

CONSTRUCTION

CLAIMS Solutions

Survey Error at a Condominium Project

When a pollution release, spill or other incident occurs, you want to make sure you have the carrier with the most experienced environmental claims counsel and technical consultants handling your claim. XL's Environmental group has 25+ years of environmental expertise. Our environmental claims staff has experience responding to and remediating pollution incidents as well as expertise in managing environmental litigation and interacting with regulators.

The information contained herein is intended for informational purposes only. Insurance coverage in any particular case will depend upon the type of policy in effect, the terms, conditions and exclusions in any such policy, and the facts of each unique situation. No representation is made that any specific insurance coverage would apply in the circumstances outlined herein. Please refer to the individual policy forms for specific coverage details.

"XL Insurance" is the global brand used by XL Group plc's (NYSE: XL) insurance companies. Coverages underwritten by Greenwich Insurance Company, Indian Harbor Insurance Company, XL Insurance America, Inc., XL Specialty Insurance Company and XL Insurance Company Limited—Canadian Branch. Coverages not available in all jurisdictions

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THE CLAIM

A general contractor / construction manager (GC/CM), insured by XL, was hired to construct two condominium towers. The insured subcontracted the surveying work required for the two phases of the project. After the foundations and footings for Phase I were erected, it was discovered that the footprint encroached on Phase II by more than 5 feet. The project owner elected to redesign Phase I, shortening the footprint to allow Phase II to be built with the square footage as designed. It is undisputed that the insured's land surveying firm made an error which necessitated the redesign and revision of Phase I of the project.

THE RESPONSE

Subcontractors demanded payment for additional work associated with the surveying error and resulting design changes. One small payment from the surveyor's professional liability policy was made; however, the GC/CM status of additional insured on that policy was not acknowledged by the subcontractor's insurance carrier. With the consent of XL's environmental claims department, the insured paid the remaining subcontractors for the additional work to assure that the project progressed without disruption. The owner submitted a claim for delays, additional work, concessions to buyers of affected units in the form of credits, price reductions, and design errors.

THE SOLUTION

XL's environmental claims attorney worked with the insured to issue payments to subcontractors to prevent future claims. The payments were made under the insured's Professional and Contractor's Pollution Legal Liability Policy in the amount of \$1 million, ultimately reducing the potential for additional claim costs. The insured kept the project moving, the affected parties paid, and ultimately the owner client satisfied.

For more information on how XL can help you manage your exposures, please contact your environmental underwriter or Sales & Marketing at:

800-327-1414

www.xlinsurance.com/environmental



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