



Professional
Indemnity
Design and Construct



TOKIO MARINE
HCC

tmhcc.com

We target the SME sector of the industry and larger companies providing contracting only services who are made responsible for the design liability under contract.

About Design & Construct

Design and Construct (D&C) is a project delivery system used in the construction industry. It is a method to deliver a project in which the design and construction services are contracted by a single company known as the design builder or design build contractor.

The traditional approach for construction projects consists of the appointment of a designer, architect or engineer initially and then the appointment of a contractor to implement and construct the design. The D&C procurement route provides the client with a single point of responsibility and is used to minimise the risks for the project owner and to reduce the delivery schedule by overlapping the design phase and construction phase of a project.

Contractors are increasingly taking on a design liability, either by employing their own in-house professionals or by assuming a liability whereby they subcontract out the design element. It is now estimated that 75% of all building projects in the UK operate on this 'onestop shop' basis for the client.

D&C firms vary in size from the small building firms who will subcontract the design element to professionals to the large national operations who fulfil all the functions of the project with their own employees.

If you are unsure as to whether or not we will consider a risk please contact one of our underwriters.

Our Coverage

Cover is arranged on a named perils basis which provides cover for claims arising from:

Professional negligence of the insured and its designers

Dishonesty

Loss of documents

Libel and slander

Breach of intellectual property rights

Breach of confidentiality



Tokio Marine HCC has a wealth of underwriting knowledge within this sector. Please contact any of our underwriters to discuss your interest.

Claims Examples

Insurance is purchased for peace of mind and the quality of the claims handling service. This is particularly evident in the engineering sectors where an understanding of the industry is vital to the swift resolution of any problem. At Tokio Marine HCC, we have a claims team with a wealth of relevant experience.

New primary school

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 £110,000 / costs £15,000.

Design and manufacture of tanks

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 £8,000.

New shopping centre project

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 £200,000 / costs £32,000.

Foundation piles

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 £125,000 / costs £24,000.

Why Tokio Marine HCC

- Direct access to a team of expert underwriters
- Understanding of clients' needs and cover requirements
- Speed and quality of service
- Policy documentation production within minutes of order
- Indemnity limits from £100,000 to £10 million

Tokio Marine HCC's insurance companies are highly rated:





TOKIO MARINE
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