

Design & Construct Claims Examples

Insurance is purchased for peace of mind and the quality of the claims-handling service when it is required. This is particularly evident in the D&C sector where an understanding of the insured's business is vital to the swift resolution of any problem. At Tokio Marine HCC, we have a claims team with a wealth of relevant experience.

Example 1

The claimant sub-contracted to the Insured the M&E installation work on part of a major new shopping centre project. The electrical installation designed/constructed by the Insured was allegedly performed in breach of contract, and urgent remedial works were completed.

Settled £200k / Costs £32k

Example 2

The Insured was instructed by the main contractor to design, supply and construct the timber frame for a new primary school. The claim concerned the structural failure of the school's floors/ceilings, leading to its closure, remedial works and associated costs. The cause was originally considered to be the failure of the glue product used rather than the Insured's specification. However following the disclosure of new expert evidence, the claim was amended to include design defects.

Settled £110k / Costs £15k

Example 3

The Insured was employed to design and manufacture a number of tanks, which later leaked and failed. While there was no damage to the tank, the Insured carried out an inspection where it noted that there were signs of stress (which is caused by excess pressure). In addition the 'base' (concrete) may not have been level, which caused more pressure on one side. This matter was fully defended without any claim payment being made.

Settled £nil / Costs £8k

Example 4

The Insured piling contractors were appointed to provide piles to support foundations at the claimant's new luxury house. Following cracking to the property, experts were appointed who concluded that many of the piles were incapable of supporting the loads from the building structure, and that this caused the foundations to settle and the building to crack. In addition a significant number of the key piles were not installed to the Insured's design set and the expert's report confirmed that the Insured negligently installed the piles and was therefore responsible for the damage that occurred. This claim was settled at mediation where the PL insurer paid the lion's share of liability.

Settled £125k / Costs £24k