NEW DESIGN & CONSTRUCTION POLICY
OVERVIEW
Enhancements, Updates and Conditions
July 15, 2020
Major Enhancements
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;

- Key in on the word “person”
  - Can’t be a corporate entity
- “Direct control and supervision”
  - Must be consistent and regular in their contact with Named Insured
GIG ECONOMY
Selling Points of Coverage

Brokers
• Decreases the number of touches required when a firm brings on new talent.
• Addresses flexibility needs of today's firms.
• Fewer E&O's if a contracted worker isn’t appropriately covered

Insureds
• Quicker response to RFP’s that require additional staffing.
• Greater flexibility in talent acquisition
• Lower pass through costs
WHO TO TARGET THIS COVERAGE TO
What Firm is Likely to Respond
ENHANCED
RECTIFICATION
APPLICABILITY

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 works or engineering works for any project upon which the Insured is responsible for design. 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.

1. Removed requirement that Insured be responsible for construction
2. Approval is not required if emergency response is necessary
3. Insured will not directly financially benefit from claiming rectification expense.
WHO TO TARGET THIS COVERAGE TO

What Firm is Likely to Respond
Exclusion Updates
UPDATE TO FAULTY WORKMANSHIP EXCLUSION

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 except that, 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;

1. Drilling not subject to exclusion – contemplated as a professional service.
2. Clarifies furnishings will not be excluded provided they’re supplied as part of professional services.
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.

- Supports Drone Use
  - Tools used to provide professional services will not cause an exclusion
- Eliminates Selling point used against CNA.
Conditions & Endorsements
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.

- Broad Waiver applies to anyone the contract may require.
- Saves time for both the broker and the insured.
- Eliminates source of potential breach of contract and broker E&O.
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.

- Increased possibility of punitive damages recovery.
- Have to prove a strong connection or relationship with the preferred jurisdiction.
- For firms that have projects located in multiple jurisdictions.
DEFENSE OUTSIDE THE LIMITS
Another way for Small Firms to manage risk?

Targeted for firm under $1M in revenues with good loss experience.

Available for all programs
• A&E
• Consultants
• Landscape Architects
• Land Surveyors
• Environmental

POLICY LIMITS

Indemnity
Defense Expenses

Deductible

Loss dollar starts
THANK YOU