

Broad range of coverages, custom-built for electrical contractors.

Contractors Errors & Omissions and Pollution.



CONSTRUCTION



A purpose-built policy for the needs of electrical contractors.

Electrical contractors take on risk with each project. Problems can come from a variety of factors and often take years to arise. For this reason, electrical contractors need insurance coverages built for their unique exposures. Contractors Errors & Omissions and Pollution coverage is designed to insure against a variety of risks, including claims alleging faulty workmanship, design errors or omissions, and the use of defective materials or products.

Coverages designed for electrical contractors.

Contractors Errors & Omissions and Pollution includes a range of coverages designed for the specific risks of electrical contractors. Policy highlights for eligible and qualified insureds include:

Errors & Omissions

- Coverage for claims alleging faulty workmanship, design errors or omissions, and the use of defective materials or products
- Use of Building Information Modeling (BIM) systems
- Covers negligent acts, errors or omissions by the insured or a person acting on its behalf in the performance of design services
- Worldwide coverage for claims brought in the U.S.
- Optional extended reporting period for one to five years

Pollution Liability

- Proactive coverage for mold
- No exclusions for asbestos, respirable dust or silica
- Coverage for pollution claims, including government-mandated clean-up costs

Coverage specifications

Availability — in all 50 states, D.C. and U.S. Territories (U.S. Virgin Islands excluded)

Minimum premium (at \$1 million limit) — \$3,200 for Errors & Omissions only; \$4,200 for Errors & Omissions and pollution combined

Minimum SIR — \$3,000 and co-insurance of 0%

Limits — Up to \$5 million

Coverage — Excess & Surplus with CNA

Policy options — Errors & Omissions, Pollution Liability or combined policy

Are you a good fit for Contractors Errors & Omissions and Pollution coverage?

1. Are you an electrical contractor with the responsibility to perform construction services?
2. Do you install products in the course of your construction services?
3. Do you provide in-house design with construction responsibility?
4. Do you subcontract design services to other parties and self perform the construction work?
5. Do you provide value engineering services?
6. Have you had water intrusion, mold, asbestos, silica or respirable dust concerns in the past?

If you answered "YES" to any of these questions, you have a unique E&O exposure that can be addressed through CNA's tailored Errors & Omissions and Pollution policy.

Claim Scenarios

Faulty Workmanship

- **The Facts** — ABC Electrical was hired by a church to install a new electrical panel at a total cost of \$20,000. Original wiring was in good condition. However, the church owner wanted a new panel to gain greater control over electricity usage in different areas of the property. After completion, the church owner noticed that several of the rooms would trip the breaker if appliances or lights were turned on simultaneously. An investigation revealed that ABC Electrical did not properly install the electrical panel, overloading circuits with multiple rooms and failing to put electrical sockets and lighting systems on the same circuit. A further investigation revealed that the electrical panel selected was inappropriate for large, multi-functioning spaces found in a church. Repair work would cost \$20,000.
- **Potential Gaps** — A typical General Liability policy would not cover ABC Electrical in this situation due to the “your work” exclusion.
- **CNA Coverage Advantage** — Had ABC Electrical carried CNA Errors & Omissions and Pollution coverage, they could have remedied this embarrassing and financially damaging situation, and recouped the full \$20,000 cost of repair.

Defective Material

- **The Facts** — John Smith Electrical was hired to install new wall switches and outlets for a commercial strip mall renovation at a total cost of \$10,000. Almost immediately after completion, the building owner noticed that most appliances and electrical units would trip the breaker. In similar instances, when wall switches controlling lights were activated, they also caused shorts in the system. An investigation determined that all of the switches and outlets were manufactured with a defective part that caused them to surge. The total cost to replace the outlets would be \$5,000.
- **Potential Gaps** — Most General Liability policies provide no additional coverage for claims of defective materials.
- **CNA Coverage Advantage** — With a CNA Errors & Omissions and Pollution policy, John Smith Electrical would have been fully indemnified for any losses related to defective materials used in its work, allowing the contractor to immediately remedy the situation, while CNA sought subrogation against the manufacturer.

Design

- **The Facts** — XYZ Electrical was hired to design and install an electrical system for a commercial kitchen at a cost of \$7,000. The restaurant owner requested a line of several outlets for chefs to simultaneously utilize food processors, mixers and other small appliances. During the restaurant’s soft opening, they noticed the lights were dimming in the kitchen when more than one small appliance was in use. In one instance, a circuit breaker tripped.
- **Potential Gaps** — A General Liability policy would exclude coverage for the re-design and installation of the correct prep-line circuit under the professional services exclusion.
- **CNA Coverage Advantage** — A CNA Errors & Omissions and Pollution policy would have covered the full cost of redesign and repair, allowing XYZ to learn from the experience, without incurring a financial loss.

Count on our stability and financial strength.

CNA has an established history insuring construction firms. CNA is an “A” rated A.M. Best insurance company for financial strength from the major rating organizations. Additionally, we offer:

- A highly trained professional staff
- Local underwriting authority
- A broad product portfolio with the ability to write your clients’ full property and casualty risks
- Nationwide risk control services to help your clients assess and address risk exposures
- Claim support services in all 50 states and over 150 countries around the world

When it comes to finding a carrier with the industry knowledge and experience to better understand the needs of electrical contractors... **we can show you more.®**

For additional information, please contact your local independent agent or visit www.cna.com/IEC.

