

CONSTRUCTION PRACTICE GROUP

New Home Construction Client Builds \$2.5M Profit Center While Reducing Construction Defect Risk

BACKGROUND & CONTEXT

A large BKS Construction client experienced significant construction defect liability for new home development. The client's subcontractors had unreliable insurance coverage in place and expressed concern about administrative responsibilities in launching a wrap-up insurance program.

SOLUTION & TACTICS

BKS Partners launched a wrap-up insurance program to consolidate insurance purchasing, minimize coverage gaps, and lower costs. We were able to isolate subcontractor responsibilities to offsite liability, worker's comp and auto. BKS was also instrumental in developing internal invoicing and administrative processes, which prevented subcontractor burden.

VALUES & LESSONS



- The wrap-up insurance program reduced insurance cost by \$5M and created \$2.5M profit center.
- Subcontractors upgraded to \$100M of protection for the client.
- By streamlining invoicing efficiencies, BKS was able to gain subcontractor buy-in and overall enhance the reputation for the client.

New home construction business relies on BKS to reduce construction defect liability and increase profits.
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