



For Immediate Release

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***STEEL Advantage: Suite of Insurance Products Provides Significant Discounts When Steel Framing Is Used For All Structural Elements***

***-- New Insurance Program Increases Competitive Advantage for Steel-Framed Construction --***

**Washington, D.C.**, August 16, 2007— The Steel Framing Alliance (SFA) and Arthur J. Gallagher & Co. (Gallagher Construction Services), the fourth largest insurance broker worldwide, today launched a comprehensive insurance program that provides west coast builders who use steel framing with as much as 50 percent discounts on a broad range of insurance products. This program makes steel framing more competitive with other construction materials. Named “STEEL Advantage,” the program is specifically provided for cold-formed steel framed construction projects, including single-family tract, low-rise multi-family, mid-rise commercial and mixed-use structures. It is being launched initially on the west coast and will be rolled out in other markets at a later date.

“High performance in severe weather conditions, less maintenance and termite and mold resistance are some of the reasons why steel framing has come to the forefront as one of the most feasible alternative building materials for residential and commercial construction,” said Larry Williams, president of the Steel Framing Alliance.

With STEEL Advantage SFA and Arthur J. Gallagher & Co. are enhancing the level of insurance products available in the market. Gallagher has held negotiations with major insurance providers to create a suite of products including General Liability, Workers Compensation, Builders Risk, Commercial Property, and Surety. The new program will include added coverage

enhancements, such as Earthquake or Flood, along with premium and rate discounts for volume and/or safety commitments. Gallagher will also provide Subcontractor Certificate Monitoring & Compliance services, contract review, and seminars for Mold Awareness and Prevention, to name a few.

“STEEL Advantage is a unique insurance and risk management services offering because it provides builders and consumers with a significant incentive for using steel framing in construction projects,” said Charles J. Specht III, Area Vice President, Gallagher Construction Services. “Insurance pricing can fluctuate tremendously depending upon many key factors, such as the period of time for project completion, materials used to build the structure, skill level and safety of laborers installing the product, the likelihood for future structural claims and lawsuits, etc. The risks associated with all of these factors are greatly reduced when builders use steel framing.”

On projects where steel framing is used for all of the structural elements, general contractors or owners and developers could potentially realize:

- Up to 50% premium savings on General Liability when compared to wood framing and concrete

On a project with \$10 million total construction value and a one-year build cycle, minimum annual premiums would typically be:

- Cold-formed Steel - \$20,000
- Wood and concrete - \$40,000

- Up to 40% premium savings on Builders Risk Insurance when compared to wood framing and concrete

On a project with \$10 million total construction value and a one-year build cycle, minimum annual premiums would typically be:

- Cold-formed Steel - \$10,000
- Wood and concrete - \$16,000

- Approximately 15%-60% savings on Workers Compensation premiums when compared to wood framing and concrete
- Approximately 5%-15% savings on Surety/Bonds when compared to wood framing and concrete
- Approximately 15%-25% savings on Commercial Property when compared to wood framing and concrete
- On average, General Contractor’s and Owners would pay 15% less for all premiums using this program compared to similar coverage that may be made available through other/competing brokers.

“In the insurance provider’s underwriting and thought process, the decreased "risks" associated with steel framing equate to considerable less costs in claim/lawsuit dollars over the course of a 10-year period. In exchange for these decreased risks, we have successfully negotiated with insurance providers to offer significant premium savings and broader policy terms to our ‘steel’ clients. It is a win-win situation for all sides when steel framing is used in the construction process,” explained Specht.

Through the STEEL Advantage program, Gallagher will also be equipped to provide Zurich’s Builders Risk Insurance, an innovative insurance program that recognizes steel framing as superior construction and significantly slashes premiums for steel-framed products when compared to combustible structural framing materials. The program is underwritten by Zurich North America Small Business and administered by Zurich Insurance Services, the largest provider of builders risk insurance products in the United States.

“We continue to provide incentives and resources to both homebuilders and homebuyers to consider superior alternative construction materials like steel. This new suite of insurance products demonstrates our commitment to the building community,” added Williams.

For more information on STEEL Advantage and resources on steel framing, visit [www.steel framing.org](http://www.steel framing.org). Also, contact Charles Specht of Arthur J. Gallagher & Co. at (800) 568-0833, ext. 154, [charles\\_specht@aig.com](mailto:charles_specht@aig.com), or (559) 916-2649 (cell).

### **About the Steel Framing Alliance**

The Steel Framing Alliance (SFA) is a market-development organization established and funded by the steel framing industry, and charged with enabling and encouraging the growth of cold-formed steel framing in both the residential and commercial construction markets. In addition to education and training, research and solutions development, and supporting the development of codes and standards for steel framing, SFA activities include marketing and promotion, technical services, and special initiatives that continue to improve the competitive position of steel framing. Headquartered in Washington, D.C., the SFA has more than 1,000 corporate, organizational and individual members representing the full spectrum of trades, professions and virtually every product category within the construction industry. To learn more, visit [www.steel framing.org](http://www.steel framing.org).

### **About Arthur J. Gallagher & Co.**

Arthur J. Gallagher & Co. (NYSE: AJG), an international insurance brokerage and risk management services firm, is headquartered in Itasca, IL, has operations in seven countries, and does business in 120 countries around the world through a network of correspondent brokers and consultants. Gallagher is traded on the New York Stock Exchange under the symbol AJG.

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