



Understanding the value of rectification coverage

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What is rectification?

Filling a gap in claims resolution

- Helps to address situations where the identification of an error and/or omission happens during the construction phase.
- Designed to address design defects discovered while the Design/Builder is in 'possession' of the project site.
- Provides a 1st party connection to the insurance company to find an appropriate resolution.
- Is there to help in rectifying the issue not betterment.



History of rectification coverage

Not a new coverage, but we are expanding availability

- Originally offered by endorsement to select EPC firms.
- Expanded into contractors errors & omissions policies in the mid-1990's.
- Introduced into the CNA Insuring agreement in 2014.
- Expanded in 2020 to address situations regardless of whether a firm was responsible for design and construction/installation.



Enhanced rectification applicability

Rectification expense means reasonable and necessary fees, costs and expenses incurred by the Named Insured for rectification of a design defect caused by professional services in any part of the construction works or engineering works for any project upon which the Insured is responsible for design.



Rectification expense does not...

Rectification expense does not include:

- overhead;
- mark-up;
- profit or;
- any fee, charge, cost or expense...

incurred by any Insured for materials supplied or services performed by any Insured.

Who to target with this coverage?

What type of firm is likely to respond?



How to best position this coverage to your clients?

- Consider it as an early warning process.
- Linked with Pre-claim assistance and Circumstance reporting.
- Recognize the reality of the situation.
- Tool to bring your claims partner into the discussion early for better resolution.





Questions?



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