SECTION II, Chapter 10

Pooling the risk by using a "Wrap"

Introduction

Among other subjects covered in the preceding chapter was a discussion of the methods of transferring risk on major projects to the subcontractors, including the arguments for and against doing so. This chapter focuses on the subject of using a "wrap" as a major alternative that avoids many of the problems associated with the more traditional methods of risk transfer, although not without some issues of its own.

Wraps are widely used on the west coast and slowly spreading eastward, although they are relatively unknown even in major construction markets in some eastern states. Consequently, this chapter contains some material that will be new and educational to members of the NationWide Contractors' Alliance (NWCA) located in the East, but more familiar to members of the NWCA in the western states.

This chapter covers the following:

10.01 Definition of a "wrap"
10.02 Problems with traditional methods of risk transfer
10.03 Using a wrap – a new method of pooling the risk
10.04 Issues affecting the use of wraps
10.05 Use of a Self-Insured Retention clause in a wrap
10.06 Conclusion
10.07 Resources

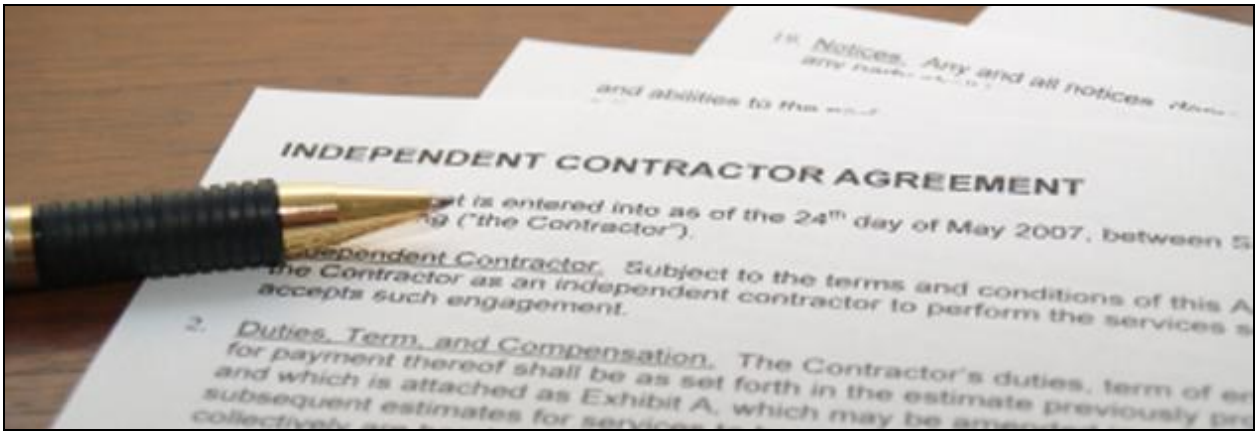
10.01 Definition of a "Wrap"

To respond to the growing difficulties in using traditional methods of risk transfer some insurance carriers have turned to "wrap-up" insurance – a single insurance policy designed to insure all, or most, of the parties in a construction project. Typically, this form of insurance coverage has become known simply as a "wrap."

In marked contrast to the traditional methods of risk transfer (as discussed more fully in Chapter 9 and briefly summarized in the following section of this chapter), a wrap is a management tool that pools the risk among all, or most, participants including both the general contractor and the subcontractors involved. All such parties share a single set of policy limits, including the owner of the project.

Typically, wraps are most commonly used in commercial, mixed use, condo and large single-family residential developments.

10.02 Problems with traditional methods of risk transfer



Long gone are the days when owners, general contractors and even their subcontractors sealed the deal with a handshake and proceeded with the job. Driven primarily by the need to protect themselves from the growing tendency at all levels to resolve differences by litigation,

companies in the construction industry have resorted to increasingly sophisticated and lengthy contract documents. In many local homebuilder associations, even small builders and remodelers, routinely discuss and compare their own contract forms in order to improve protection from potential risks.

As construction contracts have increased in length and complexity, so too have efforts to transfer risk from the controlling party to the lower level participants ---- e.g., from the owner to the general contractor, from the general to the subcontractors. This effort to shift responsibility "downstream" has taken several forms, including a provision whereby the subcontractor named the general as an additional insured on the subcontractor's policy. Another is a broad indemnity agreement that shifted the responsibility for losses arising out of the project to the subcontractor.

As identified in the Resources Section at the end of this Chapter, one law firm that specializes in this subject provided the following list of risk transfer provisions that abound in typical subcontracts:

- Broad indemnity and defense provisions purporting to insulate the builder or general contractor even from claims arising out of that party's own negligence, thereby insulating the indemnities from liability to a far greater extent than under comparative or contributory negligence principles. In some cases, these provisions move nearly 100% of the risk downstream.

- Broad additional insured requirements which force the trade contractor's insurer "to defend every count of a broad multi-count complaint filed against an upstream party even if there is only one count qualifying for coverage under the downstream party's policy."

- Broad warranty obligations for subcontractors to fill gaps in the sub's insurance coverage, creating self-insured obligations for the sub.

- Requirements that a trade contractor is responsible for "covering up" the defective work of another trade.

- A "no damages for delay" clause which "excuses the owner from paying monetary damages when the project is delayed."

The underlying theme in all of these examples is the controlling party trying to manage risk by transferring it downstream to a trade contractor and even to force responsibility and payment for construction claims to the subcontractor regardless of fault.

The efforts by general contractors to impose broad indemnity and additional insured agreements on trade contractors created major problems for many subs. Some of the most important are:

- An insurance crisis developed for subcontractors. After years of high claim costs, insurance carriers responded by imposing large increases in insurance premiums and self-insured retention amounts and by attaching a lengthy list of exclusions to standard general liability policies. Many carriers, especially admitted/regulated ones, abandoned

markets with large increases in defect litigation. As a result, many subcontractors had difficulty in finding coverage, almost at any price.

- Some subcontractors were forced to lay off employees to meet insurance costs, to relocate to other areas, to attempt to operate without liability insurance, or even to shut their doors and go out of business.

- The crisis in the subcontractor market eventually spread to homebuilders themselves. In fact, a study by the National Association of Home Builders (NAHB) found that "even in states without major construction defect litigation, which has driven insurers out of many markets, builders cannot obtain more than one or two quotes from insurance companies. In Florida [for example], the number of carriers writing insurance for residential contractors has decreased 50 percent since 1991, so that only four insurers remain."

Critics of the traditional risk transfer system claim that the system is based on the fundamental premise that construction defects and job site injuries are caused by subcontractors and not by general contractors. This premise, coupled with the superior bargaining position of the general contractors, enabled those generals to transfer virtually all risks, even claims for injuries arising out of the sole negligence or contributory negligence of the general contractor.

Other critics contend that this premise is false. They point out that subcontractors do not control the work sequences creating the circumstances under which accidents happen and construction defects occur, nor do they enforce "fast track" schedules. Further, subs do not design buildings or approve "value engineering." Equally critical, subs cannot always ensure that their work will fit properly with the work performed by later finishing subcontractors, or even incur serious damage by those subsequent subcontractors.

Recent years have witnessed a three-pronged attack on the traditional system of risk transfer that threatens its survival.

1. Insurance carriers have reduced the risk transfer options available to builders in defect actions. For example, the broad-form 20 10 11 85 additional insured endorsement used by builders to obtain free and absolute defense from their subcontractors' insurers is rarely an option in jurisdictions with a high frequency of defect litigation. Many insurers have stopped providing completed operations coverage for additional insureds at all, thereby eliminating coverage for construction defects.

2. State governments have also stepped into the fray. Many state legislatures have taken steps to constrict the breadth of any construction-related indemnity or insurance. One insurance authority reports that 44 states have enacted some form of anti-indemnity statute. Of these, 29 prohibit not just the transfer of the builder's sole negligence, but also his/her concurrent negligence. In such cases, a subcontractor who had nothing to do with a claim is no longer forced into defense or indemnity of the general contractor.

3. Courts throughout the country have interpreted indemnity agreements more narrowly in recent years, attempting to restore comparative fault to construction defect lawsuits. In several cases, courts declined to enforce a broad indemnity agreement and instead

required proof of trade contractor negligence and causation before requiring indemnification. Simply put, if a subcontractor did nothing wrong, he/she cannot be forced to pay for the ones who did.

Instead of funding risk transfer tools such as Additional Insured (AI) endorsements, many insurance carriers have turned to wrap insurance as a different approach that spreads the risk among all parties involved.

10.03 Using a wrap – a new method of pooling the risk

As the foregoing discussion indicates, the traditional methods of transferring risk have come under fire from every quarter --- the insurance industry, the building industry, state governments, and the courts. One major alternative, wrap insurance, has gained increasing acceptance and use, especially in the western portion of the country. In fact, an article in the San Diego Business Journal dated 11/29/07 entitled "Wrap-up Insurance Becomes the Preferred, Affordable Option" states flatly, "Wraps have been a lifesaver for the industry."

As previously stated, a wrap is a single insurance policy which covers all, or most, of the parties in a specific construction project in a pool which shares the risk. Wraps are sometimes referred to as Owner Controlled Insurance Programs (OCIP) or Contractor Controlled Insurance Programs (CCIP).

While the shared risk feature is one obvious advantage to many general and subcontractors, there are several other advantages as well. One is that wraps enable construction of projects which otherwise might be uninsurable, such as condos. Another is that wraps also allow and facilitate a broader range of choices in hiring subcontractors.

Importantly, wraps also typically involve the use of a third party person or organization (called the wrap administrator) that performs two major functions.
The first is that an experienced expert takes care of the extensive documentation required in terms of subcontractor enrollment, insurance policies and subcontracts, rather than leaving such essential duties to a part-time and often untrained employee. The second is that the wrap

administrator performs a vital communications role between the owner/sponsor, general contractor and all of the participating subcontractors.

In a well-designed wrap program, the wrap administrator plays a key role in carrying out a program that has the following major elements:

- Education. The wrap administrator provides on-site orientation to all members of the construction team to insure that they have a comprehensive understanding of the wrap program. The wrap administrator also provides a written manual which details the program and claims-reporting procedures, along with an outline of safety requirements.

- Customize Bid Documents. The wrap administrator outlines the different methods of obtaining maximum insurance bid credits (see Page 8) from subcontractors and works with the Owner/Sponsor to develop a customized set of bid documents that meets the needs of the Owner/Sponsor.

- Modification of Contracts. The wrap administrator provides addendums for contract and subcontract documents to ensure that enrollment requirements are met.

- Enrollment of Trade Partners. The wrap administrator coordinates the enrollment process with the insurance carrier and its agents and provides all trade partners with a Certificate of Enrollment. The wrap administrator also works with any subcontractors who "opt out" of the OCIP/CCIP program to ensure they provide insurance documentation which certifies coverage under their own commercial general liability policy to meet the requirements of the Owner/Sponsor.

- Participants. The wrap administrator maintains a comprehensive record of each subcontractor on behalf of the builder for a period of time as determined by the Statute of Repose and Statute of Limitations for the jurisdiction in which the project is located. The wrap administrator provides the owner/sponsor, general contractor and insurance carrier with a project "close out" manual which ensures all records are complete in the event of a claim at a later date after project completion.

- Ongoing Support Services. The wrap administrator remains on-call after completion of the projects to answer any questions pertaining to the OCIP.

  The summary of major elements above clearly demonstrates that an experienced wrap administrator will have a significant impact on the development and implementation of a successful wrap insurance program. The NationWide Contractors' Alliance (NWCA) recommends the services of one of its Member Service Providers, Development Solutions & Services, to provide the necessary level of experience, expertise and personalized service in this regard. Contact information for this organization is contained in the Resources section of this Chapter.

10.04 Issues affecting the use of wraps

While wraps have an obvious appeal as a potentially effective method of pooling risks, they are a relatively new risk management tool and hence still in the process of program development and refinement as various issues arise.

Some of the key issues affecting the use of wraps are:

1. Many builders have not altered their subcontract forms, or any other portion of their risk management program, to match the pooled risk aspect of the wrap program. For example, builders still include broad indemnity provisions in their subcontracts that were applicable to the old risk transfer system, but do not reflect the changes involved in a wrap program.

   Similarly, some builders still require the subcontractor to carry general liability insurance and name the builders as an additional insured, even though (a) completed operations AI endorsements are no longer available and (b) AI coverage would not apply in many cases because trade contractors' general liability policies often exclude coverage for wrap projects. Sometimes insurance carriers mandate an administration firm. The administration firm will make sure this is amended through the wrap up addendum to the contracts.

2. Despite the pooled risk feature inherent in a wrap project, builders still try, and sometimes succeed, in transferring risk to the subcontractors. This is particularly true when the claims exhaust the limits of the wrap policy. On the plus side, some courts have begun to limit the builder's ability to transfer risk. For example, a Michigan court barred an insurance carrier on a wrap program from subrogating against a subcontractor for losses it incurred following a jobsite injury.

3. Many wrap policies are severely underfunded and contain as many policy exclusions as traditional general liability policies, thereby making it highly likely that subcontractors will be asked to defend and indemnify builders for numerous defect claims without those subcontractors having any insurance to protect against such claims. Further, the low limit

on funds in relation to the value of the project may result in situations where the funds are exhausted by a series of small claims, leaving the subcontractor exposed if additional claims arise.

4. Wrap policy limits include attorney and other defense costs, as compared with traditional policies which pay these costs in addition to the limits. This makes it important to carry maximum limits of insurance. If adequate limits are carried, the wrap programs work the way they were intended to work.

5. Wraps can promote lack of accountability among subs. For example, when there is a large Self-Insured Retention (SIR) amount which is spread around to all subs equally, it may lessen the motivation of key subs to fix or repair defects.

6. General contractors or developers who advocate wraps and attempt to perform the insurance bid credit service themselves will typically seek payment from subcontractors for enrollment into the wrap program and can be accused of selling insurance without a license. This service should be performed by an experienced wrap administrator who understands how to eliminate this exposure and who carries errors and omissions insurance. In addition, if not following strict disclosure guidelines from its wrap administrator, contractors or developers may be held liable for misrepresentation and/or fraud.

7. A subcontractor may fail to be enrolled by accident and can force a failure to procure situation. Thus, the subcontractor thought that he/she was enrolled, but found out otherwise at the time of a claim. Nonetheless, the subcontractor "gets nailed" for a portion of the claim.

8. Some state governments are also getting involved in defining and shaping wraps. For example, Oregon has passed legislation that prohibits "rolling" wrap insurance ---- that is, a wrap policy applying to multiple projects --- plus imposing some other restrictions on project-specific wraps. Florida and Virginia limit the use of wraps on public works projects to those of a certain minimum size and both states require executive agency approval of the program. Michigan requires executive agency approval for all wraps.

Prior to the start of a project to be covered under a wrap, the general contractor/developer may consider using a method of reducing hard costs to offset risk management costs. Bid Credit Recovery is one such method. It has been incorrectly called "Premium Allocation" and other similar terms that may lead to the conclusion that the builder/developer is in some way selling insurance.

The owner is providing insurance and a key concept must be noted. As the subcontractors are asked to contribute to the cost of the wrap policy, care must be used to avoid taking arbitrary insurance credits from the subcontractor's contract amount. A wrap administration firm should always be used to obtain the insurance bid credits from subcontractors since this is part of its administration services. General contractors and owners are not insured for this service, nor do they know how to perform these services to avoid getting sued later on. The administration firm will understand how to analyze the subcontractors' costs of providing the insurance for the

project under their own policies. For example, should a concrete contractor bid on a project under a developer's wrap and a bid credit is requested for this purpose, the concrete contractor's policy would be referenced to see what actual premium would have been charged specific to the project. Typically, the cost of their own insurance is contained in the overhead portion of the subcontractor's bid and must be backed out so that the owner is not paying twice for insurance --- once for the subcontractor's cost of insurance and once for the wrap policy.

Subcontractors need to be aware that some policies do not exclude work covered under a wrap. In this case, before they give a credit, they may need to contact their agent to specifically have the project excluded from their policy to avoid the premium payment involved. This way the project revenues or associated costs won't be counted by the subcontractor's carrier at time of audit.

10.05 Use of an SIR clause in a wrap

As discussed in Chapter 08, a Self-Insured Retention (SIR) provision in an insurance policy typically provides that the first named insured, either the owner or the general contractor, fronts the money when an insurance claim occurs, instead of the insurance carrier, as is the case in a deductible situation. Subject to the terms and conditions set forth in the SIR provision, the owner or general contractor agrees to pay a certain sum of money that typically covers both a portion of the alleged claim and the cost of processing that claim, including legal fees.

In a wrap, some or all of the upfront money is reimbursed to the general contractor or owner by the subcontractors, which raises a variety of issues, including (a) how are these costs divided among the various trades included in the wrap and (b) what are some important considerations for the general contractor/developer/sponsor in determining what and how to use a wrap effectively?

1. How are these costs divided among the various trades? While obviously there are always many variations on a theme, basically the methods of cost sharing can be grouped into five basic categories:
   - Degree of fault. Under this alternative, the subcontractor at fault would bear the full responsibility, assuming he/she was 100% responsible. However, if there were other

contributory factors and hence other contributory participants with partial responsibility, then the cost would be distributed among the parties in proportion to their degree of responsibility.

- Absolutely no assignment of fault. Under this alternative every subcontractor participating in the wrap would share equally in the cost of the SIR, regardless of the degree of involvement and hence potential liability. In this case, the cost of the SIR would be divided by the number of subcontractors participating in the wrap.

- Assigned percentage of contract. Under this alternative, each subcontractor would pay the same percentage of the upfront costs under the SIR provision, regardless of fault. For example, if a concrete contractor had a contract for $100,000 and a plumbing contractor had a contract for $200,000 and each had the same 5%, then the concrete contractor would pay $5,000 and the plumbing contractors would pay $10,000.

- Variable percentage of contract. Under this alternative, each subcontractor would pay a percentage based on the relationship between the subcontractor's portion of the total cost of the contract. Thus, a subcontractor with a $60,000 subcontract for a project with a total cost of $600,000 would pay 10 percent, or $60,000, again regardless of fault. Thus, the bigger the subcontractor, the higher the dollar amount the contractor would pay. This alternative assumes a constant value of the contract and each subcontractor's participation therein, whereas change orders might significantly affect both the total cost and the relative portions of each participating subcontractor as the job progresses.

- Using the subcontractor's current general liability deductible. Under this method, subcontractors contribute to the SIR the same amount of monies they were prepared to pay as a deductible on any other job outside of the wrap.

Obviously, each of the foregoing alternatives has its strengths and weaknesses. The basic underlying premise of a wrap insurance program is that risks are pooled among the participants and hence so are costs. But a subcontractor with no connection to an alleged claim would have difficulty assuming some financial obligation in a situation with which he/she had no involvement. Similarly, there are always issues in assigning some degree of responsibility for the alleged claim up front, which after all would be a major question to be settled when and if the matter went to litigation. Another major problem is the question of the "last man standing" in which the claimant(s) would seek payment from each subcontractor; but, as those payments exhausted the financial resources of various subcontractors, the final responsibility would fall on the contractor with the "deepest pockets." This would be particularly applicable in a large project with multiple claims.

2. What are some important considerations for the general contractor in determining what and how to use a wrap effectively? Clearly, the owner as well as the general contractor both have a major role in deciding how the SIR provision, if used, will be structured in the wrap agreement. Both also have a major stake in doing so in a manner that promotes a favorable outcome for the project as a whole.

Some of the major considerations in making these decisions are:

- Contractor responsibility. Whatever costs the subcontractors do not pay become the responsibility of the general contractor or developer to pick up. Naturally, general contractors will make every effort to shift as much of the burden as possible to the subcontractors, but they need to balance that effort with other important factors such as attracting good quality subcontractors who view the system as fair and who submit competitive bids not inflated by the prospects of uncontrollable insurance risks and costs.

  Many times, the general contractor and the owner split the leftover amount that the subs were not able to pay --- i.e., if the SIR was $50,000 and the subs contributed $30,000, the owner and general contractor would split the remaining $20,000. Many owners that purchase wrap policies hire outside general contractors to build their project. They feel that the general contractor is responsible for building the project and for its quality of construction. Therefore, they feel that the general contractor should be responsible for the entire SIR contained in the wrap policy. General contractors will typically negotiate this, especially when the owner/sponsor is responsible for the customer service as most of the claims come in when customer service fails and the homeowner feels ignored. They will then split the amount as both firms have a major role in preventing claims.

- Enforceability. The general contractor should also consider the question of enforceability, which has several ramifications. One is the practical aspect of whether a general contractor can, and should, enforce a contract provision, knowing that the likelihood of such enforcement would be bankrupting the subcontractor which then might have other negative impacts on the project and possibly other projects that the general contractor might undertake in the future.

  Another concern is that if the issue ever did go to trial and the subcontractor challenged the general contractor's SIR provisions, would the courts uphold the general contractor's position that the SIR provisions were fair and reasonable, or would the court rule in favor of the subcontractor and award damages on top of increasing that general contractor's assignment of additional costs?

- Multiple claims. Major projects frequently have more than one claim. All too often, general contractors and subcontractors alike tend to think in terms of the potential for a single claim, a situation which is particularly true for subcontractors focusing solely on their own portions of the job. However, the reality is that multiple claims are all too often the case.

- Third party administrator. In general, often the best solution for the general contractor is to retain the services of a third party administrator to assist in the design, implementation and follow up of the entire wrap program for the project, including participation in addressing the SIR provisions discussed above. Sometimes, the use of a wrap administrator will be required by the insurance carrier, but even without such a requirement, the decision to do so will permit the general contractor to focus

on the job itself and avoid major involvement in issues that distract from that primary purpose.

The wrap administrator typically plays an important role in a number of ways, some obvious and some not so obvious. The wrap administrator should bring a background of experience in assisting the owner and general contractor in deciding on such issues as the design of the SIR provision, addressing the issues discussed above. The wrap administrator may represent an impartial third party in implementing and enforcing those SIR provisions to the subcontractors.

Additionally, a third party claims administrator (unlike a wrap administrator) can assure accounting and assignment of expenses to the SIR in reporting when necessary to the insurance carrier. This minimizes the demands for information from the carrier if claims do arise.

The wrap administrator, by contrast, typically performs services such as maintaining records for extended periods after the job has been completed --- an important consideration if a claim surfaces long after the contractor has "closed the books" and may or may not have retained the records necessary. Also less obvious, the wrap administrator can help general contractors comply with state laws that affect wraps, such as AB 2738 in California.

10.06 Conclusion

There is no end in sight for the spiraling defect litigation crisis which has gripped the construction industry for the past decade. Nor is there any end in sight for bankrupt subcontractors that have resulted from the broad indemnity agreements and other traditional methods of transferring risks downstream. Further, the construction and insurance industries can expect continuing efforts by state legislatures to restrict the ability of owners/sponsors/general contractors to transfer risks as they have in the past.

Despite its weaknesses, wrap programs based on the concept of pooled risks do offer the potential solution to the growing list of problems resulting from the traditional risk transfer methods, if they are handled correctly and fairly. Many of the problems being experienced with wrap projects have been fixed and more will undoubtedly be fixed. More general subcontractors are allowing their administration firms to change their subcontracts to better fit wrap program requirements.

Some of these action steps are already underway. Others may take a period of time. Collectively, these steps will strengthen the wrap program option and enable it to become truly an effective system of pooled risks, thereby replacing the old transfer of risk mechanisms.

10.07 Resources

1. West Coast Casualty Service, Inc., Anaheim, CA, May 9, 2008. Seminar on "Beyond Risk Transfers: A New Risk Management Model for Wrap Projects" Jason Weintraub & Jeffrey Masters.

2. Wendy Liebowitz, Extended Coverage, Big Builder Magazine, March 1, 2004, quoted the study by the National Association of Home Builders.

3. Development Solutions &Services, Inc., 5023 N. Parkway Calabasas Road, Calabasas, CA 91302; Telephone: 818-591-0330; Fax: 818-591-0331; Website: www.wrapinsurance.com.

CHAPTER 10 - POOLING THE RISK BY USING A "WRAP"

1. Which of the following is true…?
   a) A "wrap" is a policy designed to include many different polices for different projects
   b) A "wrap" is a new form of warranty
   c) A "wrap" is a policy designed to insure all, or most of the parties in a construction project
   d) A "wrap" does not share the risk among all participants

2. Risk transfer, an effort to shift responsibility "downstream" can include…
   a) Provisions to insulate the builder
   b) Broad warranty obligations for subcontractors
   c) A "no damages for delay" clause
   d) All of these alternatives

3. A three-pronged attack on this traditional system of risk transfer includes modifications made by insurance carriers, new legislation by state governments, court mandates that basically prevent the subcontractor from being forced to pay for others' negligence.
   a) True
   b) False
   c) Not applicable

4. OCIP or CCIP are…
   a) Organizations to help subcontractors deal with claims
   b) Not related to the building industry
   c) Alternate names for wraps
   d) Abbreviations for types of wrap programs

5. The duties of a wrap administrator include the following elements:
   a) Passing on the appropriate materials to be kept by the owner
   b) Playing role in communications as well as a follow-up between the owner, general contractor and all subcontractors
   c) "Wrapping up" the project so he/she can pass it on to the agent assigned upon completion
   d) Walking the owner through the building techniques used

6. Wraps are a potentially effective means of pooling risks but several issues remain, one of which is:
   a) They are not popular in the western states
   b) Subcontractors still try to transfer risk downstream to the owner
   c) Owners/builders continue to try to transfer risk downstream to the subcontractors
   d) Courts across the nation are refusing to become involved

7. Which is NOT a negative issue affecting wrap policies…?
   a) Wraps can promote lack of accountability among subs
   b) Many wrap policies are severely underfunded

c) Many builders have not altered their own risk management program to match the pooled risk aspect of the wrap program
d) A subcontractor may fail to be enrolled by accident and can force a failure to procure situation
e) Third party administration firms will make sure contracts are amended through the wrap up addendum

8. Bid Credit Recovery is a method for…
   a) Reducing hard costs to offset risk management costs
   b) The builder/developer to legally sell insurance
   c) Blocking bidding on a project under a developer's wrap
   d) Finding jobs

9. Use of an SIR clause in a wrap…
   a) Enables the owner or the general contractor to avoid having to front the money for a possible claim
   b) Dictates that the upfront money is reimbursed to the general contractor or owner by the subcontractors in the event of a claim
   c) Prohibits risk pooling
   d) Is another way to block claims

10. Some important considerations for the general contractor in determining what and how to use a wrap effectively may be…
    a) Choosing only subcontractors willing to pool risks
    b) Contractor responsibility, enforceability, multiple claims, use of a third party administrator
    c) How many projects to wrap
    d) Whether to use subs at all