



2025

CONSTRUCTION RISK

THOUGHT LEADERSHIP REPORT

SPONSORED BY

AMWINS®



It's no secret. Specialization matters.

We live and breathe the construction market, bringing your clients innovative solutions that meet their exposure and risk appetite.



[/ amwins.com/construction](https://amwins.com/construction)

CONTENTS



INTRODUCTION	5
WHAT'S BEING BUILT	6
IN THE CASUALTY MARKET, SIGNS OF STABILITY BUT FRACTURES REMAIN	8
AUTO LIABILITY REMAINS A PARTICULAR CHALLENGE	11
IN THE PROPERTY AND BUILDERS RISK MARKET, PROJECT STARTS ARE DOWN, BUT CAPACITY IS PLENTIFUL	14
REGIONAL ISSUES FACTOR ACROSS CONSTRUCTION AND BUILDERS RISK INSURANCE LINES	16
CONSTRUCTION COMPANIES FACE A VARIETY OF EMERGING RISKS	20
THE GROWING ROLE OF TECHNOLOGY IN CONSTRUCTION AND BUILDERS RISK	22
ACHIEVING THE BEST OUTCOMES IN THE CURRENT CONSTRUCTION AND BUILDERS RISK INSURANCE MARKET	24

"This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is distributed with the understanding that IRMI is not engaged in rendering legal, accounting, or other professional service. If professional advice is required, the services of a competent professional should be sought."

Copyright © 2025 International Risk Management Institute, Inc.

FOR CONSTRUCTION INSUREDS, RISK CHALLENGES REMAIN AS MUCH OF THE INSURANCE MARKET STABILIZES

INTRODUCTION

For general contractors and owner/developers, challenges persist, and many segments of the market remain fragmented despite some areas of the insurance market growing more stable.

Differences by type of construction, a host of regional issues, nuclear verdicts, and economic uncertainty are among the factors affecting the overall construction and builders risk insurance markets.

Meanwhile, new capacity entering property market segments is providing additional opportunity as well as improved terms and conditions for those coverages. And, of course, automobile liability remains a significant coverage challenge across the construction industry.

As a result, creativity is often front and center in insurance programs. In the current market, buyers often find themselves relying on a larger number of insurance company partners, structuring coverage towers with more layers than in the past, increasing retentions for some coverages, and even looking to captive insurance and other alternatives to secure the coverage they require.

To be sure, insurance solutions are there to be had. But finding them requires a clear understanding of the existing construction insurance market. To further improve their odds, buyers must have a clear knowledge of their risks and the steps they can take to mitigate them.

WHAT'S BEING BUILT

...

Among the types of projects being built, data centers, distribution centers, and warehouses are some of the most common.

“The boom in data and logistics work has been welcomed with open arms by both the property and casualty markets; insurers love those jobs,” said Nick DelVino, executive vice president with Amwins Brokerage.

“They’re typically large in size and relatively simple construction.” Because insurers find these projects so desirable, they tend to enjoy better insurance rates. “There’s so much competition; it’s helping to drive rates down,” Mr. DelVino said.

The passage of the federal Infrastructure Investment and Jobs Act in 2021 has also led to a significant uptick in infrastructure projects. “We’ve seen some hiccups due to bureaucratic delays in some regions, but overall, we’re still seeing a steady flow of infrastructure work across the country and expect that to continue,” Mr. DelVino said.



Understandably, this can mean construction and builders risk projects take longer to bind. We’re with our clients every step of the way, said Kerry Pecora, vice president with Amwins Special Risk Underwriters.

There’s also been an increase in activity in the construction of build-to-rent townhomes and single-family rental communities. “There’s a big need in the build-to-rent space,” said Ms. Pecora.

“From an underwriting perspective, those are appealing risks simply because you’re not at risk for the entirety of the project,” Ms. Pecora said. In contrast, insurers considering multifamily rental construction with large podium risks see greater exposure, she said.

“Unfortunately, you take one loss and the whole building might be compromised,” said Ms. Pecora.

**SOME EXPERTS ALSO
CITED INCREASED
ACTIVITY IN THE
CONSTRUCTION OF
SOLAR FARMS AND IN
RESIDENTIAL SOLAR
INSTALLATIONS.**

IN THE CASUALTY MARKET, SIGNS OF STABILITY BUT FRACTURES REMAIN

...

“Construction overall is stable, particularly commercial construction,” said Shannon Campbell, executive vice president with Amwins Brokerage. “There’s plenty of capacity, especially with new entrants over the past 5 years.”

That’s particularly the case in primary layers, where there is ample capacity and pricing remains manageable amid competition among insurers for business.

Excess layers are a bit of a different story, with tightening conditions and some insurers reducing limits—prompting creativity in construction excess programs.



“THE MARKET IS VERY FRACTURED,” SAID MR. DELVINO. “AND IT’S FRACTURED NOT ONLY BY JURISDICTION, STATE, AND LOCATION; IT’S FRACTURED BY TYPE OF WORK.”



Challenging exposures often face limited insurer appetite even in the excess and surplus (E&S) market. “On some of the tougher placements, you have to work with the capacity that’s available,” said TJ Collins, executive vice president with Amwins Brokerage. In certain cases, that has meant structuring bifurcated E&S towers—building separate auto and general liability towers that merge at higher attachment points. “I expect that trend to continue,” he said.

Generalizations about the construction casualty insurance market are hard to make due to the many factors that influence market conditions. “The market is very fractured,” said Mr. DelVino. “And it’s fractured not only by jurisdiction, state, and location; it’s fractured by type of work.”

“It’s very hard in this market to broad stroke it,” said Liz Goldie, senior vice president with Amwins Brokerage. “A lot depends on the where and how.”

One of those splits continues to be between the markets for commercial and residential construction. On the commercial side, capacity is fairly easy to find, according to Helen Fry, senior vice president with Amwins Special Risk Underwriters. “There are a lot of players in the market, and there are a lot of [insurers] that want to continue in that space or enter into it,” she said. Among those new players to the commercial construction casualty space, some are looking to build market share by cutting prices, Ms. Fry said.

“That’s where competitive rates come in,” said Alicia Villanueva, vice president with Amwins Special Risk Underwriters. “Everybody wants a piece of the pie. We’re not seeing any shortage of capacity.”

On the residential side, however, the casualty insurance market is challenging for projects that will ultimately have multiple owners, such as condominiums or tract homes. “That just comes from loss experience,” said Mr. DelVino. “You have one issue in one unit, and it essentially becomes a class action that blows through insurance.”





“WITH RESIDENTIAL, YOU’RE EXPOSED TO MULTICLAIMANT, WHEREAS WITH COMMERCIAL, IT’S TYPICALLY A SINGLE CLAIMANT.”

“With residential, you’re exposed to multiclaimgant, whereas with commercial, it’s typically a single claimant,” said Ms. Goldie. That’s reduced the number of insurers who will participate in those sorts of projects, she said.

The issue is particularly pronounced with residential projects in so-called “construction defect” states, those states whose construction defect laws include provisions such as lengthy statutes of limitations or broadly define occurrences. Those laws create conditions that are more favorable to plaintiffs’ attorneys while making those states less attractive to insurers.

While insuring residential construction projects remains challenging in some states, adequate coverage is still available in the E&S marketplace. Such programs might rely on a greater number of insurers participating in programs or possibly larger retentions, said Ms. Campbell.

And, while multi-owner residential projects are more difficult to insure, single-owner residential projects like rental apartments, student housing, workforce housing,

and hotels are more desirable risks. “The bulk of insurers are much more comfortable when there’s a single deeded owner versus multiple potential claimants for a defect in the building,” said Mr. DelVino.

As contractors look to craft insurance programs across various project sectors, they’re also increasingly considering the use of captive insurance.

“Our retail partners are increasingly placing insureds into captives on the primary layer,” said Mr. Collins. “For accounts with sufficient scale, it’s almost always part of the conversation. It’s an alternative structure to traditional risk transfer that many retailers are actively exploring.”

“Many buyers are frustrated with continued rate increases, particularly those with favorable loss experience, so they are exploring any avenues that may provide cost savings—including reducing the amount of coverage they purchase,” Ms. Campbell said.



AUTO LIABILITY

REMAINS A PARTICULAR CHALLENGE

Fleet risks remain one of the largest elements of overall exposure for contractors. That’s seemingly true for businesses, no matter how large or small their fleets might be.

Social inflation has long been a factor in increasing auto liability risks. Now, third-party litigation financing and an increasingly litigious environment in some states and jurisdictions have increased the exposure, making insurers increasingly wary.

“Auto liability has become the number one driver of loss experience for most casualty insurers,” Mr. DelVino said. In addition to the previously mentioned factors, distracted driving, the increased number of vehicles on the road post-COVID-19, and infrastructure repairs contributing to busier roads have all contributed to greater losses. “It’s been rough on a lot of insurers’ books,” Mr. DelVino said.

“The tough thing about auto, you can have a five-unit fleet, and it can just come down to bad luck,” said Mr. Collins. “You rear-end somebody in the wrong jurisdiction, and it can still be a million-dollar loss these days.”

“When you get a big auto fleet, it’s not if but when,” Mr. Collins said. “So, [insurers] are pricing it that way.”

Noting that auto liability is the main concern of excess insurers writing construction business, Ms. Goldie cited an example of an insured whose exposures included tower cranes in catastrophe-exposed areas. Despite those exposures, it was reducing the size of the client’s fleet by 20 percent that had the greatest impact on achieving price stabilization on its program, she said.

In response, both construction firms and insurers are looking at a variety of possible ways to better manage auto liability risk. Both are looking at telematics, for example, with a growing expectation among some insurers that their insureds implement telematics in their fleets—using the data to coach drivers on safety to help limit exposure.

“I think the data gathered from telematics is going to be a game changer for contractors with big fleets,” said Ms. Fry. Employing telematics in their fleets can produce significant pricing differences for insurance buyers in the construction space, she said.

Maximizing the benefits goes beyond simply installing the data-collection tools, according to Ms. Fry. “It’s what kind do you have, how often do you review the data?” she said. “How they use the telematics is super important.”



The decision to employ telematics is not without potential complications, however. “If you get in an accident and you have dash cams involved, that’s going to be discoverable in most jurisdictions,” said Mr. Collins. “If you’re at fault, that’s going to be seen.” Implementing telematics across a large organization can also be a significant capital expenditure, he noted.

“On the telematics front, it’s a weighing of pros and cons from a lot of the companies,” Mr. DelVino said. “The [insurers] understand that it’s not an easy decision because there are privacy concerns. There’s even a potential issue of employee retention.”

“I THINK CONTRACTORS USED TO BE NOTORIOUS FOR GIVING THEIR EMPLOYEES TRUCKS.”

The auto liability environment has also led to higher attachment points, larger retentions or self-insurance, increased fleet safety management efforts, and other risk mitigation steps among construction companies.

Ms. Fry said that while some construction firms used to check National Driver Register data only when hiring a new employee, now many check those records annually or even every 6 months. Some are doing random drug testing of those getting behind the wheel of company vehicles. “I’m even seeing some of the bigger firms give safety bonuses,” she said.

Meanwhile, construction companies operating in multiple states are looking to ensure that their fleet management policies are consistent and cohesive across the states where they operate, Ms. Fry said.

Many are also reviewing their personal use policies for company vehicles, according to Ms. Fry. “We have seen claims where people take the truck to the bar at night and then they’re in an accident on the way home,” she said.

Ms. Goldie offered a similar take. “I think contractors used to be notorious for giving their employees trucks,” she said. “That perk is pretty much gone, and that’s certainly a risk mitigation tool.”





IN THE PROPERTY AND BUILDERS RISK MARKET, PROJECT STARTS ARE DOWN, BUT CAPACITY IS PLENTIFUL

...

The number of new projects might be down, but capacity is up in the property and builders risk market, creating a favorable environment for construction insureds.

“From an overall construction standpoint, there’s been a slowdown in construction over the last 30 months,” said Grant Chiles, executive vice president with Amwins Brokerage. But, while project starts might be down, the uptick in builders risk capacity has created a favorable environment for insureds, according to Mr. Chiles. “The market is very, very healthy for insureds,” he said. While rates haven’t yet plateaued, they are nearing bottom, he said.

Many areas of the country have seen a slowdown in new projects in the single-family home space because of current housing market conditions and buyer hesitancy due to high mortgage rates, Mr. Chiles said.

In the multifamily space, high insurance rates in recent years attracted new capacity. Now, however, with fewer new projects getting started, that additional capacity is putting downward pressure on rates, he said. On the commercial construction side, there’s been a slowdown in building new high-rise office spaces following the COVID-19 pandemic, Mr. Chiles said, though he noted that he is seeing some projects converting vacant office spaces into housing in areas of the country where there are housing shortages.

Tom Ear, executive vice president at Amwins Brokerage, also sees a slowdown in project starts. Many developers are holding on to the land and waiting for better economic conditions before they start their projects, he said. “They’re not in a rush to start these projects,” Mr. Ear said.

Amid economic uncertainty and supply chain issues, many projects just aren’t starting on time, according to Ms. Pecora. In some cases, projects for which the builders risk program was quoted in January were only binding

6 months later in July. “That’s been a bit of a hard pill to swallow,” she said.

The inflow of capacity into the property insurance space has made it easier to assemble programs even for classes of construction that faced a more challenging environment in recent years. Now, the increased competition among insurers in the property and builders risk space is even being felt in the market for wood-frame construction, where rates have fallen over the past 12 months. “Carriers are getting really aggressive,” said Ms. Pecora.

“What we have seen over the last 18 months is just an inflow of capacity into the marketplace,” said Evan Hartwell, assistant vice president with Amwins Brokerage. While securing capacity in the frame construction multifamily space was challenging not long ago, construction companies are now seeing reduced rates and increased capacity, making it easier to get deals done, according to Mr. Hartwell.

“EVERYBODY’S WONDERING HOW LOW RATES ARE GOING TO GO,” MR. HARTWELL SAID. “WE ALL WISH THERE WAS A SMOOTHER MARKETPLACE. IT’S BEEN A PRETTY DRAMATIC ROLLER COASTER RIDE.”

Mr. Hartwell characterized the price shift for coverage for wood-frame projects as “dramatic.” With insurers making considerable money in the sector when premiums were high, new capital was attracted to the market. Now the added capacity is driving rates down.

A lack of catastrophe losses in recent years in some areas, such as a West Coast earthquake, has also attracted additional capital to the market, Mr. Hartwell said.

For more details about the effects of continued economic uncertainty, evolving risk profiles, and historic increases in capacity across the builders risk insurance market, download “[State of the Market: Builder’s Risk Insurance H1 2025](#).”

REGIONAL ISSUES

FACTOR ACROSS CONSTRUCTION AND BUILDERS RISK INSURANCE LINES

...

Regional differences are common across both casualty and property lines. Those include both market impacts in regions of the country particularly exposed to natural catastrophes and the impact of judicial and litigation climates. In the latter case, those differences sometimes reach beyond states to a more local level.

Catastrophe-exposed regions always present challenges from a property perspective. “Florida’s always going to be the most expensive insurance product out there,” Mr. Chiles said. “While pricing has eased somewhat in Florida and the Southeast, one large loss event could quickly change that,” said Mr. Ear.

Ms. Pecora suggested that any Tier 1 catastrophe area from Texas around the coast to the Carolinas will always be a coverage challenge. “As the market softened across the country, Florida has remained fairly consistent from a price adequacy standpoint,” Ms. Pecora said. “And it’s always a challenge placing full limits in the state. Obtaining full wind coverage for larger coastal projects remains difficult in Florida,” she said. “And there are challenges around terms for flood coverage or storm surge.”

“Louisiana is also a difficult state,” she said. “With both a litigious environment [and] with some strict construction laws and high catastrophe exposures.”



“IT’S NOT TO SAY THAT WE CAN’T GET THOSE DEALS DONE, IT JUST COMES WITH A HIGHER RATE OR A HIGHER SECURITY REQUIREMENT THAN YOUR STANDARD CONSTRUCTION PROJECT.”

California can be a difficult insurance market because of the variety of natural catastrophe exposures in the state, ranging from earthquakes to wildfires. “Pretty much anything can occur within that state depending on where you are,” Ms. Pecora said.

Wildfire risk has become an increasing concern for insurers across a number of states.

“The primary concern and the most challenging discussion on the West Coast is wildfire,” Mr. Hartwell said, suggesting that the insurance market has grown cautious. “It’s probably the most challenging area we see from a property standpoint,” he said. “There are fewer markets in the game, and it’s a classic supply and demand issue.”

In some cases, risk mitigation can help ease insurers’ concerns over wildfire risks, Mr. Ear said. He cited the example of some builders in areas of Colorado, like Aspen and Vail, that have been positioning fire trucks or water supplies at construction sites to increase insurers’ comfort levels with the projects. “It’s not to say that we can’t get those deals done, it just comes with a higher rate or a higher security requirement than your standard construction project,” he said.



Despite these challenges, the property market still has a surplus of capacity, which has continued to place downward pressure on rates and terms and conditions.

On the casualty side, because laws, statutes of repose, and statutes governing construction defects and how claimants can bring claims vary by state, every state will present different coverage issues, Mr. DelVino noted. New York, California, Florida, and Colorado continue to

be considered litigation hotspots, but some local jurisdictions like Cook County, Illinois, are also drawing attention from insurers for growing verdicts and litigation trends.

“You have a lot of little pockets popping up like that,” Mr. Collins said. “It’s not just state to state.”

“SOMETIMES IT EVEN GOES DOWN TO THE CITY OR LOCAL JURISDICTION,” MR. DELVINO SAID, NOTING THAT IN NEW YORK, THE MARKET IN NEW YORK CITY IS VASTLY DIFFERENT IN TERMS OF COVERAGE AVAILABILITY, PRICES, AND TERMS THAN ELSEWHERE IN THE STATE.

In Florida, market conditions for projects in coastal areas are very different from a construction defect perspective than projects elsewhere in the state.

“Texas has become a more challenging climate,” Ms. Fry said. She noted that the Rio Grande Valley is becoming increasingly unfavorable for contractors as jury verdicts grow.

Meanwhile, labor law statutes remain an issue in New York, according to Ms. Fry.

New York revolves around state statutes, Labor Law 240/241, Mr. DelVino said. “They’re colloquially referred to as labor law, scaffold law, action-over.” Essentially, the statutes require that project owners, developers, and contractors provide safe worksites, including protection from falls. The absolute liability contractors face for gravity-related injuries and the massive awards they can produce have resulted in a scarcity of competition.

It’s widely felt that plaintiffs’ attorneys have sought to extend the reach of those statutes, applying them to something as simple as a worker tripping and falling over an item on the ground. Over the past 2 decades, the number of claims under those statutes has ballooned, particularly in New York City, because of the large amount of construction activity there. That’s led some insurers to stop writing business in New York City. For more details on this issue, download [“Uncovering the Mysteries of New York’s Labor Laws.”](#)

With the growing number of claims has come an increased concern about the possibility of insurance fraud. That’s led to a recent suit brought by a managing underwriter under the federal Racketeer Influenced and Corrupt Organizations Act (RICO) against a personal injury law firm and numerous medical providers, alleging efforts to defraud insurers through staged accidents and fraudulent medical diagnoses and treatments.

“It could potentially be a game changer if they’re able to make headway and get a positive result from the RICO suit,” Mr. DelVino said. But he cautioned, “Putting fraud aside, there’s still going to be legitimate workplace injuries, and it’s still important for contractors to invest in workplace safety and collect data because there are going to be injuries. It’s construction.”



In Texas, there is another issue unique to the state in the so-called “Stowers Doctrine.” Essentially, the Stowers Doctrine is a principle that makes insurers liable for judgments against their insureds exceeding coverage limits if it’s determined that the insurer had a chance to settle a claim within its limits but failed to do so. In practice, if an insurer with a small lead layer turns down a fair settlement offer that meets all the legal requirements and the case results in a verdict above their limit, they can be held responsible for the entire judgment—including those amounts that normally would have been paid by excess insurers.

“Texas courts have recognized the right of excess [insurers] to pursue subrogation and issue ‘Stowers letters’ to primary and lead [insurers],” Mr. Collins said. “This development has created a heightened sense of caution in the market, with many concluding, ‘We need to settle.’”





TECHNOLOGY IS PROBABLY ONE OF THE LARGEST EMERGING RISKS FACING CONSTRUCTION COMPANIES.

CONSTRUCTION COMPANIES FACE A VARIETY OF EMERGING RISKS

...

Among the emerging risks construction companies must consider, one of the most consequential might be economic uncertainty, including the impact of tariffs and inflation.

Ms. Pecora singles out tariffs as an element of broader economic uncertainty. The actual impact of tariffs on contractors will become clearer over time, she said. Construction companies should, however, consider the potential impact of increased material costs on budgets—as well as possible delays to construction.

“Inflation is driving volatility,” said Mr. Hartwell. “Coupled with a skilled labor shortage, it’s really driving uncertainty in larger projects and getting budgeting correct.”

“[Tariffs are] definitely a thought in the back of any developer’s mind because it’s a potential cost increase,” Mr. Chiles said.

Ms. Villanueva suggested that technology is probably one of the largest emerging risks facing construction companies, and multiple experts agree.



Mr. Collins noted that it will be interesting to see how artificial intelligence (AI) could influence construction defect claims, particularly the divide between professional liability and traditional general liability. “If AI contributes to a construction defect, you could have a unique coverage scenario, but with the right contracts in place, the claim may ultimately follow the path toward the engineering firm,” he said.

Mr. DelVino also sees the possibility of new exposures arising from various aspects of technology.

“The insurance community is largely taking a ‘wait and see’ approach regarding new tech, whether it’s AI, 3D printing, self-driving or assisted trucks, or new construction materials such as mass timber,” he said. “We’ll have to see how these technologies develop.”

Another emerging risk could arise from private equity firms’ move into the construction space, particularly with regard to roll-up acquisitions of heating, ventilation, and air conditioning (HVAC) businesses, plumbing companies, and, to a lesser extent, electrical businesses.

“Private equity is entering the space in a way that’s hard for underwriters to grasp,” Ms. Goldie said. For insurers, private equity involvement can produce large, complex accounts with rapidly growing exposures but limited historical loss data.

According to Ms. Goldie, one way to ease insurers’ concerns is for private equity firms to set minimum standards for the businesses they’re acquiring. Communicating those minimum thresholds to insurers can help with underwriting and increase their trust in the business they accept. Flexible program structures can bring insurers additional comfort with private equity’s impact in the construction space.

THE GROWING ROLE OF TECHNOLOGY IN CONSTRUCTION AND BUILDERS RISK

...

The increased presence of technology in construction projects is undeniable, with its impact ranging from risk mitigation and loss control to actual construction methods.

As it is in other industries, AI is becoming an increasing focus of both construction companies and the insurers covering them.

“I think AI is definitely becoming a topic of conversation for the larger contractors as well as the [insurers],” Ms. Fry said. While AI’s impact on construction projects and construction insurance might not be extremely meaningful yet, “[e]veryone’s trying to figure out how to intelligently use AI without pumping trade secrets into it,” she said.

From an insurer’s standpoint, Ms. Fry sees AI being useful in analyzing insurance applications and loss runs to speed consideration of insurance submissions and increase efficiency.

While the insurance industry has always collected a large amount of data, AI can allow insurers to use that data more effectively. “I have seen a lot of companies focus on more granular data collection,” Ms. Fry said. For example, instead of just collecting data at a class code level for an electrical contractor, insurers are using AI to get more granular about the types of projects that the contractor is working on to better understand the risk.

“This enables us to price policies in a way that we haven’t been able to before, which is a really good thing because it gives a break to the people who do it right,” Ms. Fry said.

Ms. Campbell said she’s also seeing insurers increasingly use AI to manage submission flow. And, she said, some developers and contractors are beginning to consider using AI to review contracts and to assist with subcontractor certificate tracing.



THIS ENABLES US TO PRICE POLICIES IN A WAY THAT WE HAVEN’T BEEN ABLE TO BEFORE, WHICH IS A REALLY GOOD THING BECAUSE IT GIVES A BREAK TO THE PEOPLE WHO DO IT RIGHT.



Mr. Chiles mentioned the increasing use of AI in site protection systems such as cameras, heat sensors, water sensors, and facial recognition systems. “A lot of that data capture has improved from a technology or AI standpoint,” he said. As those AI site protection tools become more commonplace, there’s a growing expectation among insurers covering some types of projects, like large wood-frame developments, that construction companies will employ them, he said.

Contractors—particularly the larger and more sophisticated ones—are increasingly focused on data around project risks. For example, many have started using software that can gather incident data from subcontractors, track that data, and develop trends.

“The ones that can do that and show it to insurance companies are going to have a leg up,” Mr. DelVino said.

Construction companies are also making greater use of drones for such tasks as roof inspections or jobsite inspections. “We’ve seen more use of drones watching jobsites. It’s not ubiquitous, but we’re seeing it,” Mr. DelVino said.

There’s also been an increase in the use of water leak detection systems. Mr. Hartwell said he’s seen some insurers begin to mandate the use of such systems to prevent or mitigate losses, as well as insurers willing to lower deductibles or rates for contractors that use those systems.

As discussed earlier in this report, construction companies are increasingly employing telematics to help mitigate their fleet liability risks.

For construction companies, the future may also include increased use of 3D printing and modular construction. “There’s a lot of talk about that becoming the future, probably mostly on smaller projects or build-to-rent communities,” Mr. Hartwell said. While those techniques remain in their early stages, their promise to reduce costs and speed building could make them more widespread in the future, he suggested.

“IF YOU FAST FORWARD 5, 10, [OR] 20 YEARS DOWN THE ROAD, THAT KIND OF TECHNOLOGY—3D PRINTING AND MODULAR—IS THE FUTURE OF CONSTRUCTION,” MR. HARTWELL SAID.

ACHIEVING THE BEST OUTCOMES IN THE CURRENT CONSTRUCTION AND BUILDERS RISK INSURANCE MARKET

...

There are a number of actions contractors should consider to help maximize their chances of assembling the best insurance programs at the most favorable rates. Here are some of the most important.

LEARN FROM YOUR EXPERIENCES.

Insurers expect claims to happen, but they may favor construction companies that can show they've learned from their mistakes, put systems in place to prevent them in the future, and show a commitment to taking advice and continuous improvement.

TELL A GOOD STORY.

Invest in a culture of safety, have a detailed safety plan involving a dedicated team, have strong loss mitigation programs in place, and be ready to communicate those details to insurers in a comprehensive fashion. The ability to share a robust story will distinguish one business from others in the construction insurance market.

UNDERSTAND YOUR RISKS.

Make every effort to understand the risks facing the organization and consult with risk management to determine appropriate levels of insurance.

LEAD WITH THE BAD.

Be upfront with insurers about any bad losses or challenging loss experiences your company has faced and how the company has responded to them.

FOCUS ON CONTRACTUAL RISK TRANSFER.

Emphasize strong subcontractor qualification processes and tight subcontractor agreements that transfer risks to those subcontractors. Be transparent about past issues and the steps the company has taken to remediate them.

PROVIDE HIGH-QUALITY SUBMISSIONS.

The more information, the better. Complete, accurate information provides comfort to insurers. Highlight an understanding of risks and risk mitigation efforts. Detailed data at the beginning of the process can help those submissions rise to the top of the stack while helping insurers provide the best possible coverage.

BUILD LONG-TERM RELATIONSHIPS.

Building a familiarity between the insured and insurer can lead to insurers becoming valued partners with construction companies on projects. Underwriters like to know their contractors and be familiar with what they've done.

BE PROACTIVE AND START EARLY.

The importance of starting conversations with your broker team and engaging with markets early can't be overstated. Doing so, rather than going down to the wire with submissions, will make your company top of mind with underwriters.



IRMI HEADQUARTERS

12222 Merit Drive

Suite 1600

Dallas, TX 75251

(800) 827-4242

irmi.com

ENERGY PROJECTS Start with Construction

**June 15–17
2026
San Antonio
Texas**



If you insure or build energy infrastructure, the **IRMI Energy Risk & Insurance Conference (ERIC)** is where

you need to be. From traditional oil and gas to renewables, IRMI ERIC delivers proven strategies and fresh insights to help you tackle complex exposures and sharpen your risk management programs.

3 REASONS YOU CAN'T MISS IRMI ERIC

① **TIMELY TOPICS**

Explore what's shaping the industry—parametric insurance, carbon capture, wildfires, cyber threats, and more.

② **HIGH-IMPACT NETWORKING**

Connect with peers and pros who live and breathe energy risk and insurance.

③ **ACTIONABLE TAKEAWAYS**

Walk away with real-world solutions from trusted experts you can apply immediately.

FUEL YOUR CURIOSITY

IRMI.com/ERIC

