

YOU OWN THE PROJECT AND ITS RISKS



MITIGATE YOUR EXPOSURE.
CONTAIN YOUR COSTS.
BEFORE IT'S TOO LATE.



CONSTRUCTION RISK MANAGEMENT SERVICES FOR PROJECT OWNERS

“ We were extremely pleased with the diligence, rigor, and attention to detail that The ALS Group brought to managing the construction risks for our \$1.1 billion Park Avenue office tower. ”

Susan Choi, Vice President, L&L Holding Company

**DON'T RISK ANOTHER MINUTE.
CALL (732) 395-4250
FOR A CONSULTATION TODAY.**

CONSTRUCTION IS A RISKY BUSINESS. ARE YOU COVERED?

Deadlines. Dollars. Reputations. Lives. As the owner of a construction project, you've got it all on the line.

Whether you're still planning or have already broken ground, your project is fraught with risks, both obvious and unseen, from feasibility study through ribbon-cutting. In fact, the Total Cost of Risk (TCoR) for a construction project can be anywhere from 3% to 12% of the hard-cost budget, depending on the state where it's located.

Risk management is complex. It requires a commercially-grounded approach that takes into account a three-dimensional view of the material risks of the project—a “risk blueprint” that encompasses every contingency. Do you really want to entrust that analysis to an insurance salesperson? To a software program? To an advisor who works banker's hours?

For more than 20 years, The ALS Group has served as an unbiased, on-call resource for owners of construction projects ranging from towering skyscrapers to light rail systems, from energy to infrastructure, serving private owners, public entities, and partnerships of the two.

You own the project. We own the risk management, with the right framework to do it. We dig deep—deeper than anyone—to uncover hidden liabilities and loopholes, to allow you to transfer risk appropriately, secure the right insurance, and see that the tactical execution we provide lives up to the best-value strategy we devise.

- 100 percent fee-based. No commissions, no conflicts of interest, no insurance sales.
- 24/7 service. Call anytime. Get an answer anytime.
- Unrivaled technical skills. Proprietary systems and databases.
- Partner-like power: We act as your internal risk-management team.

It's little wonder that The ALS Group has over a quarter-billion dollars in premiums under management.

EXPOSURES EXPOSED. COSTS CONTAINED. EVERY STEP OF THE WAY.

Just as there's more to construction than pouring concrete, there's more to risk management than buying insurance from a broker.

You rely on a blueprint for your construction project. You should use a blueprint to manage its risk, too. We do. It helps us design the right program for you, from start to finish.

It entails asking and answering tough questions. Lots of them.

- Who are the key players: design professionals, architects, engineers, etc.?
- Who is the legal counsel? Are they well-versed in construction contracts?
- What are the risk tolerances for the project? How much risk can the financial model support without being severely disrupted?
- What is the funding plan for the project? What will the lenders want?
- Will the project need to be bonded?
- Will the Construction Manager require Subcontractor Default Insurance (SDI) if they agree to a Guaranteed Maximum Price (GMP)?
- What is the Construction Method being used? Design-Bid-Build? Design-Build? Construction Manager? Construction Manager at Risk?
- What is the best insurance model to employ? Traditional insurance structure (with the owner and each contractor buying their own insurance)? Or perhaps a Controlled Insurance Program (CIP)—and if so, should it be owner-sponsored (OCIP) or contractor-sponsored (CCIP)? What are the pros, cons, and cost differences of each? Which is the best fit for *your* project?

When you bring The ALS Group on board, you'll get the optimum risk framework for your project to reduce surprises and achieve outcomes. We've got you covered—from overview to occupancy.

**THE EARLIER YOU INVOLVE THE ALS GROUP, THE BETTER YOU'LL BE PROTECTED.
CALL (732) 395-4250 TODAY.**

HOLISTIC RISK MANAGEMENT THAT SPANS EVERY DIMENSION OF EVERY PHASE

Conceptualization risks

- Site selection.
- Project scope and overview.
- Feasibility studies.
- Risk management assessments.
- Pre-construction insurance for existing structures.

Preconstruction risks

- Environmental and geotechnical studies.
- Creation and review of insurance bid documents.
- Establishment of safe-work-environment guidelines; hiring of safety managers.
- Determination of insurance strategy with options.
- Review all contracts to incorporate revised insurance addenda; adjust language to favor downward flow of liability.

Project financials risks

- Review lender's closing requirements and conditional obligations.
- Review lender, city, and/or state bonding requirements regarding payments and performance.
- Provide insurance cost estimates to owner/developer/sponsor.
- Orchestrate project insurance via market tender.

Construction risks

- Track and review evidence of insurance of all design professionals and contractors/subcontractors to ensure compliance with their contractual insurance obligations.

Completion risks

- Notify subcontractors of program closeout.
- Prepare all insurance and indemnification provisions required of contractors returning to the job site for punch-list or warranty work.
- Ensure communication between assigned property manager and general contractor. Implement procedural protocols for both parties.

Shutdown risks

- Prior to substantial completion of project, prepare tendering of property and casualty insurance for the project, post-completion.
- Formulate and review loss-development projections, especially in collateralized projects.
- Satisfy construction defect warranty bond where required by law.

Occupancy risks

- Review lease documents for risk exposure.
- Ensure that property and casualty insurance is in place annually.

WE'VE GOT YOUR BACK

The ALS Group provides all the services you need to keep that construction project on track:

Risk consulting and solutions

- Identification and management of critical project and material risks.
- Optimal risk-retention-level advice.
- Crisis-management and business-continuity planning.
- Transactional support during sales and acquisitions.

Insurance consulting and solutions

- Design of program structure, terms, and conditions to achieve comprehensive coverage while attaining the lowest Total Cost of Risk (TCoR).

Claims

- Claims advocacy.
- Negotiation of claims settlements.

Wrap-ups

- Verification of contractor bid credit calculations.
- Management of broker and/or TPA administration.
- Organization of annual stewardship meetings.
- Attend monthly CIP management meetings.
- Track financial progress throughout project lifecycle.

ABOUT THE ALS GROUP

For over 20 years, and with more than a quarter-billion dollars of premiums under management, The ALS Group has been a fiercely independent insurance and risk-management consultancy to companies spanning numerous industries and markets worldwide. Working in a partner-like fashion as its clients' "internal risk-management department," The ALS Group not only helps to identify and reduce its clients' Total Cost of Risk (TCoR), but also helps them traverse the journey to organization-wide adoption of risk and insurance best practices, making entire companies more successful and profitable.

“I want to be able to put my head on my pillow at night and sleep. With The ALS Group, I never lie awake thinking that I may not have the right coverage or may have exposure.”

Ron Gentile, CFO and Real Estate Executive

**TRUST YOUR CONSTRUCTION RISK MANAGEMENT TO THE PROS.
CALL THE ALS GROUP AT (732) 395-4250.**



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