



Own the Policy, Own the Outcome: Builders Risk for Energy Project Developers

When you start an energy or infrastructure project, one decision creates outsized confusion and risk exposure: who procures the Builders Risk or Construction All Risk (CAR) policy.

Many owners default to allowing the contractor handling it. While it may appear efficient, it can also reduce your control at the exact moment you need it most.

At Symphony Risk, we support project companies across the full project lifecycle, from design through delivery. One of the most consistent questions we hear is, “Shouldn’t the contractor just buy the Builders Risk policy?” In many cases, the answer is no.

Why should energy project owners seriously consider owner-controlled CAR procurement?

Coverage Built for the Owner’s Exposures

When the owner procures the policy, coverage can be built around the exposures the owner actually retains: appropriate limits for total project value and schedule, endorsements for soft costs and business-critical exposures including testing and commissioning, and terms aligned to the owner’s risk profile, not the contractor’s balance sheet.

Owners understand commercial realities. A covered loss that delays completion is not just a repair cost. It is a schedule and revenue problem.

Control Over Claims and Insurer Selection

Owner-purchased CAR coverage allows the owner to select an insurer with real experience in energy construction risk.

Not all insurers have it. When you own the policy, you and your broker make that call. When the contractor owns it, you don’t.

Owner-controlled procurement also improves visibility during a claim. When contractors manage the policy, owners can wait for updates during a period when clarity matters most. Direct adjuster access, with an adjuster who understands technical energy project context, is a meaningful difference.

Cleaner Alignment with Lender Requirements

Lenders impose strict insurance requirements. When compliance depends on a contractor's process and timeline, the owner inherits friction at moments when financing needs to move.

Owning the policy directly lets you align project structure with lender provisions early, identify variances before they become a closing issue, and control the documentation timeline.

Unified Coverage Across Stakeholders

CAR policies cover project participants under one umbrella. Owner procurement drives consistency in policy language, fewer gaps between contractor and subcontractor arrangements, and cleaner coordination when a loss occurs.

The DSU Conversation Most Developers Have Too Late

For energy projects, Delay in Startup (DSU) is often critical coverage. It addresses the revenue and cash flow risk that lives with the owner when a covered event pushes back the in-service date.

DSU reimburses certain lost income when a covered event delays project completion. If a fire causes a 180-day delay and the policy carries a 30-day waiting period, the policy may respond for the remaining 150 days, subject to terms and limits.

Contractors do not have an insurable interest in DSU. Owners do. This coverage has to live on the owner's policy or it does not exist.

What About Liquidated Damages?

Some owners assume LDs will address delay-related losses. Sometimes they help. Often, they don't fully close the gap.

LD clauses cap recovery per day and in total. Force majeure provisions can eliminate LD obligations for exactly the kinds of events that are otherwise insurable. Even when LDs apply, the owner can still retain meaningful uncovered loss.

DSU is designed to address that gap. LDs are not.

The Broader Point

This is one coverage decision. It is also a signal of how you run the project: ownership, clarity, and control versus convenience.

Symphony Energy works with project developers through the full arc, from early-stage development through operations, to build an insurance structure that supports financing, protects the schedule, and performs when a claim happens. Builders Risk is one of the coverages where getting ahead of the decision pays off.

If you have an upcoming project or want a second opinion on how your current CAR program is structured, let's talk.

About the Author

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