

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

Contractors Errors & Omissions and Pollution.



CONSTRUCTION



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

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

Contractors Errors & Omissions and Pollution includes a range of coverages designed for the specific risks of roofing 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 roofing 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 Contractors Errors & Omissions and Pollution policy.

Claim Scenarios

Faulty Workmanship

- **The Facts** — ABC Roofing was hired to re-roof a commercial office at a total cost of \$75,000. One month after completion, the building owner experienced water intrusion in his attic following a moderate afternoon rain. Since the attic served as a primary storage space, most of its contents were ruined due to the intrusion. Additionally, the ceiling below the attic showed water spots. An investigation determined that ABC Roofing had failed to properly secure flashing around an attic fan during installation. Estimated damages to correct the work were \$10,000, while estimated damages to the building owner's property and ceiling were \$25,000.
- **Potential Gaps** — General Liability coverage would pay to indemnify the building owner for the resulting \$25,000 property damage. However, this coverage would exclude the \$10,000 cost of re-work. ABC Roofing would have to pay this out of pocket, substantially reducing their profit margin on the job.
- **CNA Coverage Advantage** — Had ABC Roofing carried the CNA Contractors Errors & Omissions and Pollution product, it would have covered the \$10,000 cost to repair the faulty work.

Defective Material

- **The Facts** — ABC Roofing was hired by the owner of a strip mall to perform a tear off and re-roof at a total cost of \$100,000. Fourteen months after completion, the owner experienced water intrusion and damage to insulation, drywall, electrical and flooring. An investigation determined that defective decking material had caused parts of the roof to rot and allow water penetration. The client filed a \$250,000 claim, of which \$150,000 was for resulting property damage and \$100,000 was for reinstallation using non-defective materials.
- **Potential Gaps** — A General Liability policy would cover the \$150,000 property damage portion of the claim, but the \$100,000 portion for reinstallation would be declined due to standard exclusions.
- **CNA Coverage Advantage** — CNA Contractors Errors & Omissions and Pollution would have covered the \$100,000 faulty workmanship claim, subrogating against the decking material manufacturer to recover the cost of the repair.

Design

- **The Facts** — ABC Roofing was hired to design and install a roofing system for a 25,000 square-foot strip mall expansion at a total cost of \$200,000. ABC took on the installation portion of the project and subcontracted the design to a local firm.

One year after completion, the exterior foundation and walls started to show visual signs of distress and cracking. An investigation revealed that the design firm's weight calculation to secure the commercial HVAC unit was incorrect. The strip mall operator subsequently filed a claim for property damage and the cost of repair.

- **Potential Gaps** — Property damage would be covered under ABC's General Liability policy, however, the Professional Services Exclusion would preclude coverage for design services, and the firm would be responsible for the cost of repair at a cost of nearly \$200,000.
- **CNA Coverage Advantage** — Had ABC carried CNA Contractors Errors & Omissions and Pollution, they would have been covered for any properly licensed design services performed by them, or on their 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 roofing contractors ... **we can show you more.**[®]

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

