

AH&T Insurance announces groundbreaking study of risk management issues for government contractors.

It has long been recognized that the business environment for government contractors is different than for companies with customers in the commercial or private sectors. The Federal Acquisition Regulations (FAR) and procurement practices require that contractors purchase and maintain certain minimum insurance requirements. The cost of those insurance programs is usually factored into the rates charged to the government.

After years of experience designing and servicing insurance programs for government contractors, AH&T Insurance designed and completed a study of the FAR and the case law related to liability for government contractors. Most government contractors pay higher insurance rates than necessary because insurance underwriters are generally unfamiliar with the FAR and the legal environment for government contractors. Commercial General Liability (CGL) and professional liability (E&O) underwriters charge higher rates because of their fear of the unknown.

AH&T launched the GovConRisk specialization in 2004 to begin educating government contractors on:

- The FAR clauses and contracting practices that create or limit liability of the contractor to the government or third parties.
- What does the government require and how does this affect insurance pricing.
- Which FAR clauses are frequently misunderstood or ignored.

In the world of government contracting there was a large gap in the expectations and business practices of insurance companies, the contractor, and the government agency's needs when it comes to risk management. Now, the GovConRisk program has narrowed that gap and will improve the outcome for all parties.

- Lower insurance rates to be reimbursed by the government and taxpayers.
- Better understanding by insurance underwriters of the "risk profile" of government contractors – and a better ability to serve the ongoing needs of government contractors.
- Better service to contractors and a more realistic approach to setting up risk management programs, including loss control, that recognizes the limitations of operating in the customers' workplace.

Please see www.govconrisk.com for more information, or to contact AH&T.



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