

New Policy Coverages & Form Enhancements

Major enhancements, exclusion updates, conditions and endorsements.

TERM	DEFINITION	BENEFITS	AFFECTED CLASS
Expansion of the term insured	Any person who is or becomes a leased or contracted personnel under the direct control and supervision of the Named Insured or newly acquired subsidiary during the policy period, but only while acting within the scope of their duties for the Named Insured or newly acquired subsidiary.	<ul style="list-style-type: none"> • Addresses flexibility needs of today's firms to hire the right people • Removes opportunity for a contracted worker to not be appropriately covered • More effective response to project proposals that require additional staffing • Maximizes flexibility in acquiring the best talent • Helps with management of colleague costs and benefits 	<ul style="list-style-type: none"> • Transformational projects: when a firm has an expansive project that requires specific or functional areas of specialization it needs • Overburdened deadlines: firms that bring on workers to handle the rush of a particularly difficult project • Special connections: firms that hire individuals due to their relationships or connections with a specific project or owner
Enhanced rectification applicability	<p>Rectification expense means reasonable and necessary fees, costs and expenses incurred by the Named Insured for rectification of a design defect caused by professional services in any part of the construction or engineering work for any project upon which the Insured is responsible for design.</p> <p>Rectification expense does not include: overhead, mark-up, profit or any fee, charge, cost or expense incurred by any Insured for materials supplied or services performed by any Insured.</p>	<ul style="list-style-type: none"> • Expanded coverage to include services where the insured is only responsible for design services • Approval is not required if emergency response is necessary • Provides another tool for Insured to mitigate claims in terms of cost and time 	<ul style="list-style-type: none"> • Firms with construction management or other construction administration services or that provide on-site specialist • Obvious design errors that should be detected and corrected during the design phase, but are overlooked until construction begins

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<p>Aggregated defense outside the limits</p>	<p>Provides a separate claims expenses limit for firms up to \$1,000,000 in billings.</p>	<ul style="list-style-type: none"> • New endorsement based coverage • For firms with billings up to \$1,000,000 with good loss experience • Operates as separate limit to help address claims where defense costs may be elevated • Helps smaller firms balance the possible erosion of limits due to frivolous claims 	<ul style="list-style-type: none"> • Small firms with billings up to \$1,000,000 and carrying up to \$1,000,000
<p>Update to faulty workmanship exclusion</p>	<p>Arising out of any actual or alleged cost to repair or replace faulty workmanship the Insured performs on any construction, erection, fabrication, installation, assembly, manufacture or remediation, including any materials, parts, or equipment furnished in connection therewith.</p> <p>This exclusion does not apply to: drilling, excavation, or other sampling or testing procedures or the supplying of furnishings as part of interior design services, necessary to perform professional services.</p>	<ul style="list-style-type: none"> • Avoid gaps and potential errors and omissions for these types of firms • More certainty of coverage for necessary additional services • Carrier that understands the nuances of their business 	<ul style="list-style-type: none"> • Firms providing interior design services • Firms providing testing or other geotechnical services, along with other firms that utilize similar subconsultants • Firms that provide design and construction services when the firm does not provide the construction services directly
<p>Carve-back to transportation exclusion</p>	<p>This exclusion shall not apply to amounts the Insured becomes legally obligated to pay as a result of a wrongful act for which this Policy otherwise provides coverage, even if the professional services were performed using or operating an automobile, aircraft, watercraft or rolling stock.</p>	<ul style="list-style-type: none"> • Supports drone use as part of a firm's professional services • Tools used to provide professional services will not cause an exclusion • Provides clarity of coverage 	<ul style="list-style-type: none"> • Firms that provide professional services utilizing transportation • Provides greater clarity of prior coverage under the policy

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Most favorable jurisdiction	If a claim results in a punitive, exemplary, or multiplied damage award, the Insurer will pay such award, up to the applicable Limit of Liability, to the fullest extent permitted by law. The enforceability of the foregoing shall be governed by such applicable law in the jurisdiction which most favors coverage for punitive, exemplary and multiplied damages; provided that such jurisdiction has a substantial relationship to the Insured or the claim.	<ul style="list-style-type: none"> Increased possibility of punitive damages recovery <ul style="list-style-type: none"> Provides greater balance of possible connection between jurisdiction and location of project 	<ul style="list-style-type: none"> For firms that have projects located in multiple jurisdictions

Subrogation waiver expanded	The Insurer hereby waives subrogation rights against any person or organization to the extent that the Named Insured has, prior to a wrongful act or circumstance, entered into a written agreement to waive such rights.	<ul style="list-style-type: none"> Broad Waiver applies to anyone the contract may require <ul style="list-style-type: none"> Addresses the contractual relationship of the firm whether the firm is the prime designer or a subconsultant Eliminates source of potential breach of contract and broker E&O 	<ul style="list-style-type: none"> Firms that provide services where the owner is not their client, e.g. as a subconsultant Creates greater efficiency as you address contractual issues on projects
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This document is for illustrative purposes only and is not a contract. It is intended to provide a general overview of the program described. Please remember only the insurance policy can give actual terms, coverage, amounts, conditions and exclusions. Program availability and coverage are subject to individual underwriting criteria.

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