**ADANTAGES**



**THIRTY FIVE REASONS WHY YOU & YOUR GC’S PREFER OUR CONTRACTOR’S INSURANCE PROGRAM**

1. Aggregate Limit Per Project – GL & Umbrella (CG 2503) and (CG 2504)
2. Option I Blanket Additional Insured coverage applies ongoing & completed operation to all Parties required by contract on a primary and non-contributory basis. Waiver of subrogation when required in a written contract for General liablity (CG 7202)
3. Option II Blanket Additional Insured coverage for ongoing and completed operations. “In whole or in Part” wording, but if contract calls for “arising out of” wording, coverage applies on that basis. This provides coverage for multiple request from GC’s for additional insured coverage, requiring wording from CG 2010 (11/85) or CG 2010 and CG 2037 (10/01). (CG 79 88)
4. Option III. Blanket Additional insured for completed operations coverage with no time limitation. (CG 7921)
5. Option IV. Specifically listed Additional Insured Endorsement provides “arising out of your ongoing operations” wording. (CG 7943) This is a chargeable and a “subject to carrier approval” form. It provides the equivalent of the ISO form CG 2010 (11/85ed.)
6. Option V. Specifically listed Additional Insureds Endorsement provides arising out of “your work” and “products-completed operations hazard” wording (CG 7944). It provides the equivalent coverage for a combination of ISO forms CG 2010 (10/01 ed.) or CG 2037 (10/01 ed.) or a substitute form providing equivalent coverage.
7. Auto Elite Pac – Blanket additional insured on a Primary and non-contributory basis and Waiver of Subrogation. (CA 7735)
8. Property Damage – Care, Custody, & Control – Legal Liability – $ 100,000. This form provides coverage for real and personal property in the insured’s care, custody or control. This is a “no fault” coverage paid at the request of the insured and includes coverage for lost keys (CG 7988). Higher limits of c/c/c can be purchased with form (CG 7940). This is important coverage for those contractor’s doing service and repair work.
9. Supplemental Wrap-Up/Owners or Contractors Consolidated Insurance Programs. When a contractor is involved in a wrap-up/owners or contractors consolidated insurance program, what happens if there is a loss outside the scope of the coverages provided by the wrap-up in place? If a completed operations loss presents itself after the wrap-up is terminated, where does you turn for Protection? Our supplemental extension form provides this coverage. (CG 79 88)
10. Waiver of rights of Recovery including in General Liability policy when required in a contract. (CG 7202)
11. Fellow Employee Extension- Provides coverage for employees or volunteers who are named in a suit by another employee, as long as their actions were related to the business and or their employment. (CG 7988)
12. Personal and Advertising injury also mean Discrimination or Humiliation
13. Contractual Liability – Railroads. Provides coverage on a Blanket Basis. This clause deletes the railroad contractual liability exclusion standard on most general liability forms providing protection for contractual operations within 50 feet of any railroad. (CG 7988)
14. Broad Form Contractual Liability for Contracts in which you become involved including assumption of sole negligence. We do not attach the CG 2139 or the CG 2426 forms which takes the coverage away.
15. Waiver of Government Immunity- Through this coverage, the carrier agrees to waive Governmental immunity as a possible defense to a suit or claim against the insured unless, the insured requests otherwise. (CG 7988)
16. Third Party 30 day Notice – Non-payment (IL 7990 General Liability and WC 9906 11 Workers Compensation)
17. The umbrella policy includes primary & non-contributory wording when Form # CXL 449 is attached and waiver of transfer of rights when CXL 456 is attached.
18. Our umbrella policy does not include a “contractor’s liability limitation endorsement”. These endorsements can restrict or exclude coverages for Explosion, collapse, and underground hazard; care, custody or control, contractual liability, damage to work, Professional liability and wrap-ups.
19. We do not attach a Professional Liability Exclusion such as CG 2243, CG 2279 or CG 2280.
20. We do not attach a Punitive Damage Exclusion. Our policy is silent on this issue.
21. We do not attach a Residential Construction Exclusion
22. We do not attach a “total pollution” exclusion or other more restricts endorsement.
23. Waiver of Rights of recovery is included on a Blanket basis for Workers Compensation (WC 0003 13)
24. Electronic Data liability coverage provides a $100,000 limit for loss of electronic data as a resulting physical injury to tangible property. Remember that a computer is considered tangible property, the electronic data residing on it is not. (CG 7202)
25. We do not attach CG 2294 or CG 2295, which excludes property damage resulting from work performed by subcontractors on your behalf.
26. We include the Resulting Damage to your work endorsement. (CG 7945). This clarifies our intention to pay claims as a result of your work if damage arises was performed on your behalf by a subcontractor.
27. Coverage for injury to leased and/or temporary worker. With respects to Exclusion 2(c), the definition of employee does not include a leased worker or temporary worker. (CG 7202)
28. We do not attach a contractual liability limiting or exclusionary endorsement such as the CG 2139 or CG 2426. Use of CG2426 alters the definition of an insured contract to remove coverage for a broad form contract. This is used by underwriters who want to eliminate coverage for a broad form indemnity agreement, when the indemnitor (your client) does not cause, in whole or in part, injury or damage. Although a broad form indemnity agreement in construction contracts may be unenforceable, it can be valid in other types of non-constructions contracts. An example would be a lease of equipment where the lessee agrees the sole negligence of the lessor. We want to make sure our insureds have the contractual coverage they need for these indemnity agreements. A list of the anti-indemnity statutes by state is attached.
29. We do not put a deductible on your liability policy.

**We strongly recommend that you considering the following Policies/Coverages:**

1. Worksite Damage (Limited Jobsite Pollution). This coverage provides BI, PD and clean-up coverage at or from any premise, site or location and insured contractor or subcontractor working directly or on the insured’s behalf are preforming operations, if the pollutants were brought on to the premises. Pollution can be a liquid, gas, fume, solid, etc., following ISO definition. We can provide quotes for up to $1,000,000 in Limits, (CG 7940,7941 and 7942)
2. Products Recall Expense coverage can be provided with various limits up to $1,000,000. We will reimburse you for “Product Recall Expense” and additional covered expenses incurred by you because of a “product recall”.

(CG 7933)

1. **CyCurity** – We can provide quotes for three cyber liability related coverages:
   * 1. Electronic Media Liability – covering wrongful acts resulting from a copyright/trademark infringement, defamation, violation of right to privacy or plagiarism.
     2. Electronic Information Security Liability – covering wrongful acts resulting in transmission of malware to a third-party, liability when its website is shut down and failure to protect the compromise of personal information in its care, custody or control
     3. Security Breach Expenses – reimbursement for certain expenses following breach of information protects by privacy law, such as notification, case, management and personal identity restoration.
2. **Employment Practices Liability** –Provides protection from claims by workers who feel their legal rights as employees were violated. A private company is more likely to have an Employment Practices claim than a General Liability or a property claim. 3 out of every 5 employers are sued by former employees. 65% of all companies that have ever fired an employee have been hit with an employment related lawsuit. In 2006, the median award for all plaintiff verdicts was over $200,000. Over 40% of all Employment Practices claims are brought against firms with less than 100 employees. Other services provided with this coverage are Free Employment Practices Liability (EPL) Helpline Human Resources Center and Legal Representative with experienced and respected employment law firm.
3. **Identity Recovery** – The coverage provides services to help business owners and partners who are victims of identity theft to restore their personal credit history and identity records (does not included theft of the business identity).

35. **Contractors Error and Omissions coverage**

Contractors Errors and Omissions coverage with limits up to $1,000,000 is available as an option. This policy will pay the sums that the insured becomes legally obligated to pay as damages for Faulty Workmanship, material or design, or products, including consequential loss as a result of the insured’s negligent act, error or omission wile acting in your business. Coverage is triggered by damage to your product, your work or to impaired property.

**Examples of how Contractor’s E&O provides added protection**

**A wallpaper contractor** is contracted to re-wallpaper all of the rooms in a hotel during a renovation project. Due to the use of an inadequate adhesive, the wallpaper begins to peel throughout the hotel after completion of the project. The Contractor’s Errors and Omissions endorsement would pay the cost to re-wallpaper the entire hotel up to Contractor’s Errors and Omissions limits.

**Electrical Contractor**; an electrical contractor installs a new electrical panel in a factory. Faulty installation causes the panel to catch fire and the factory is destroyed two weeks after completion of the work. The electrical contractor’s general liability policy would pay for the factory damage, with the exception of the electrical panel, which would be excluded. With the purchase of the Contractor’s Errors and Omissions endorsement, the cost to reinstall the panel would also be covered.

If the factory had not caught on fire, but the electrical service was disrupted due to faulty installation of the electrical panel, the Contractor’s Errors and Omissions endorsement would still pay for the cost to repair or replace the panel.

**Air-conditioning and Heating contractor**; An HVAC contractor converts a residential property from electrical baseboard heat to a new duct-based system. After installation, the new system fails to satisfactorily heat the residence. If it is concluded that the ducts are improperly installed, the Contractor’s Error and Omissions endorsement would pay for the cost of remedying the defective duct installation.

**A Plumbing contractor**; A plumber is hired to install lines running to a new sink in an addition to residential property. After installation, it is determined that the improper soldering of piper permitted a leak which damaged the flooring. The general liability policy would pay for the resultant damage to the flooring, but would exclude damage to the faulty plumbing work. The Contractor’s Errors and Omissions endorsement would also pay for the cost of the corrections to the plumbing system.

**A Painting contractor**: Our insured, a painting contractor, was hired to refinish a cork tiled floor. The employees were unfamiliar with the refinishing product, mixed it with water and applied it to the floor, causing the corked flooring to buckle and become damaged. Water should not have been used. Flooring required complete replacement. This is excluded from GL coverage under “your work” but covered under the Contractors E&O coverage.

**A masonry contractor**: Our insured, a mason failed to install weep holes in the brick face of houses in a new subdivision. The resulting water/moisture damage is covered under the general liability policy (excluding any resulting mold) but the cost to correct the problem with the brick work is excluded as “your work”. Under Contractors E&O coverage, the faulty workmanship requiring the reconstruction of the brickwork is covered.

**A Flooring Contractor**: Our insured, a flooring contractor, applied an acid stain to concrete slab flooring incorrectly damaging the slab as well as surrounding wall. Damage to the wall is covered on the GL policy but damage to the concrete slab on which they were working is excluded under “your work”. Contractors E&O provides coverage for the rip up and replacement of the concrete slab.

Value Added Construction Risk Management Services

Our carrier’s team of Safety Management Professionals can assist in developing and implementing results-oriented safety management solutions. From safety evaluations and best practice reviews to onsite and online training, our programs can help create a safer environment, reduce claims and manage insurance costs more effectively.

Available Services:

* Contractual liability consultation, including complimentary subcontractor agreements.
* OSHA 10 & 30 hour training in-person, as well as discounts for on-line training for Selective clients.
* Job site liability and safety reviews.
* Driver and fleet safety programs.
* Accident trending and analysis, exposure reduction consultations and supervisor accountability programs.
* Safety materials and resources to download,, including a streaming video
* Customized workers compensation cost containing, including assistance with return-to work programs.
* Claims Services 24/7 a Service Center, on-line claims reporting and dedicated claims management specialists located near you to adjust the claim and meet you on-site.