

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



CONSTRUCTION



A purpose-built policy for the needs of pool and spa contractors.

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

Contractors Errors & Omissions and Pollution coverage includes a range of coverages designed for the specific risks of pool and spa 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 pool and spa 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 Pool Company was hired to install a residential gunite pool at a total cost of \$45,000. A month after completion, the homeowner experienced water intrusion in their finished basement after a moderate rain. Insulation, drywall, carpet and much of what was stored in the basement was ruined. An investigation revealed that ABC had failed to properly install the stone base for the pool, allowing it to slope towards the house. Estimated damages were \$80,000 to correct the work and \$25,000 to replace personal property.
- **Potential Gaps** — Typical General Liability coverage would pay to indemnify the homeowner for the resulting property damage but would exclude coverage for the cost of re-work.
- **CNA Coverage Advantage** — If ABC had carried a CNA Contractors Errors & Omissions policy, they would have been fully covered for the additional \$80,000 expense.

Defective Materials

- **The Facts** — Acme Pool Company was hired to perform a commercial remodel and re-plaster of a local country club pool at a total cost of \$100,000. Within two months of completion, the client identified peeling plaster in several locations. Investigators determined that defective bonding agent was causing the peeling, and replacement costs using proper materials would be \$175,000.
- **Potential Gaps** — In most cases, Acme's General Liability policy would decline coverage under Exclusion K, Damage To Your Product.
- **CNA Coverage Advantage** — CNA's Contractors Errors & Omissions coverage includes faulty workmanship claims arising from the use of defective materials. CNA would cover the \$175,000 claim, then subrogate back against the manufacturer of the bonding agent to recover the cost of the repair.

Design

- **The Facts** — AllRite Pools was hired to design, install and provide VGB certification of a new municipal pool at a total cost of \$900,000. The company subcontracted the design, but self-performed the installation and inspection components of the project. A year after completion an entrapment occurred resulting in injury. An investigation determined that the design firm had miscalculated the pumping system flow rate for this particular size of the pool.
- **Potential Gaps** — Resulting property damage and business interruption would normally be covered by AllRite's General Liability policy. However, the professional services exclusion would preclude coverage for design services. The firm would be \$300,000 out-of-pocket to repair their mistake.
- **CNA Coverage Advantage** — With CNA Contractors Errors & Omissions coverage, AllRite would have been covered for design services performed by or on behalf of themselves, provided the entity was properly licensed to perform the work.

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 pool and spa contractors ... **we can show you more.**®

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

