



# Construction BENCHMARK REPORT

## Key Findings



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# Key Findings

## Construction Benchmark Report

Several members of the Assurex Global Partnership have extensive construction practices, providing risk management advice and insurance products to construction companies. We have collected information on the purchasing decisions of almost 2,000 of their individual clients, ranging in size from less than \$1 million to a high of over \$880 million.

### Much of the data conformed to our general expectations.

- While the number of contractors in the survey increased substantially, the average size of the contractors decreased significantly. We believe that the decrease simply reflects a more representative sample rather than a less favorable market.
- Payroll as a percentage of revenue varied widely by industry segment, with general contractors having the lowest payroll as a percentage of revenue and the other specialty group having the largest.
- Builder's risk/installation floater coverage varied by segment, with general contractors leading the field in the purchasing of builder's risk coverage.
- Contractor's equipment coverage also varied by segment, with highway/underground having the highest limits of contractor's equipment.
- Property rates consistently decreased as the total insured value increased.
- The rate per million of excess liability limit increased as the size of the contractor increased.



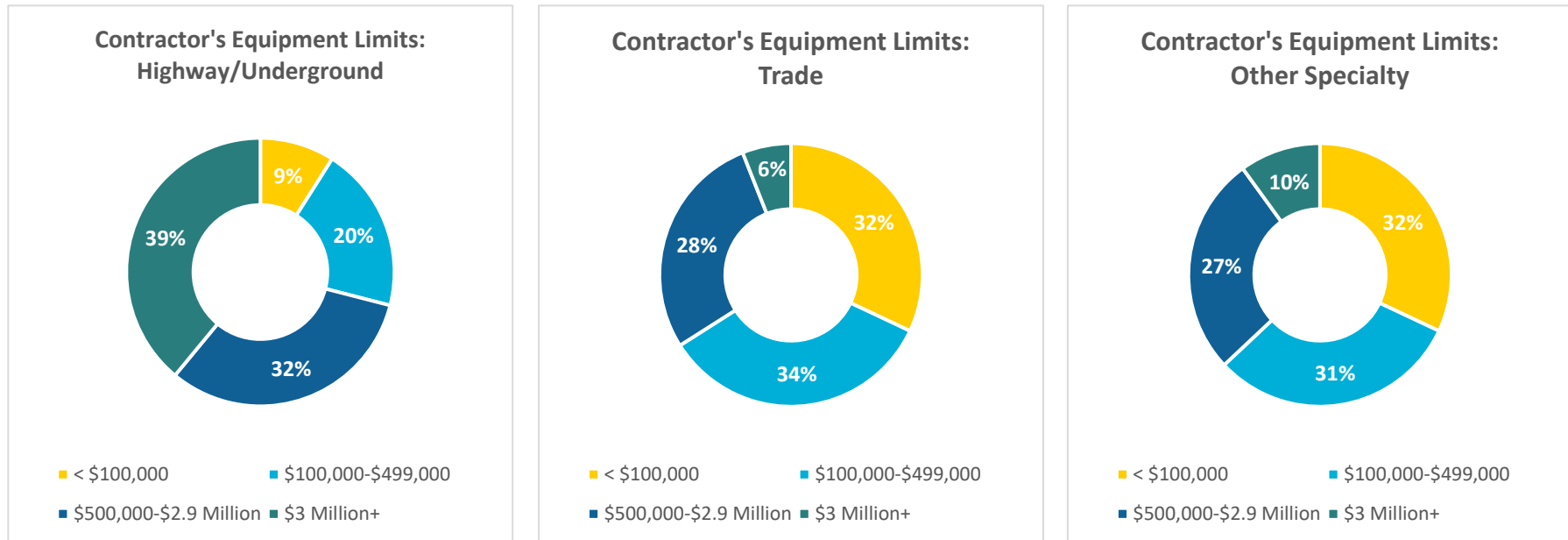
While much of the data conformed to our expectations, some elements surprised us.

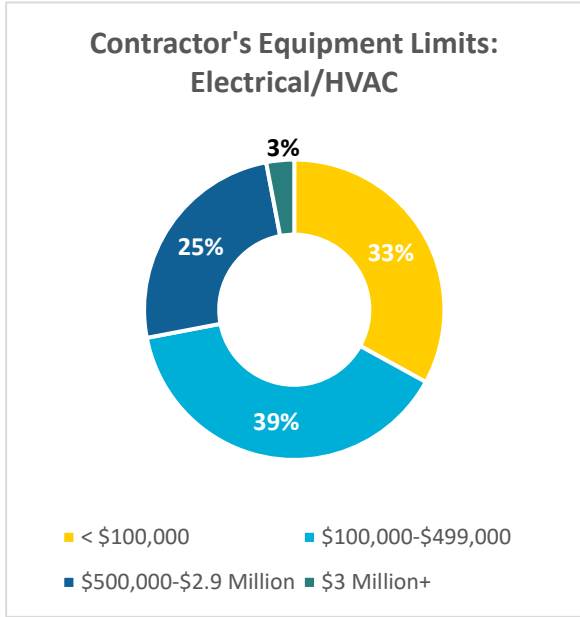
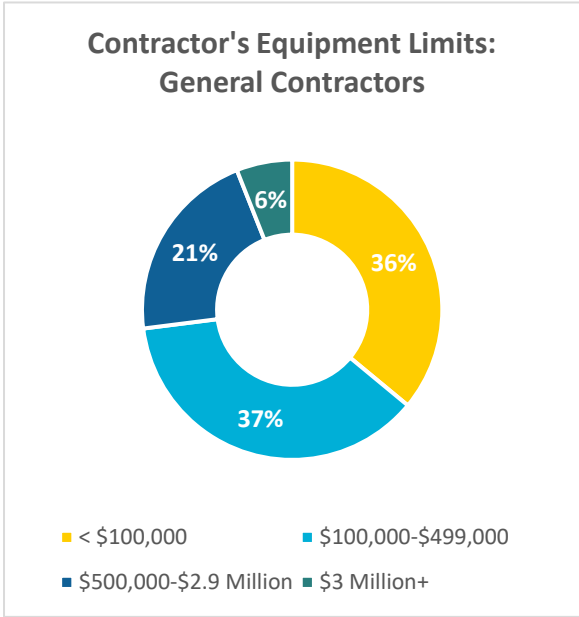
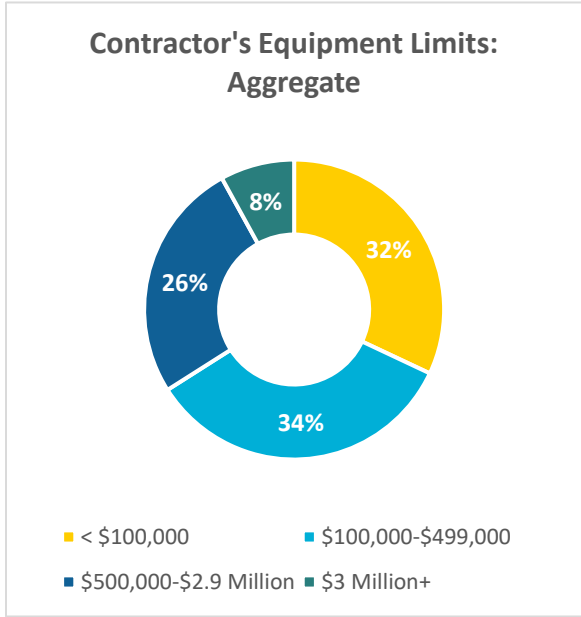
- Excess liability limits were lower than expected and less than last year's survey. This could reflect economic conditions since this coverage is often viewed as a commodity.
- Contractor's equipment limits were lower than we expected.
- While the highway/underground category had the greatest values, even those values seemed modest.
- The percentage of firms purchasing contractor's professional liability was relatively modest and lower than our last survey. While we believe the more representative sample drove the decrease, changes in contractual requirements may have had an impact.
- There was substantial variability between segments in the purchase of directors and officers (D&O) liability and cyber coverage.

### Contractor's Equipment Limits

There is significant variability in the insurance needs of contractors, depending on the contractor's specialty. This can be illustrated by the limits purchased for contractor's equipment coverage – *see charts below*.

The benchmark report demonstrates that variations in the contractor's operations drive their insurance needs.





Additional drivers and variations are identified, along with all other results, in the full 2021 Construction Benchmark Report.

If you are interested in learning more, contact Assurex Global or an Assurex Global Partner – [www.assurexglobal.com](http://www.assurexglobal.com).

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