

Broad range of coverages, custom-built for general contractors.
Contractors Professional and Pollution Liability.



CONSTRUCTION



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

With each project, general contractors must navigate an array of changing risks, from dynamic market conditions to the performance of teams of professionals and sub-contractors. Contractors Professional and Pollution Liability is designed specifically for the unique exposures of general contractors.

Coverages designed for general contractors.

CNA Contractors Professional and Pollution Liability includes a range of coverages tailored to the specific risks of general contractors. Policy highlights for eligible and qualified insureds include:

Professional Liability

- Rectification coverage
- Coverage for design services
- Coverage for failure to detect faulty workmanship of sub-contractors when responsible for design and/or construction
- Reimbursement for legal fees and expenses up to \$25,000
- Expanded definition of professional services in the insured's capacity as an architect, engineer, interior designer, landscape architect, land surveyor, LEED consultant or construction manager, including services utilizing Building Information Modeling (BIM) systems

Pollution Liability

- Coverage for pollution claims, including government mandated clean-up costs
- Proactive coverage for mold
- No exclusion for asbestos, respirable dust or silica
- Coverage for transportation pollution liability and non-owned site disposal
- Protection for generation, transportation, storage or disposal of pollutants
- Coverage for punitive damages resulting from pollution liability
- Coverage for a pollution incident created by the loading or unloading of automobiles

Coverage specifications

- **Minimum Premium (at \$1M limit)** — \$6,000 for professional only; \$8,000 for professional and pollution combined
- **Minimum SIR** — \$10,000
- **Availability** — in all 50 states, D.C. and U.S. Territories (U.S. Virgin Islands excluded)
- **Limits** — up to \$10 million
- **Coverage** — Excess & Surplus with CNA
- **Policy options** — Professional Liability, Pollution Liability or combined policy

Are you a good fit for Contractors Professional and Pollution Liability coverage?

1. Do you provide in-house design, with or without construction responsibility?
2. Do you subcontract design services to other parties?
3. Do you participate in joint-venture projects with an architect or engineer?
4. Do you provide agency or at-risk construction management services?
5. Do you provide value engineering services?
6. Are you ever responsible for revisions to architectural or engineering designs?
7. Do you ever assume indemnification responsibility for negligent design in contracts with your clients?

If you answered "YES" to any of these questions, you have a unique professional liability exposure that can be addressed through CNA's tailored Contractors Professional and Pollution policy.

Claim Scenarios

Professional Liability

- **The Facts** — RG General Contracting was hired to design and build a large office building. The company subcontracted a local mechanical design/build firm to handle the mechanical, electrical and plumbing portions of the work.
- **Potential Gaps** — After completion, tenants discovered a thermostat malfunction due to a faulty HVAC design. The building owner's expert concluded that larger heat pumps would be required to adequately control temperature at a cost of \$850,000. Repair costs were borne by RG General Contracting and paid by the insurance carrier. The work included installing larger and additional heat pumps. Even though the subcontractor was responsible for the faulty design, RG General Contracting — as the prime contractor — was vicariously liable for its subcontractor.
- **CNA Coverage Advantage** — CNA Contractors Professional Liability policy provides coverage for RG General Contracting. If RG General Contracting had not carried Professional Liability coverage, this expense would have come out of the company's bottom line. GL would have denied any design liability under the professional services exclusion.

Professional Liability

- **The Facts** — XYZ Construction Company was hired as the construction manager overseeing the build of a new elementary school.
- **Potential Gaps** — Soon after completion, the school district filed suit against various parties, including XYZ, alleging defective workmanship. The school district also alleged damages as a result of construction debris left behind when construction was completed. The school district claimed that XYZ, as construction manager, was required to monitor the work and notify the district's architect of any problems. They further claimed that XYZ did not make the required number of site visits stated in the contract and should have spotted the defective work during routine site visits. XYZ had fully documented each site evaluation using AIA B801 contract documents that specified the required number of site visits, as well as specific notes to what it had observed.
- **CNA Coverage Advantage** — CNA paid over \$70,000 in defense costs to have XYZ Construction Company's claim dismissed. If XYZ Construction Company hadn't carried CNA Professional Liability coverage, this expense would have come out of their bottom line.

Pollution Liability

- **The Facts** — A general contractor was hired to perform a commercial remodeling project on the upper levels of a fully occupied complex. Responsibilities included self-performed duties and overall project management.
- **Potential Gaps** — While the contractor was self-performing the demolition of existing flooring they disrupted unknown asbestos tiles causing fibers to become airborne. At the same time, an HVAC firm hired by the contractor was updating the building's system, which allowed asbestos fibers from the demolition to settle within the ducts and enter several of the buildings. Air quality tests confirmed several areas of contamination would require abatement. The total cost of abatement was \$1.5 million.
- **CNA Coverage Advantage** — Fortunately, because the incident was tied to the general contractor's job site activities, the claim was covered by their Pollution policy.

Count on our stability and financial strength.

CNA has an established history insuring construction firms. With an "A" rating from A.M. Best, CNA has the financial strength to assist businesses in mitigating their risks. 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 contractors ... **we can show you more.**[®]

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

