Soft Costs & DSU

WHERE COVERAGE OFTEN FAILS

ROPER
VALUATION & INSURANCE ADVISORS LTD

SOFT COST INSURANCE:

Covers financial losses from project delays caused by insured damage during construction. Unlike repair coverage, it addresses indirect costs, such as financing, taxes, insurance, consulting, overhead, and other delay-related expenses.

DELAY IN START-UP INSURANCE:

Protects against lost income from delays in project completion. It compensates for postponed revenue and related costs when completion is delayed by insured events, such as physical damage during construction. These coverages often have coinsurance requirements that are misunderstood.

WHERE STANDARD POLICIES MISS

Standard policies often seem broader than they are. When delays occur, coverage may not respond as expected.

We are seeing more policies that limit coverage to the repair period instead of the total project delay. Loss impacts often extend beyond repairs, affecting financing, overhead, and projected income.

Small wording differences around completion dates, occupancy, or partial use can significantly change when coverage applies and where gaps arise.

We consistently see limits that are significantly too low leaving owners and developers on the hook for funding the difference through to completion.

Soft costs are often misunderstood and can include a much broader scope of impact from an insurance coverage perspective, which can lead to insufficient limits at loss.

Delay in Start-Up (DSU) is still underused and often overlaps with soft costs, without careful structuring, this can create gaps or duplication.

Most policieslimit coverage to repair periods, yet losses are driven by project delays.

OUR FOCUS

We assess delays based on project schedules and critical path impacts, not just repair time. We then model how financing, overhead, and other soft costs perform under realistic scenarios, especially in late-stage losses where exposure is highest.

Delays and their financial impact can quickly become complex. Owners and developers need confidence their investment is protected through completion, including future income. Our focus is making sure coverage responds as expected at loss, not just how it looks at placement.

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You Don't Have to DIY Your BI