Real Estate Developers Professional Liability Insurance

Hiscox’s Real Estate Developers Professional Liability Insurance offers industry leading coverage for those insureds whose professional services do not fall within the standard confines of construction manager, general contractor or property manager. Many A&E forms are not adequately designed to cover the vast array of exposures faced by a real estate developer that can arise from a multitude of venues. Hiscox’s form provides a superior policy that covers the most prominent exposures a real estate developer faces within construction, real estate brokering and property management. Is your client adequately protected?
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There are a multitude of reasons why purchasing a Real Estate Developer policy from Hiscox is a good fit for your client and their individual needs.

Why Hiscox?
• Underwrites risks where the developer has 100% ownership interest
• Offers a real estate developer’s specific product that is unique in the insurance industry
• Provides exceptional customer service from specialist underwriters that understand the legal exposures of a real estate developer
• Flexible underwriting
• Proactive problem solving philosophy
• Competitive premiums and retentions
• Responsive claims management
• Free risk management and loss prevention services consisting of initial consultation and up to one hour of legal services
• Lloyd’s of London capacity, which carries an A.M. Best rating of A (Excellent)*

Coverage highlights
• Limits up to $5m are available on a primary basis
• Deductibles will range from $15K to $250K
• Bodily injury explicitly covered where directly arising from performance of professional services, up to full limits
• Property damage explicitly covered where directly arising from performance of professional services, up to full limits
• Pollution explicitly covered where directly arising from performance of professional services, up to full limits
• Defense of licensing proceedings and subpoena assistance - sublimit included as coverage enhancement, outside of limits
• Punitive damages specifically included in definition of ‘damages’, where insurable by most favorable applicable jurisdiction, up to full limits
• Personal injury expanded to cover ‘personal and advertising injury’
• Payment of claimant’s attorney fees explicitly covered as ‘damages’
• Supplemental payments up to $250 per day, up to $10,000 per claim, outside of limits
• Up to $50K in pre-claim assistance, outside of limits
• Independent contractors specifically included in definition of ‘insured’
• Mold explicitly covered with sublimit of full limits
• FHA/OSHA/ADA regulatory coverage up to $25K
• No asbestos exclusion for design professionals, construction managers and developers
• Third-party discrimination explicitly covered up to full limits
• Deductible credit included in base form

Who we cover
• Project owner/developer and any legal entities created for the purpose of development will be included as a named insured
• Related principals and employees can also be covered under this policy

What we cover
• The project owner/developer against claims brought by outside third-parties (tenants, possible future owners, etc.) or those firms/individuals who have entered into a contractual relationship with the owner/developer
• Services as a real estate developer including the services of:
  – Project manager
    Establishing and managing the design, construction bid packages and establishing the permits, variances, easements etc.
  – Construction manager
    The management, coordination and supervision of the design and construction processes
  – General contractor
    The fabrication and build of the project, including at-risk construction management exposures
  – Miscellaneous exposures
    Miscellaneous exposures tied to the services provided by a real estate agent, title agent, notary public and property manager.

Claims examples
• A family member of an employee who died while working for a general contractor on a construction site sues the project owner/developer. The allegations are: the owner/developer severely limited site access, failed to coordinate the activities of multiple contractors on the site, and issued defective contract documents which failed to properly sequence construction activities.
• A condominium owner brings a claim against the developer and the architect for a design error. The architect cannot be located and the architect’s insurance has lapsed. The suit continues against the developer.
• An adjacent property owner sues the project owner/developer for property damage and consequential damages due to negligent construction operations, including alleged ‘design errors and omissions’ of the owner’s design professional.
• The contractor sues the project owner/developer due to differing site conditions. The contractor asserts that the owner/developer had knowledge of the conditions which the owner/developer did not disclose to anyone. The contractor also asserts, as an alternative cause of action, that the
contract documents were ‘defective’ since the documents did not disclose the conditions. In this scenario, the design professional believes the contractor has a legitimate differing site condition claim that should be paid by the owner/developer.

- A pedestrian is injured when a wall, which had passed the inspection of the building inspector, collapses. The pedestrian files suit against all parties including the owner, developer, contractors and architect alleging design errors and omissions. The lead design team had all plans approved by the owner/developer who had a licensed architect on staff. The design team’s A&E policy responded but fault was proportionately allocated to the owner/developer, who was not an additional insured on the A&E policy.

Contact information
Insurance brokers are welcome to contact us.
Two ways to find your regional contact:

hiscoxbroker.com/contact-us/

Northeast: 646 452 2353
Southeast: 404 410 2800
Midwest: 312 380 5555
Northwest: 415 814 1455
Southwest: 213 412 1210

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* A.M. Best rating as of December 5, 2013.