



CLAIMS SCENARIO

DESIGN & CONSTRUCTION PROFESSIONALS

FAULTY WORKMANSHIP

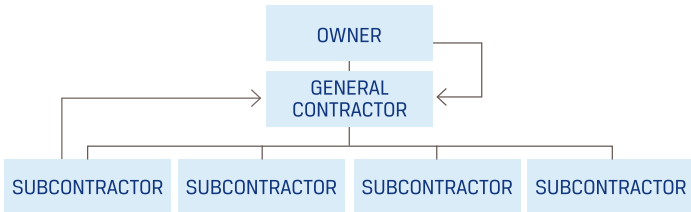
Your electrician completes an electrical wiring job for a large building.

- » Job Cost, including materials, is \$20,000
- » Project is completed
- » Months later, a mistake in the wiring causes a fire in the electrical box which severely damages the building and destroys your electrical work
- » General Contractor / Design Builder is sued, having the contractual relationship with the owner

CGL Policy: The electrician's CGL policy, would cover the damage to the building but NOT the damage to the electrical work.

PROCONSTRUCT POLICY

The policy would respond to defend and possibly indemnify for the damage to the electrical work and cost to replace, provided the General Contractor / Design Builder was deemed negligent in their hiring of the electrician.



WHY?

- » The General Contractor / Design Builder (GC) is legally liable to Owner for Subcontractors
- » GC's policy responds to Subcontractor errors
- » Faulty Workmanship is intended to cover the GC for losses arising out of Subcontractor's impaired work
- » Excluded from CGL policies

REMEMBER

General Contractors have managerial oversight responsibility over their subcontracted workers, making them legally liable for their mistakes. This is why sound hiring practices are a must.

CONTACT:

For more information regarding the ProConstruct Program for Design & Construction Professionals, contact your local **Burns & Wilcox** office.