

Broad range of coverages, custom-built for land improvement contractors. **Contractors Errors & Omissions and Pollution.**



CONSTRUCTION



A purpose-built policy for the needs of land improvement contractors.

Land improvement contractors take on risk with each project. Problems can come from a variety of factors and often take years to arise. For this reason, land improvement 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 land improvement contractors.

Contractors Errors & Omissions and Pollution coverage includes a range of coverages designed for the specific risks of land improvement 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 a land improvement 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 Land Improvement was hired to provide excavation services for a commercial complex. The total project bid was \$1,500,000, the scope included excavation and installation of asphalt parking lots, concrete curbs and sidewalks. Shortly after completion, an inspection revealed that the curbs were two inches taller than normal and several tenants complained of unsafe conditions. Further investigation revealed that ABC did not follow recommended design protocol, creating a hazard and potential for injury claims. All curbs would need to be replaced at a cost of \$150,000.
- **Potential Gaps** — With a typical General Liability policy, ABC would be out-of-pocket for the \$150,000 in order to rectify the faulty workmanship. Only damage or bodily injury would be covered by the policy.
- **CNA Coverage Advantage** — A CNA Contractors Errors & Omissions policy would have provided coverage for faulty workmanship, allowing ABC to fix the problem, satisfy their customer and move on to their next job at no additional expense.

Defective Materials

- **The Facts** — 123 Excavation was hired to excavate and replace 50 yards of sewer main. The excavator was hired by a general contractor and did not have any design responsibilities. The excavator ordered and installed products based on design specifications and completed the project in 30 days, for \$200,000. One month later, there were reports of sewer backup problems. An inspection revealed that the sewer main had collapsed, but that the product was installed per specifications and there was no faulty workmanship. The main was defective, collapsing from the weight of the soil during the bury process. Repair would cost \$75,000, plus \$25,000 in third-party property claims from surrounding residents.
- **Potential Gaps** — Ordinary General Liability coverage would indemnify the homeowners for property damage, but 123 Excavation would be out of pocket \$75,000 to replace the defective sewer line.
- **CNA Coverage Advantage** — CNA Contractors Errors & Omissions covers wrongful acts resulting from defective materials. With this policy, ABC would be covered for the \$75,000 expense, allowing them to stand behind their work while CNA subrogated back against the manufacturer to recover the cost.

Design

- **The Facts** — Acme Earth and Gravel was hired to design and install a flat parking lot for a commercial strip mall. Total cost of the project, including design and construction, was \$250,000. Due to time constraints, Acme subcontracted the design while self-performing the construction services. A few months after completion, the mall owner noticed signs of settling in the parking lot. An investigation revealed a design flaw that did not account for soil compaction and the weak base was allowing for settlement. Reconstruction costs would be \$70,000.
- **Potential Gaps** — Due to the professional services exclusion, a typical General Liability policy would not provide coverage for reconstruction. The firm would be out of pocket for the entire cost.
- **CNA Coverage Advantage** — If Acme carried CNA's Contractors Errors & Omissions coverage, they would have full coverage for the \$70,000 re-work claim as it provides coverage for design services done by the firm or on the firm's behalf.

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 land improvement contractors ... **we can show you more.**[®]

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

