



# NEW POLICY FORM ENHANCEMENTS

For architects, engineers, surveyors, construction consultants and environmental consultants

## POLICY ENHANCEMENT

## AFFECTED SEGMENTS

## BENEFITS

Enhanced Pollution Liability Coverage - Provides coverage for insured that may contractually assume liability for their client's pollution exposure.

Large, mid-size and small design firms, environmental consultants, construction consultants

- Puts firms in a position to more readily meet contractual requirements.
- Eases the negotiation phase of project bidding, particularly with government entities.

Enhanced Pollution Liability Coverage - Covers pollution liability for a firm, or subcontractors, for the disposal of material at a non-owned disposal site.

Large and mid-size design firms, environmental consultants

- Any firm that offers design build services benefits from this coverage.
- Any firm that becomes involved in the disposal plan and/or coordination, benefits from the coverage.

Enhanced Pollution Liability Coverage - Provides coverage for pollution liability at a covered location

Environmental consultants, construction consultants

- Coverage for anyone with any sort of testing exposure who may be bringing contaminated materials to their site (ie. asbestos, lead paint samples, etc).

Rectification Expense Coverage - Covers reasonable and necessary fees, costs and expenses incurred by the insured for rectification of a design defect caused by professional services (triggered when the insured is responsible for both design and construction)

Large and mid-size design firms, environmental consultants

- Covers reasonable and necessary expenses incurred by the insured for rectification of a design defect caused by professional services.
- Provides proactive solution when an insured has reason to believe a design defect will lead to a claim.
- Allows large firms to take lead in the design-build project.
- Rectification expenses to be reimbursed within 90 days of submission of proof of design defect leading to Rectification Expense. This allows projects to remain in progress and gives the insured peace of mind to know if they do submit a claim we've committed to having the funds to them within a specified timeframe.

Deductible Incentives - Early resolution credit

Small design firms that have typically not qualified for the standard risk mitigation credit in the past

- If negotiation of a claim takes place within 180 days a such a claim is ultimately resolved, deductible will be reduced 50 percent up to \$10,000.
- Small firms may now qualify for the standard risk mitigation credit.
- Firms will be eligible to receive the standard risk mitigation deductible credit or the early resolution credit for each claim.

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Supplementary Payments - Crisis Event Expenses - Named insured believes crisis (wrongful act, pollution incident, death, departure or debilitating illness of a partner, officer or member of named insured) will have a material adverse effect upon reputation

Large, mid-size and small design firms, environmental consultants, construction consultants

- Pays 50 percent up to \$30,000 per crisis event subject to annual max of \$50,000 per policy year (paid to a public relations firm.).
- Helps firms protect their professional reputation.
- Extends to events outside typical professional liability coverage.

Supplementary Payments - Disciplinary proceedings

Large, mid-size and small design firms, environmental consultants, construction consultants

- Reimburses insured up to \$25,000 in aggregate per policy year for attorney fees and other reasonable costs.
- Coverage for inquiry by state, federal, or peer review committee investigating violation of rules of professional conduct.
- Defense of professional reputation with licensing authorities.

Supplementary Payments - Benefits increased

Large, mid-size and small design firms, environmental consultants, construction consultants

- Defendant reimbursement increased to \$500 per day subject to maximum of \$15,000.
- Increase in ADA, FHA, OSHA supplementary payment from \$25,000 to \$35,000.

Exclusion Carvebacks - Sale or distribution of goods

Firms with interior design or database services, environmental consultants, construction consultants

- Will cover furniture, furnishing or equipment created or modified specifically for a client in connection with professional services for that client.
- Coverage for technology based services provided they are provided to a specific client.
- Real benefits for mechanical and electrical firms and architectural firms who custom design software packages to model buildings for clients.

Exclusion Carvebacks - Pollution coverage for transportation

Large design firms, environmental consultants, construction consultants

- Coverage for direct and subcontracted transportation of wastes or materials by insured to a non owned disposal site.

Automatic Extended Reporting Period (ERP) - Death or disability ERP

Small design firms, environmental consultants, construction consultants

- Protects the insured's estate, heirs, executors and administrators.
- No cost.

Automatic Extended Reporting Period (ERP) - Non-practicing ERP

Small design firms, environmental consultants, construction consultants

- If insured retires or voluntarily ceases their practice and has been insured with Schinnerer for at least 10 consecutive years, the insured may purchase a 10 year ERP for 250 percent of prior policy premium.

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