



Construction & Premises Protective

Our Construction & Premises Protective product offers premises liability coverage and coverage for the vicarious acts of the contractor to an owner or tenant hiring a general contractor to perform major renovation or new construction work associated with either residential or commercial construction.

COVERAGE AND PRODUCT FEATURES:

- ▶ Coverage offered on an ISO Commercial General Liability form in lieu of the standard Owner's and Contractor's Protective Liability form
 - Expands coverage to include premises liability for the entire project
 - Expands coverage to include premises liability that is not associated with or arising out of construction activities
 - CG0001 coverage helps to meet mortgage company requirements
 - Provides coverage if the contractor policy lapses
- ▶ Broad eligibility to include:
 - Total construction cost up to \$5,000,000 for general liability
 - Residential or commercial construction
 - New construction or renovation of existing structures
 - Ability to write more than one building being constructed at a single site
- ▶ Ability to package property coverage with the general liability for existing buildings under renovation
- ▶ Rate structure contemplates new construction work being added gradually to the existing building
- ▶ For ground up construction projects, builder's risk coverage is available on a monoline basis
- ▶ Policy terms of 3, 6, 9, or 12 months available

COVERAGES AND LIMITS:

- ▶ General liability – excluding products/completed operations: Limits up to \$1,000,000/\$2,000,000 available
- ▶ Excess coverage available over our primary up to a \$5,000,000 limit
- ▶ Up to \$3,000,000 TIV per location in PC 1-8
- ▶ Up to \$1,000,000 TIV per location in PC 9-10
- ▶ Limits up to \$1,000,000 TIV in coastal areas

ADDITIONAL ADVANTAGES:

- ▶ Quick quote turnaround
- ▶ Quick binder confirmation
- ▶ Contact within 24 hours of claims report by adjuster
- ▶ Competitive pricing coverage and minimum premiums
- ▶ A.M. Best rated A++ carrier





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Claim Examples

GENERAL LIABILITY CLAIMS

- ▶ **Bodily Injury:** An investor had recently purchased a vacant apartment building that he planned to completely renovate. A month after he purchased the building and prior to any construction activity beginning, a pedestrian tripped on an uneven sidewalk in front of the building and fractured their finger. The injury later required surgery. The claimant alleged that the building owner was negligent in failing to adequately maintain the sidewalk resulting in a claim payment of \$20,000.
- ▶ **Property Damage:** A new tenant within a three story building was renovating his space prior to opening for business. A general contractor hired by the tenant left oily rags on the premises over the weekend. The rags started a fire that caused severe water and smoke damage to the building and to the property of the surrounding tenants. Though the general contractor was responsible for the loss, his general liability coverage had lapsed which required the tenant's policy to respond since he had hired the general contractor. The incurred loss totaled \$110,000.
- ▶ **Bodily Injury:** A claimant slipped and fell on ice injuring her back. It was determined that there was a pipe that dripped water from the air-conditioning system onto the sidewalk of the insured's vacant commercial building causing the water to pool and freeze. A contractor was doing work inside of the building at the time of the loss. The claimant went to the emergency room and was unable to work after the loss. The claim settled for \$55,000 with an additional \$10,000 paid for defense costs.
- ▶ **Property Damage:** During the construction of a new apartment building, a part of the exterior wall fell onto an adjacent building. This caused extensive damage to the top floor apartment and additional damage to the second floor apartment of the adjacent building. The loss totaled \$328,000 with an additional \$15,000 paid in attorney fees.
- ▶ **Property Damage:** A claimant alleged encroachment, as well as various damages to her home, due to construction activities at a building under construction. While the contractors had the bulk of the liability, the total incurred to defend the insured, including a contribution toward settlement was over \$103,000.

PROPERTY CLAIMS

- ▶ **Lightning:** An insured was having an office building renovated to lease out space. Before renovations were completed, a severe storm hit the area. Lightning struck the building, requiring repairs to the partially-installed phone and electrical system.
- ▶ **Vandalism:** Vandals threw a fire hydrant through the window of a vacant building, which was undergoing renovation. The impact damaged newly installed floor tiles that had to be repaired.
- ▶ **Wind:** An insured was having a vacant home renovated before selling it. A severe windstorm tore off its old roofing and rainwater leaked in, damaging some of the insured's recently completed renovations.



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Why you need to purchase a Owner's / Tenant's Protective Policy?

- ▶ Most property owners and tenants involved in a construction project rely on the contractor they are dealing with to purchase an Owners and Contractors Protective policy. Our Owner's/Tenant's Protective product allows you to protect yourself with a more comprehensive policy
- ▶ Owner's & Contractors Protective policies only provide coverage to the property owner for the vicarious liability of the contractor as it relates to the construction site

Why should you choose USLI's Owner's/Tenant's Protective Product?

The following are important features; make sure you have them all:

COVERAGE FEATURES	USLI	COMPETITORS
No liability deductible		
Ability to provide short term policies allowing customization to meet your needs		
Can extend policies by endorsement if projects take longer than originally planned		
Defense Cost coverage provided outside the limit of liability		
Expanded definition of Bodily Injury to include sickness or disease caused by mental anguish or emotional distress - See L-610		
Provides coverage if contractor policy lapses		
Utilizes the CG 0001 Form and provides coverage to the Named Insured for their interests in the entire property		
Replacement cost coverage for new construction portion of the project		
3,6,9 and 12 month terms available		
A.M. Best rated A ⁺⁺ Carrier		