

# Subguard® claims management

## What if there was a service designed to help contractors more effectively manage the Subguard® claims process?

Zurich's Subguard claims management process offers specialization in the investigation, independent evaluation and resolution of Subguard claims.

### The challenge

A subcontractor's poor performance can turn the general contractor's superior performance into failure. Timely mitigation of subcontractor default is essential to control losses and keep a project on track.

To properly facilitate a Subguard claim, and any potential litigation against the subcontractor, cost data must be captured and organized from the onset.

### The solution

Zurich Services Corporation's risk engineering consultants\* specialize in the investigation, independent evaluation and resolution of all Subguard claims. They can support the claim process from the initial problem identification through submission of the Proof of Loss (POL).

Key aspects of the Subguard claims management service include:

- In-depth discovery and research of project documents
- Identification of contract disputes issues, technical evaluation of construction issues and analysis of schedule delays
- Development of a claim report that details issues, validates claim costs and assists the customer in capturing information that can be used to support resolution proceedings

The claims management service is exclusive to Subguard customers and is part of the basic service provided by Zurich's risk engineering consultants.

### Benefits

- Facilitates organization of claims data and documents
- Reduces the time required by the customer and claims personnel to process the claim
- Assists the customer in satisfactory POL submission, thereby establishing a sound litigation plan prior to legal actions between the Insured and the defaulted subcontractor
- Formalizes schedule documents based on current construction law
- Focuses on reimbursable costs attributable to the corresponding default/claim
- Expedites the Subguard claim process to support the customer's timely recovery of losses

### Service details

- The customer notifies Zurich when the customer defaults a subcontractor or the subcontractor may be in default of its subcontract by completing an Electronic Claim Notification (ECN) form
- The claim manager and risk engineering consultant conduct a conference call with the customer, typically within seven days of receipt of the ECN, to review claims issues
- The risk engineering consultant conducts a site visit with the customer within 30 days of claim notification to review the Subguard claim process and discuss the potential magnitude of the claim
- The customer prepares the POL in accordance with Zurich's guidelines and submits the information to the claims department
- The risk engineering consultant reviews the data and works closely with the claim department to expedite processing and/or requests for additional information

- The components commonly reviewed include:
  - Original subcontract value
  - Additive and deductive change orders
  - Payments to defaulted subcontractor
  - Itemized labor costs
  - Itemized material costs
  - Itemized equipment and tool costs
  - Replacement subcontractor's costs
  - Legal expenses
  - Unpaid vendors amounts
  - Indirect costs
- The claim department reviews the information, renders an opinion regarding the claim and makes payment accordingly

## For more information

For more information on Subguard claims management, please contact your risk engineering account coordinator.

### Zurich

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ISO 9001:2000

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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