— for all— from project conception to completion.

Worldwide Wrap® is a wrap-up product that will be offered to Sponsors (either General Contractors or Owners) that want to control the General Liability exposures of their projects. By having the project insured with Worldwide Wrap®, it allows for confirmation that the GL Coverage in place on the project is adequate in terms of coverages & limits available.

Worldwide Wrap® can offer primary and excess coverages with up to \$100,000,000 in capacity on an occurrence basis.\* Aggregates can apply per project and defense costs are outside the limits. Policies can be written for the full project term and can include product/completed ops extensions up to 10 years.\* Worldwide Wrap® can also be endorsed to include any contracts the Sponsor holds directly with subcontractors, a fairly common practice on construction projects. With this product, asset protection is available throughout the course of construction operations and continues after the project has been put to its intended use.\*

## FOR THE WORLDWIDE WRAP® SPONSOR

- “Turnkey” Solution to Sponsors that want to control their own GL construction exposures.
- Named Insured Status
- Fixed Costs for Term of the Project -
- Limits Dedicated to the Project (Premise & Completed Operations Tail)
- Consistent Coverage
- Enhanced Safety and Claims Performance for the project
- Ability for Sponsor to hold direct contracts with subcontractors (as necessary)



# BENEFITS OF WORLDWIDE WRAP® VS TRADITIONAL INSURANCE

| BENEFITS                               | WORLDWIDE WRAP®   | TRADITIONAL INSURANCE   |
|--|---|---|
|  | CONTROL   |   |
| LIMITS OF INSURANCE                    | <ul style="list-style-type: none"> <li>Dedicated per Project; Completed Operations Tail</li> </ul>  | <ul style="list-style-type: none"> <li>Shared over numerous projects of the GC and its subcontractors</li> </ul>  |
| QUALITY OF COVERAGE                    | <ul style="list-style-type: none"> <li>Sponsor is a Named Insured</li> <li>Sponsor controls purchase and coverage terms, including carrier selection</li> <li>Program provides Completed Operations up to 10 years</li> </ul>   | <ul style="list-style-type: none"> <li>Additional insured status varies</li> <li>Contractor limits are potentially inadequate</li> <li>Depends on GC remaining in business and maintaining proper coverage</li> </ul> |
| STABILITY                              | <ul style="list-style-type: none"> <li>Carrier rights to cancel mid-term are limited</li> </ul>   | <ul style="list-style-type: none"> <li>Will vary by project/contractor and their insurance carrier</li> </ul>   |
| BUSINESS ADVANTAGES                    | <ul style="list-style-type: none"> <li>Fixed Insurance Rates for Term of Program</li> <li>Allows Sponsor to implement on smaller projects, especially when the GC cannot provide project specific coverage or meet lender requirements</li> <li>Minimizes need to track GL &amp; Excess Liability certificates for on-site exposures</li> </ul> | <ul style="list-style-type: none"> <li>Ease of doing business based on normal procedures</li> </ul>   |
| CLAIMS MANAGEMENT                      | <ul style="list-style-type: none"> <li>One insurer pays all claims</li> <li>Sponsor controls claims process</li> </ul>  | <ul style="list-style-type: none"> <li>Ease of doing business based on normal procedures</li> </ul>   |
|  | SAVINGS   |   |
| ECONOMIES OF SCALE                     | <ul style="list-style-type: none"> <li>Cost savings go to Sponsor</li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul>   |
| DUPLICATION OF COVERAGE AND/OR SAVINGS | <ul style="list-style-type: none"> <li>Avoidance of GC Overhead &amp; Profit loadings</li> <li>Contractors paid net of insurance</li> </ul>   | <ul style="list-style-type: none"> <li>Redundancies</li> <li>Unknown; Insurance controlled by GC</li> </ul>   |
|  | PUBLIC RELATIONS  |   |
| SAVINGS MBE/WBE PARTICIPATION          | <ul style="list-style-type: none"> <li>Sponsor controls</li> </ul>  | <ul style="list-style-type: none"> <li>Potential barriers based upon Minimum Requirements</li> </ul>  |
| RESPONSE TO CLAIMS                     | <ul style="list-style-type: none"> <li>Sponsor Controls &amp; Handled by One carrier; Crisis Response Plan can be implemented</li> </ul>  | <ul style="list-style-type: none"> <li>Potential delays due to multiple carriers</li> </ul>   |
| PREVENTION OF ACCIDENTS                | <ul style="list-style-type: none"> <li>Project Specific Safety Plan as Required by GC</li> </ul>  | <ul style="list-style-type: none"> <li>Coordination can be cumbersome</li> </ul>  |

Disclaimer: All parameters are subject to underwriting considerations and assessments and are subject to change. Additionally, local placed policies are also subject to local regulation in these jurisdictions.

# SERVICES

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The CRS Administration Service Teams resides in our Central Service Center in Atlanta, GA under the direction of our COO, Jennifer Phillippi. This office is composed of personnel (Account Managers, Account Associates, and Technology support), who manage Wrap-Up Programs 100% of the time. They provide the necessary experience and dedication needed to make these programs successful.

The following is a summary of the activities that are generally undertaken:

## PROGRAM DOCUMENTS

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### PROGRAM DOCUMENTS

Creation of program documents is a standard CRS service that is provided on all of our programs. The following documents are available for your use:

#### **WORLDWIDE WRAP® DOCUMENT (IN ENGLISH & LOCAL LANGUAGE)**

This all-encompassing document covers everything from enrollment and claims reporting procedures to insurance coverage provided and required.

#### **WORLDWIDE WRAP® EVIDENCE OF COVERAGE FORM – CERTIFICATE OF ENROLLMENT (IN ENGLISH & LOCAL LANGUAGE)**

This Certificate of Enrollment evidences that the named Enrolled Contractor has been successfully enrolled in the Worldwide Wrap® for the designated project(s) in accordance to the terms and conditions of the Worldwide Wrap® Policies, provided that all enrollment criteria has been satisfied. For information regarding coverage terms and conditions, it is in Enrolled Contractor's best interest to review the Worldwide Wrap® Policy with its insurance advisor. Enrolled Contractor is required to notify Sponsor of the utilization of any sub-tier contractor(s) on the designated project(s), so that they can be properly enrolled into the Worldwide Wrap®.

# CONTRACTOR WORLDWIDE WRAP® PARTICIPATION

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## ENROLLMENT

Sponsor will provide CR Solutions with each new project, location, estimated CV, & anticipated project term. CR Solutions, as wrap-up administrator, will provide this information to the carrier.

A list of all awarded contractors shall be provided to CR Solutions. This list shall include the following information:

- Designated Project
- Contractor Company Name
- Contractor Address
- Contact Name
- Contact email address
- Scope of Work
- Contract Value

Once received, CR Solutions will provide Awarded Contractor with an Worldwide Wrap® Evidence of Coverage Form.

## BIDDING NET OF INSURANCE

All Contractors and Subcontractors submitting bids for the project are to exclude the cost of Worldwide Wrap® Provided Coverages: Commercial General Liability and Excess Liability. In anticipation of the use of a wrap-up, each Contractor and Subcontractor shall EXCLUDE from its bid, the insurance costs it would incur to provide the coverages. Every Contractor and Subcontractor must remove ALL costs associated with this insurance, for all activities occurring within the Worldwide Wrap® Site, including but not limited to insurance premiums, expected losses within any retention or deductible program, subcontracted work, and overhead and profit markups. Failure to remove all Worldwide Wrap® related insurance costs by the Contractor and any lower tier Subcontractors may affect the competitiveness of the bid and may result in the bid being considered incomplete.

## CERTIFICATES OF INSURANCE

All Subcontractors including lower tiers, prior to starting its work will be required to provide Certificates of Insurance evidencing all requirements as outlined in their respective contract. Enrolled subcontractors shall show evidence of General Liability for off-site exposures, while excluded subcontractors will be required to provide evidence of General Liability for both on and off-site operations.

## **CONTRACTOR/ PROJECT TERMINATION**

Upon each project completion, CR Solutions will provide the carrier with a final Construction Value (by contractor) and assist with the audit.

## **MEETINGS**

Kick-off Meeting (Telephonic) – a Kick-off meeting will be held with the Sponsor. In this meeting, we will discuss the Worldwide Wrap® Procedures and Contractors' responsibilities.



# SUMMARY OF WORLDWIDE WRAP®

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## **NAMED INSURED(S)**

All contractors and/or subcontractors/consultants and /or subconsultants for whom the Sponsor or owner's agent are responsible to arrange insurance to the extent of their respective rights and interests. Named Insured does not include vendors, installers, truck persons, delivery persons, concrete/asphalt haulers, and/or contractors who do not have on-site dedicated payroll.

## **POLICY COVERAGE TERRITORY**

Coverage territory means anywhere in the world, including international waters or airspace, but excluding the United States of America (including its territories and possessions) and Canada. Notwithstanding any definitions of coverage territory or anything else to the contrary no matter where located, the Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

## **MASTER POLICIES AND LOCAL UNDERLYING POLICIES**

This program may include master policies as well as local underlying policies. Master policies will be issued to the Named Insured from within the U.S. Each local underlying policy will be issued from within a foreign country or U.S. territory to the Named Insured or one of its subsidiaries or branch offices by an insurer licensed in the applicable jurisdiction. Each local underlying policy provides coverage for claims arising in the applicable jurisdiction, subject to its terms and conditions.

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## **FINANCIAL STABILITY**

A Rated Master Program Paper, equivalent grade of paper in local markets (admitted)

## **COUNTRIES AVAILABLE**

All except OFAC sanctioned countries

## **POLICY LENGTH AVAILABLE**

1-3 Year term on Master program (typically one year term on local policies that needs to be renewed)

## **TYPICAL COVERAGE TERMS**

- **Per Project Limits** Primary \$1M-\$10M/occurrence guaranteed cost.  
Have the ability to provide deductible and SIR programs
- **Comp Ops Tail** Up to 10 years

## **EXCESS LIMITS**

Available Up to \$25M unventilated

## **CLAIMS EXPERTISE**

Option of Complex Claim Director based in US to monitor each and every claim that occurs on the local level before adjudication and payments are processed

## **SUBMISSION REQUIREMENTS**

- Contract Value
- Contractor Loss History
- Location of Project
- Evidence of Safety Program
- Subcontractor Contact and Information
- If Foreign Voluntary Compensation and Employers Liability are needed we will need Wage and Worker exposure information.
- With a Rolling Worldwide Wrap® we require scope of eligible projects at outset, then a description of each specific new project prior to enrollment.
- CR Solutions will handle the administration.
- SML Capital Advisors will provide loss control services.

# WORLDWIDE WRAP®

## GENERAL SERVICES



SML will provide Sponsor with site specific safety plans, safety management systems and safety processes of each project. This is to ensure the subcontractor is safety qualified and proper management systems are being practiced.



SML will strategize with Sponsor to establish a per-mobilization hazard plan, identifying hazards and high risk activities on-site prior to mobilizing. Corrective action plans will be developed and implemented prior to mobilization.



SML will review loss runs during the course of the program and provide a quarterly trend analysis to pinpoint incident frequency and severity. Once identified, SML will recommend programs or new means and methods to Sponsor to help reduce the incidents frequency or severity as work continues.



SML will provide quarterly status reports detailing review activities, program recommendations and a claim trending analysis.

## GLOBAL CONSTRUCTION EXPERTISE

AIG has outstanding construction expertise and is one of the world's largest construction insurance practices. From nuclear reactors and refineries to liquefied natural gas installations and high speed rail systems, they've insured some of the world's largest and most challenging projects.

AIG's global network means Worldwide Wrap® can simplify the complexity of multinational projects that require global coordination. It also means that when Worldwide Wrap® clients enter a new market – the chances are that AIG is already there with their skill and experience to help navigate that local risk with certainty.

## CONSTRUCTION CLAIMS EXCELLENCE

Worldwide Wrap® is underpinned by the skill and expertise of AIG claims teams - delivering the right expertise at the right time. Worldwide Wrap® clients benefit from seasoned AIG claims professionals in construction defects and other construction specific claims.

Note: CR Solutions also works with many other carriers and has a range of insurance carrier options to meet a project's specific needs.

# COMPETITIVE ADVANTAGE

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Consolidated Risk Solutions specializes exclusively in wrap-ups for large-scale construction projects. Take control of your risk. Make sure your workers are covered. Make sure your contractors and subcontractors are properly insured. Get better insurance protection with no gaps. We've been serving the construction risk management industry since 2002. Turn to Consolidated Risk Solutions to handle the administration of your wrap-up program.

## CLIENT OWNS DATA

Ownership of data and  
performance benchmarking



## POWERFUL TECHNOLOGY

Most robust database available. 15  
years of data and largest  
contractor database



## SPECIALIZATION

Specialty admin provider with  
extensive worldwide experience



## FULL TRANSPARENCY

No surprises  
Consistent project reporting

