

States Take Action to Insure Stimulus Projects

with Diane Amodeo, Chief Casualty Underwriter, Americas
XL Insurance

'STIMULUS,' BY THE VERY DEFINITION OF THE WORD, IS SOMETHING THAT 'INCITES TO action or exertion or quickens action.' True to its definition, the Obama administration's Stimulus Plan or more formally, the American Recovery and Reinvestment Act (ARRA) and its \$140 billion earmarked for construction spending is prompting many states to push forward on "shovel-ready" infrastructure projects.

According to XL Insurance's Diane Amodeo, Chief Casualty Underwriter in the Americas, the resulting construction spending is creating opportunities in the construction insurance market. "Whereas the global credit crisis brought construction projects to a halt, ARRA has opened up the flow of new requests for quotes on [Lead Umbrella](#) and [Excess Liability](#), both project specific wrap ups and operational policies."

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Lou Forte, Construction Practice Leader for Excess Casualty noted, "The profiles of the projects that we are seeing are clearly changing as a result of what's happening in the economy. We're certainly seeing less need for new construction of hi-rise buildings and residential condominiums. With funding being funneled to infrastructure investment, contractors are seeking project specific and practice policies as they embark on road and bridge projects as well as school, airport and other renovation projects. We are even starting to hear about new alternative energy construction, wind farm plans and the like."


"Liability insurance is an important component of this economic recovery process," Diane commented. "Insurance enables states and their hired contractors to move forward on these projects, protecting insureds from catastrophic damages."

Diane added. "At XL Insurance, we can offer one-stop shopping for a broad range of products for the construction segment, including casualty, property and specialty lines like environmental insurance — as well as the claims expertise so critical when a loss occurs."

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States are actively seeking bids from contractors for various projects as a result of ARRA funding dispersal. For instance:

- In Connecticut, more than \$140 million will be going toward transit and transportation enhancement projects.
- In New Jersey, \$469 million in ARRA funding will address the needs of aging bridges by replacing movable bridges, rehabilitating bridge decks and beams, and other bridge maintenance.
- A list of 57 transportation projects, totaling \$625 million, was adopted recently by the California Transportation Commission as the first in line to receive infrastructure-focused federal economic stimulus dollars.
- Colorado's Governor Bill Ritter recently OK'd \$415 million of recovery funding for more than 80 transportation and transit projects around the state.

Individual state plans for the recovery plans can be tracked on the recovery plan's website at www.recovery.gov. 



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