

Subguard®

Subguard® is an innovative risk management solution that helps construction contractors manage the risk of subcontractor or supplier default. Subguard provides comprehensive, consistent coverage for all enrolled subcontractors while enabling general contractors to regain control of their projects if a subcontractor defaults.

Targeted customer profile

Zurich offers comprehensive subcontractor default insurance programs designed to meet the needs of construction companies with annual subcontract volume of more than \$75 million including:

- General building contractors
- At-risk construction managers
- Design-build firms

Coverage features

Coverage includes the costs of completing any unfulfilled subcontractor or supplier obligations, including costs related to subcontractor replacement, job acceleration, extended overhead, liquidated damages and claim preparation expenses. Additional features include:

- Indemnification for direct and indirect costs resulting from default in performance of any enrolled subcontractor or supplier

- Broad coverage for all enrolled subcontractors and suppliers that qualify under the contractor's pre-qualification system
- Full policy limits available for each loss regardless of subcontract amount
- Multi-year programs consisting of annual policies

Benefits

- Empowers the contractor to immediately evaluate and manage subcontractor default situations
- Provides first-party coverage enabling non-confrontational resolution of claims
- Assists in identifying the root causes of construction operational and management issues
- Offers more control over the pre-qualification and subcontractor selection processes
- Eliminates redundant expenses and administrative costs
- Reduces fixed insurance costs and allows the contractor to benefit from positive loss experience

Program options

- Policy limits of up to \$50 million per loss and \$150 million aggregate
- Flexible deductibles and co-payments to maximize benefits for high quality subcontractor/supplier prequalification and risk management
- Varied risk financing options available including:
 - Captive reinsurance
 - Large deductibles
 - Retrospective rating plans

Risk engineering services*

- Construction professionals with experience in risk assessment, program evaluation and exposure identification who have previously served as project estimators, job site superintendents, project engineers, project managers and corporate managers
- Consultative solutions designed to mitigate and reduce subcontractor default loss
- Program development and implementation including:
 - Due diligence
 - Subcontractor pre-qualification
 - Lessons learned
 - Quality Assurance/Quality Control (QA/QC) management
 - Claims management

Claims services*

- Dedicated Subguard claims team focused on providing responsive service and effective loss cost management while also expediting the claims process
- 30-day response to Proof of Loss (POL) submissions
- Electronic claims notification system
- Early claims involvement to help develop appropriate loss mitigation strategies
- On-site claim documentation preparation assistance
- Cooperative approach to subrogation

Why Zurich

- Leadership and influence through active participation in key construction and insurance industry associations
- Professionals who specialize in the industry and understand the technical and operational aspects of construction
- Creative solutions aimed to reduce customer's cost of risk while enhancing their profitability
- Innovative coverage policies and extensions that address industry-specific needs
- Customized programs that fit the unique risk appetite and coverage needs of the customer
- Integrated underwriting, risk engineering and claim account teams
- Domestic and global coverage capabilities
- Zurich American Insurance Company is rated A (stable) by A.M. Best.

For more information

For more information on Subguard insurance for the construction industry, please contact your broker or Zurich's regional executive.

To obtain a complete listing of our products and services for the construction industry, please visit www.zurichna.com/construction or contact the customer inquiry center at 800-382-2150.

Zurich Services Corporation

3600 Minnesota Drive, Suite 200, Minneapolis, Minnesota 55435
800 811 2501 www.zurichna.com



ISO 9001:2008

Quality-Assured Solutions Provider

* Risk engineering and claims services are provided by Zurich Services Corporation.

This is intended as a general description of certain types of risk engineering services available to qualified customers through Zurich Services Corporation. Zurich Services Corporation does not guarantee particular outcomes and there may be conditions on your premises or within your organization which may not be apparent to us. You are in the best position to understand your business and your organization and to take steps to minimize risk, and we wish to assist you by providing the information and tools to assess your changing risk environment.

Small business owners are responsible for the loss control activities at their company. Zurich offers risk engineering solutions – comprised of tools, reports and information from literally millions of past claims from nearly every industry segment – that can help small businesses minimize and better control losses and improve their bottom line.

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Because change happenzSM