

# Subguard<sup>®</sup> due diligence

## What if there was a service that assisted contractors with identifying the potential risk of subcontractor default?

Zurich's Subguard<sup>®</sup> due diligence service evaluates subcontractor operational processes and works with an organization to recommend and develop best practices that the customer may utilize to mitigate its risk of subcontractor default and help improve operational efficiencies.

### The challenge

In today's marketplace, general contractors must constantly be mindful of the financial health and stability of their subcontractors.

With increasing costs and time consuming investigation and litigation processes, many organizations struggle to adequately manage the risk of subcontractor default.

### The solution

By examining the operational process and evaluation methods that customers are engaged in, Zurich can help identify potential solutions to improve a contractor's work methods, subcontractor pre-qualification and management. The evaluation can also focus on improving procurement, management of both labor and materials as well as assist with schedule and cost controls.

Zurich Services Corporation's due diligence process conducts a "start-to-finish" review of each aspect of a contractor's operations or a specific project, including:

- Planning
- Design/specifications
- Constructability
- Contract risk
- Schedule
- Financing/funding/budgeting
- Process performance risk
- Site risk
- Market risk
- Subcontractor availability

Findings and recommendations from the due diligence process provide a framework for the development of custom-fit risk mitigation strategies which can assist the customer in developing a best practices approach to controlling risk.

The due diligence service is exclusive to Subguard customers and is part of the basic service provided by Zurich's risk engineering consultants.\*

### Benefits

- Provides contractors with independent and objective assessment and analysis of critical risk categories
- Benchmarks the customer against industry and competitor best practices
- Assists in the development of risk mitigation recommendations which can be used in the customer's strategic planning process

## Service details

- A dedicated risk engineering consultant is selected with the proper background and experience to complement the customer's needs
- Risk engineering consultants work closely with the customer and project teams to analyze relevant organizational, operational and project-specific information
- Following the due diligence process and enrollment in the Subguard program risk engineering consultants meet with the customer to provide risk mitigation recommendations tailored to the organization's individual needs

## For more information

For more information on Subguard due diligence, 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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