

# Construction Defect

Industry	Construction
Motivation	A general contractor of single family homes is required to provide evidence of insurance. Market deterioration as a result of a highly litigious environment prompted the contractor to seek alternatives. The contractor also sought a multi-year solution.
Coverage	Claims made and reported General Liability including Products-Completed Operations (i.e. construction defects)
Term	3 years
Limit	\$1 million per occurrence and \$2 million in the aggregate inclusive of all defense costs
Retention	\$100,000
Notional	> Function of the deposit premium less loss payments plus interest credited
Experience Balance	> Deposit premium of \$2 million
Potential	> Models policy form after standard ISO General Liability Policy as requested by the contractor.
Benefits	> Offers multi-year solution which allows the contractor to insulate itself from vagaries of current insurance market cycle > Allows the contractor to benefit from favorable loss experience

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