

DESIGN-BUILD

Presented by

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Although more and more contractors and design professionals are involved in design-build projects, many do not fully understand the different contractual and legal risks they may face on such projects, compared to traditional design-bid-build projects. Nor do they understand how these risks impact their overall risk management and insurance programs. One big issue in design-build pertains to the growing use of joint ventures between contractors and design firms to provide design-build services. This seminar will first provide an overview of design-build risks and how insurance policies treat these risks. Learn how to evaluate professional liability policies, how well they match the insured's risks, and what the current market conditions for these coverages are like. The second half of the seminar focuses on the joint venture liability issue, examining the intricate legal issues they present for participants, how to ensure coverage for these risks, and how to avoid exposing your insurance program to a disproportionate share of the joint venture liabilities.

Wednesday, November 13, 9:00 a.m. – noon



INSURANCE IN TOUCH WITH BUSINESS

CNA has provided insurance solutions to construction businesses worldwide for over 100 years. This depth of experience, combined with our understanding of the industry, has made CNA the preferred choice of more contractors than any other insurance company.

The construction industry faces a variety of risks and exposures. CNA and your local insurance agent or broker can provide the insurance that best meets your individual company's needs. Together we can work with you to reduce your exposures and protect your assets.

CNA construction products are tailored to small, medium, and large businesses. Our core strengths—comprehensive property and casualty, surety, and professional liability coverage—combined with financial strength, offer outstanding value to all construction businesses.

For small and medium businesses, CNA offers basic coverage such as Workers Compensation, Commercial Property, and Commercial Umbrella. Your local insurance agent can review the entire CNA product line to show you how you can create truly customized protection.

For larger construction businesses, our Risk Management team can help reduce loss costs, enhance productivity, and facilitate communications to employees. We offer a variety of benefits, including claim service, cost management services, fraud protection, information services, risk control, and workplace productivity seminars and planning.

CNA's Surety operation, the largest publicly traded surety company in the U.S., provides all types and sizes of contract and commercial surety bonds in all 50 states and many foreign countries, with a focus on small and middle-market contractors with bonded backlogs up to 150 million. We are known for our consistent and reliable approach to meeting our clients' needs.

In partnership with Victor O. Schinnerer & Company, Inc., CNA has provided professional liability protection to architects, engineers, and contractors for more than 45 years through our AEC Design Liability coverage. We offer professional and pollution liability programs to address continually evolving project delivery techniques and methods. Whether your firm is providing value engineering, design, design-build, or construction management services, we can tailor a program to meet your needs.

Maintain and protect your business and your assets by obtaining customized insurance coverage, selected especially for you. To find out how, visit www.cna.com or contact your local independent CNA agent.

Emerson W. Browne, CPCU, ARM
Vice President
Victor O. Schinnerer

Mr. Browne is one of three speakers presenting Miniseminar H, "Design-Build." He is a vice president at Victor O. Schinnerer & Company in Chevy Chase, Maryland. Victor O. Schinnerer is the underwriting manager for CNA Insurance Company providing professional liability coverage to the construction industry. He is currently the manager of their contractors and design-build professional liability division.

Mr. Browne was a codeveloper of Schinnerer's contractor's design liability program in 1996. He was a copresenter with Michael Loulakis on construction manager and design-build professional liability issues at IRMI's Construction Risk Conference in 1998. He was a presenter at the CFMA convention in 1999 and 2002. He has been a speaker for seminars presented by DBIA and CIC.

Mr. Browne earned his CPCU designation in 1988 and the ARM designation in 1992. He is a graduate of Marietta College with a bachelor of science in political science.

Michael C. Loulakis
Shareholder
Wickwire Gavin, P.C.

Mr. Loulakis is one of three speakers presenting Miniseminar H, "Design-Build." He is a partner in Wickwire Gavin, P.C., a Vienna, Virginia, law firm that concentrates on representing domestic and international clients on construction-related matters. His legal practice focuses on representing members of the construction industry, including owners/developers, sureties, contractors, and design professionals.

His diverse background includes contract administration advice; review of procurement and contracting documents; contract drafting and negotiations; preparation, negotiation, analysis, and defense of contract claims; resolution of claims through litigation, arbitration, and other ADR methods; and establishing risk management policies and project delivery methods. Mr. Loulakis is a national speaker on these and other issues and holds an IRMI Words of Wisdom (WOW) award. He is the author of numerous publications, including several recent books on design-build titled "Design-Build: Planning Through Development" (McGraw Hill 2001) and "Design-Build Contracting Handbook," 2nd Edition (Wiley Law & Business 2001). He is also author of a widely acclaimed interactive CD-ROM program titled *Construction Project Delivery Systems: Evaluating the Owner's Alternatives*, produced and distributed by A/E/C Training Technologies.

Mr. Loulakis is a member of the Board of Directors of the Design-Build Institute of America (DBIA) and served as Chairman of DBIA's Manual of Practice Committee. He had principal responsibility for drafting the DBIA Contracting Guide and DBIA's standard form design-build contracts and subcontracts. Prior to joining Wickwire Gavin in 1979, Mr. Loulakis was a practicing engineer with a Boston, Massachusetts, area geotechnical consulting firm.

He received a bachelor of science degree, *magna cum laude*, in Civil Engineering from Tufts University in 1976 and a Juris Doctor degree from Boston University School of Law in 1979.

Terry R. Tennant, ARM
Underwriting Director, AEC Design Liability
CNA

Mr. Tennant is one of three speakers presenting Miniseminar H, "Design-Build." He is director of Design-Build Liability, Architects Engineers Construction (AEC) Design Liability Unit, of CNA Global Specialty Lines, for the Chicago-based CNA.

Mr. Tennant manages the Design-Build, Contractors, Environmental, Land Surveyors, Landscape Architects, and Miscellaneous Construction Industry Professional Liability insurance programs. In addition, he also provides underwriting and risk management assistance to ENR Top 100 firms including clients in the Architects and Engineers Professional Liability insurance program.

He joined CNA in 1987 as a multiline claims representative, specializing in contractors general liability claims and architects and engineers design errors and omissions claims. He subsequently became an underwriter in 1994. Prior to joining CNA, Mr. Tennant was with Safeco Insurance Companies in St. Louis, Missouri.

Mr. Tennant holds the insurance professional designation of Associate of Risk Management (ARM) and graduated from the College of Charleston with a bachelor's degree in urban planning.

Mr. Tennant is a member of the Insurance and Bonding Committee of the Design-Build Institute of America (DBIA), the board of directors for the Great Lakes Chapter of DBIA, and the Risk Management Committee of the Associated General Contractors of America, and has served on the Insurance and Surety Committee of the Builders Association of Greater Chicago.

He has spoken on design-build and design delegation liability and insurance issues at seminars and association meetings throughout the United States and is the author of "Design-Build Professional Liability Insurance: Are You Covered?" "Design-Build Insurance Issues For Owners," "Surety Concerns For Design-Build," and "Design-Build And Design Delegation Insurance Issues."

MANAGING DESIGN RISK IN DESIGN-BUILD PROJECT DELIVERY

***Emerson W. Browne, CPCU, ARM
Victor O. Schinnerer***

***Terry R. Tennant, ARM
CNA***

I. Introduction

- A. What is Design-Build?
- B. Drivers of Design-Build Growth
 - 1. Single Point of Responsibility
 - 2. Cost-Efficiency
 - 3. Effective Planning & Scheduling
 - 4. Better Contract Administration & Project Control
- C. Design-Build Benefits
 - 1. Designer & Contractor Work as a Team
 - 2. Better Control over Constructability & Costs
 - 3. Focus on Solutions to Problems rather than assignment of fault
 - 4. Readily Adaptable to Fast Tracking
 - 5. May Result in Earlier Delivery of Project at Less Cost
- D. Design-Build Efficiencies

II. Identifying New Risks of Design-Build and Design Delegation

- A. What Is "Risk"?
- B. Four Elements of Liability
 - 1. Duty
 - 2. Breach
 - 3. Causation
 - 4. Damages

- C. Sources of Duty
 - 1. Contract Law
 - 2. Statute Law
 - 3. Common Law

III. Contractor Led Design-Build Risks

- A. Contractor Now Warrants Design
- B. Liable to Owner for Design Errors
- C. Negligent Design Supervision

IV. Some Sources Of Design Risk

- A. Program
- B. Schedule
- C. Budget
- D. Codes/Standards
- E. Pollution
- F. Standard of Care
- G. Warranties
- H. Design Delegation
- I. Design Incidental to Means and Methods
- J. Constructability Reviews & V/E

V. Risk Management Model

- A. The Common Response
- B. Risk Transfer Has Limitations
- C. Equitable Risk Allocation

VI. General Contract Rules

- A. Determine Who Is Best Qualified To Assume Each Responsibility
- B. Assign Responsibility to the Appropriate Party
- C. Each Party Must Have Authority To Carry Out Responsibilities
- D. Each Responsibility Must Be Assigned to Only One Party
- E. Contract Language Must Create Realistic Expectations

VII. Standard Form D-B Contracts

- A. AGC
- B. AIA
- C. DBIA
- D. EJCDC
- E. FIDIC

VIII. Risk Allocation—Negotiation Points

- A. Contract Documents & Order of Precedence
- B. Scope of Work & Changes
- C. Ownership of Documents
- D. Reliance on Owner-Supplied Information
- E. Site Assessment
- F. Environmental Hazards & Remediation
- G. Who Obtains Permits/Easements?
- H. Differing Site Conditions
- I. Compliance with Changes in Laws & Regulations
- J. Cost Over Runs
- K. Delays
- L. Force Majeure Events
- M. Standard of Care
- N. Warranties & Guarantees
- O. Consequential Damages
- P. Limitation of Liability
- Q. Hold Harmless & Indemnity
- R. Termination
- S. Dispute Resolution
- T. Insurance
- U. Bonding

IX. Risk Transfer Limitations

- A. Contractors CGL Policy
- B. Unendorsed ISO CGL Policy
 - 1. ISO CG 2243 (Omni V. Harbor)
 - 2. ISO CG 2279 (Means & Methods)
 - 3. ISO CG 2280 (Limited Design)

X. CGL Limitations

- A. Occurrence
- B. Limited to BI & PD Damages
- C. Design Excluded
 - 1. Redesign & Reconstruction Of Negligent Design
 - 2. Passive Design Error(s) & Associated Economic Loss
 - 3. No/Limited Pollution Coverage
 - 4. Design Liability Excluded under Most Umbrellas Even If Covered In Underlying Policies

XI. Can Risk Be Transferred to Design Firm?

- A. Does the A/E Policy Cover D-B
- B. Who Is the Insurer?
- C. Limits Adequacy
- D. Additional Insured under the CGL Policy

XII. Contractor E&O Policy

- A. Design Errors & Omissions for In-House or Subcontracted Design
- B. Economic Damages Not Covered by CGL Policy
- C. Negligent Supervision of Design Firm
- D. Pays To Remedy Negligent Design Not Just Consequential Damages
- E. Knowledge of Policy In-Force and Available Limit
- F. Coverage Features
 - 1. Negligent Design
 - 2. Value Engineering

3. Faulty Workmanship of Others
4. Circumstance Reporting
5. Retroactive Coverage
6. Agency & At-Risk CM
7. Policy Exclusions
8. Faulty Workmanship (self-performed work)
9. Liquidated Damages
10. Express Warranties & Guarantees
11. Builders Risk
12. Delete Design Related Exclusions
13. Include All Design-Build Team Members as Insureds.
14. Waive Subrogation Among All Design-Build Team Members

XIII. Surety Issues

- A. Sureties Are Reluctant To Bond Design Performance Component
- B. Sureties May Require Contractor To Procure Design Liability Policy
- C. Project Delivery Method
- D. AIA A-201 Design Delegation
- E. Liable for Design Errors
- F. Negligent Design Supervision

XIV. Design Delegation (AIA A-201)

- A. No Design Services except when:
- B. Specifically Required by CDs, or
- C. Part of Means, Methods, Techniques, Sequences and Procedures
- D. No Design Services in Violation Of Law
- E. If Design Professional Services Are Required:
 1. Owner/Architect Must Specify ALL Design Criteria That Such Services Must Satisfy
 2. Contractor Is Not Responsible for Adequacy of Criteria
 3. Architect Has Obligation of Checking Delegated Design for Conformance with Design Concept of CDs

4. However, the Review Is for the Limited Purpose of Integrating Delegated Design into the Overall Design, i.e. Not for Determining Design Errors
5. Why Contractors Need Design-Build Insurance
6. Protect Assets

XV. Why Contractors Need Design-Build Insurance

- A. Owners & Lenders Require It More Frequently
- B. Addresses Bonding & Surety Concerns Regarding Design Limits Adequacy

JOINT VENTURE LIABILITY

Michael C. Loulakis
Wickwire Gavin, P.C.

I. Types of Design-Build Organizational Structures

- A. Integrated organizations
- B. Contractor-led
- C. Designer-led
- D. Joint ventures and limited liability corporations

II. How a Joint Venture (JV) Works

- A. Association of 2 or more entities, with each entity referred to as a “partner”
- B. Generally created for a single activity or project
- C. Combine and pool expertise and resources
- D. Each has some degree of control over the venture
- E. Generally governed by law of partnership
- F. Usually has a limited time span

III. How a Limited Liability Corporation (LLC) Works

- A. Statutory creation dependent on state law, with each entity in the LLC referred to as a “member”
- B. Tax benefits like a partnership (JV)
- C. Liability protection like a corporation
- D. Useful for both single projects and longer term ventures
- E. Management issues associated with LLCs

IV. Duties and Liabilities under JVs and LLCs on Design-Build Projects

- A. Liability of partners/members to each other
 - 1. Fiduciary duties
 - 2. Bidding mistakes
 - 3. Safety violations
 - 4. Cost overruns

- B. Agency issues
- C. Liability to third persons

V. Coverage Issues

- A. Coverage under each entity's existing policies
- B. Coverage under a separate policy for JV alone
- C. Coordination among the multiple policies
- D. Coverage after termination of the JV

VI. Coverage Issues with Specific Types of Policies

- A. Professional Liability policy
- B. Workers Compensation policy
- C. General Liability policy

Design-Build

Overview of Session

- Principles of design-build
 - ◆ Design-build risks and liabilities
 - ◆ Insurance and risk management
- Joint venture relationships
 - ◆ Defining the relationship
 - ◆ Unique design-build JV risks
 - ◆ Unique JV insurance considerations

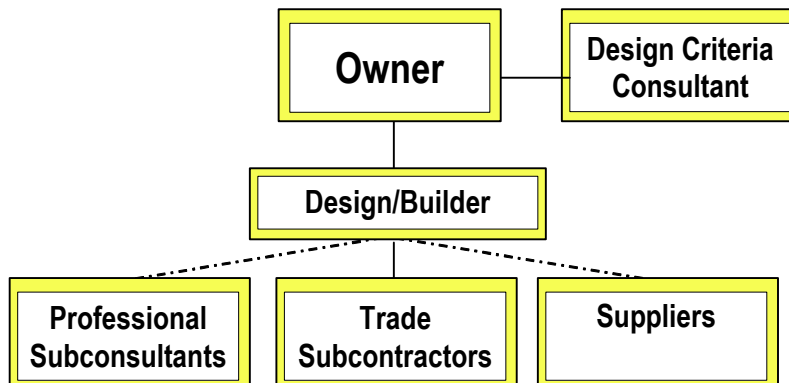
Role of Design-Build in Today's Construction World

- Why is it being used?
- Where and how is it being used?
- What are the challenges with its use?
- Where do I fit into the equation?

What Makes Design-Build Liability Different?

- Approach is structurally different from other delivery systems
- Single point of responsibility
- Performance specifications
- Role of design professional

Design-Build



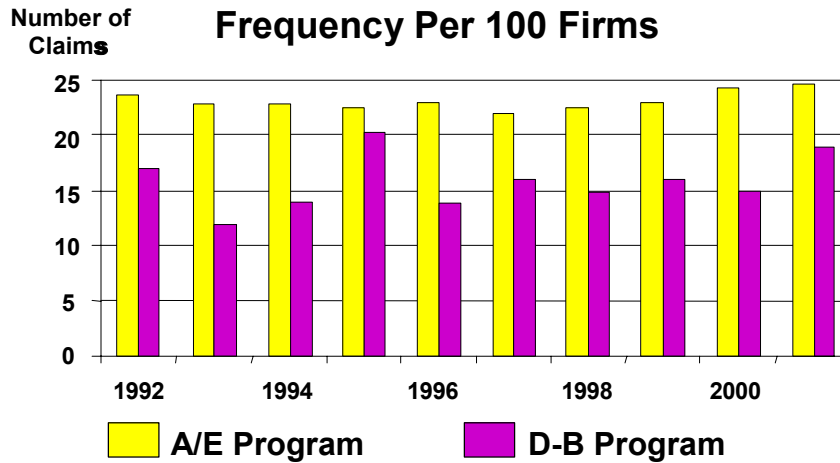
Does Design-Build Reduce Project Claims?

- Experience suggests that it does
- Partnering approach
 - ◆ Need to act like team members
 - ◆ Merger of design & construction promotes cooperation
- Qualifications-based selection becoming the norm

Reality: Maybe Yes, Maybe No

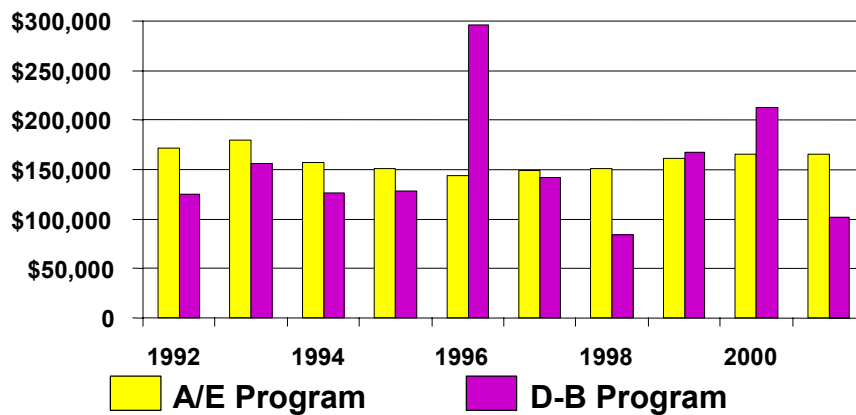
- Owners appear to be experiencing reduced claims
- Design-builders have significant potential (but little actual) liability
- Design professionals appear to be facing greater exposure
- Few reported cases

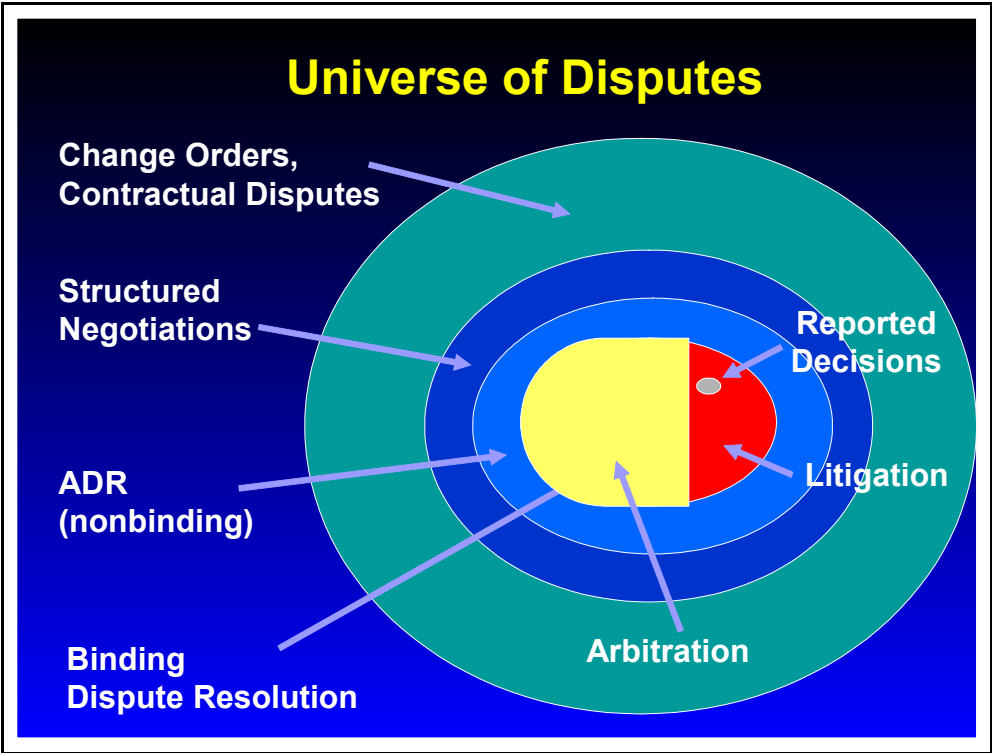
CLAIMS: A/E & D-B



CLAIMS: A/E & D-B

Average First \$1 Million Severity





Identifying the Design-Build Problem Areas

- Areas of challenge
 - ◆ Procurement
 - ◆ Contracting
 - ◆ Execution
- Unique design-build issues
- “Garden-variety” design and construction issues

Design-Build Lessons Learned

- Survey of reported caselaw
- Annual publication since 1995
- Substantial increase in number of reported cases over time
- Numerous reasons for increase

Unique Design-Build Issues

- Single point of responsibility
- Procurement issues
- Bridging and the *Spearin* doctrine
- Performance vs. design specifications
- Design professional liability
- Ownership of documents

Garden-Variety Design and Construction Issues

- **Changes to the work**
- **Procedural issues**
 - ◆ **Notice**
 - ◆ **Lien filing requirements**
- **Differing site conditions**
- **Terminations**
- **Pass-through claims of subcontractors**

Design-Build

*It's not my responsibility.
Or is it?*

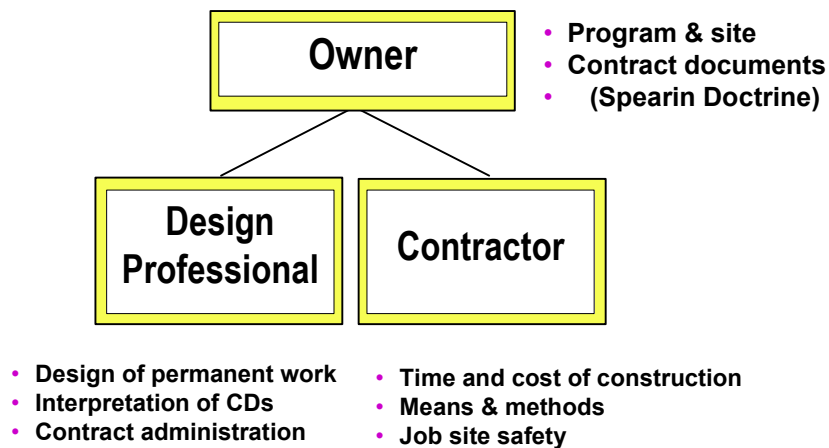
What is Design Liability?

- The law holds that a design professional must act in accordance with the *professional standard of care*.
- This requirement holds true whether the design professional is working on his own or for a contractor.

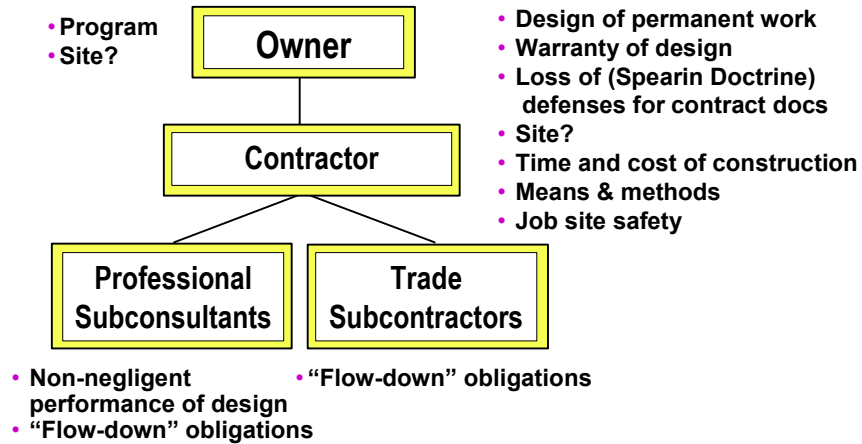
Design Professionals' Liability—Why Care?

- Contractors are vicariously liable for their consultants and can be held legally responsible if the design professional is negligent and . . .
 - ◆ works directly for the contractor,
 - ◆ delivers design services in a Design-Build setting, or
 - ◆ is in a joint venture with the contractor.

Design-Bid-Build Roles

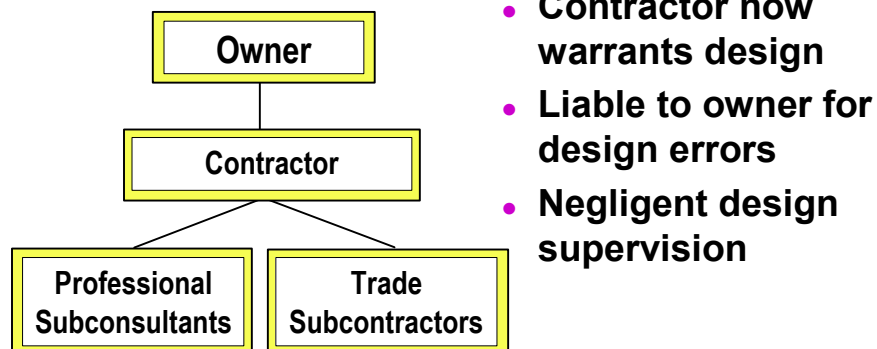


Contractor-Led Design-Build Roles



Role Change Summary

Contractor-Led Design-Build



Some Sources Of Design Risk

- Program
- Schedule
- Budget
- Codes/standards
- Pollution
- Standard of care
- Warranties
- Design delegation
- Design incidental to means and methods
- Constructability reviews & value engineering

Contractors' Professional Liability Exposures

What a Contractor Professional Liability Policy covers:

- Design errors & omissions for in-house or subcontracted design
- Negligent supervision of design firm
- Failure to detect faulty workmanship performed by contractors

Key Contractor Professional Liability Policy Exclusions

- Liquidated damages
- Contractual liability
- Faulty workmanship (self-performed work)
- Products liability
- Equity interest
- Express warranties & guarantees

CGL & PL Coverage

CGL

- Occurrence
- Limited to BI & PD
- Design excluded
- No/limited pollution coverage

PL

- Claims-made
- Demand for money or services
- Design services
- Pollution coverage

Why Contractors Need Design Liability Insurance

- **Protect assets of Contractor**
- **Comprehensive coverage for design errors & omissions**
- **Owners & lenders require it more frequently**
- **Addresses bonding & surety concerns regarding design limits adequacy**

Design-Build

*A Review of the Current Trends
in the Contractor's Professional
Liability Marketplace*

Contractor Professional Liability Market Trends

2002 ISSUES

- **Who is writing coverage?**
- **Are rate increases a thing of the past?**
- **What about limits and deductibles?**
- **Are there new limitations on coverage?**
- **What are problem classes of business?**

Contractor Professional Liability Market Trends

Who Is Writing Coverage?

- CNA
- Lexington
- Lloyds
- RAMCO
- St. Paul
- Zurich
- XL

Contractor Professional Liability Market Trends

Are rate increases a thing of the past?

2002 Actions

- Average rate increases between 10% to 30%
- Exposure growth recognized
- Adverse loss experienced recognized

Contractor Professional Liability Market Trends

Are rate increases a thing of the past?

2003 Actions

- **Average rate increases between 5% to 15%**
- **Exposure growth recognized**
- **Adverse loss experienced recognized**

Contractor Professional Liability Market Trends

What about limits and deductibles?

- **Costs for higher limits**
- **Requests for higher limits**
- **Specific additional limits endorsements**
- **Higher deductibles**

Contractor Professional Liability Market Trends

Are there new limitations on coverage?

- **War and terrorism exclusion**
- **Mold exclusion**
- **What effects will limitations in the CGL marketplace have on contractor professional liability coverages?**

Contractor Professional Liability Market Trends

What are problem classes of business?

- **Project types**
- **Business in construction defect states**
- **Project insurance**

Design-Build

Joint Venture Relationships

Structure of Design-Build Relationships

- **Integrated**
- **Contractor-led**
- **Designer-led**
- **Joint venture**
- **Special purpose corporations**

How to Choose the Structure

- Owner preferences
- Likelihood of success in procurement
- How to best execute work
- Liability considerations
- Licensing issues

Questions to Ask in Structuring the Team

- Who is expending money & effort?
- Who has most to gain if get project?
- Compatible cultural and corporate values?
- Right project team?
- Pre-contract agreement?
- Previous history with owner?

Characteristics of Joint Ventures

- **Partnership principles**
- **Sharing of profits & losses**
- **Management committee**
- **Joint & several liability**

Characteristics of Limited Liability Companies

- **Statutory creation**
- **2 or more members**
- **Treated as partnership for tax purposes**
- **Limited liability of individual members**

Advantages of JV/LLC Structure

- **Direct access to design & construction teams**
- **Equal footing & power**
- **Parties buy-in to each other**
- **Chance for greater profit for A/E**
- **More opportunity to be creative in risk sharing**

Disadvantages of JV/LLC Structure

- **“One shot deal”**
- **Who is truly in control?**
- **Liability of JV can be significant**
- **Licensing issues**

JV Liability Issues

- **Formation of the JV**
- **Liability of partners to each other**
- **Designer vs. contractor liability**
- **Third party liability**
- **Procedural issues**

Laljeebhai R. Patel et al. v. Dilip Barot **(2001)**

- **Alleged JV to develop a turnkey housing project in Bridgeport, Connecticut**
- **JV relationship**
 - ◆ **Patel (local) and Barot (national)**
 - ◆ **No written agreement**
- **Patel sues when Barot cut him out of deal**
- **Court dismisses suit:**
 - ◆ **no meeting of minds**
 - ◆ **need to have proof that the JV terms are definite enough to enforce**

Hydro Investors, Inc. v. Trafalgar Power Inc. (2000)

- **JV between engineer and businessman for hydro projects in New York**
 - ◆ engineer developed feasibility studies
 - ◆ 6 projects at \$25 million
- **Financial disaster**
 - ◆ construction cost overruns
 - ◆ inadequate energy production
- **Malpractice claims against engineer by partner results in \$7.6 million verdict**

CRS Serrine, Inc. v. Dravo Corporation (1994)

- **\$100 million power plant for the Navy**
- **Teaming (letter) agreement**
 - ◆ CRSS took lead in preparing technical proposal
 - ◆ Dravo took responsibility for preparing bid
 - ◆ CRSS did not guarantee accuracy of Dravo's estimates in bid
- **\$12.5 million suit against CRSS by Dravo**
 - ◆ increased construction quantities
 - ◆ disruption and lack of productivity
- **JV provision that absolved CRSS of liability rejected**

Zueblin, A.G. v. The United States
(1999)

- **Military housing project in Germany**
- **Zueblin/AEGIS joint venture**
 - ◆ **AEGIS to prefabricate certain materials in US and transport to Germany**
 - ◆ **Zueblin took over when AEGIS defaulted**
- **Project one year late, Zueblin files claims**
 - ◆ **currency fluctuations**
 - ◆ **additional shipping costs**
- **Claims denied**

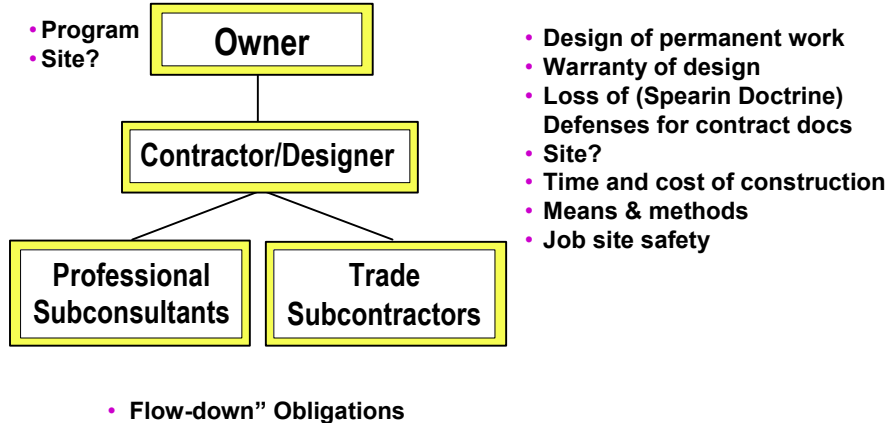
E.I. DuPont de Nemours v. Rhodia
Fiber (2000)

- **Manufacture and sale of nylon in China**
- **JV agreements formed**
 - ◆ **years of negotiations between parties**
 - ◆ **parent guarantees**
- **Rhodia terminates agreement**
 - ◆ **lawsuits and arbitration demands**
 - ◆ **issues over who can sue whom where**
- **Active involvement of parents in negotiating JV deal did not result in 3rd party beneficiary status**

Design-Build

A Review of the Special Professional Liability Insurance Issues Faced by Design/Build Joint Ventures

Contractor/Designer Joint Venture Design-Build Roles



Contractor/Designer Joint Venture Liability

Joint and Several Liability

Joint liability imposed on joint tortfeasors that allows enforcement of the entire judgment against any one of the tortfeasors

Contractor/Designer Joint Venture Insurance Issues

What is the most effective method of insuring the professional liability exposures of a contractor/designer joint venture?

- **As a single entity**
- **Under their respective policies**

Contractor/Designer Joint Venture Insurance Issues

Consideration should be given to the following issues:

- **The terms of the JV agreement**
- **The terms of the agreement between the joint venture and the owner**
- **The statutes of limitation and repose**

Contractor/Designer Joint Venture Insurance Issues

Each co-venturer's professional liability policy should be reviewed in full with emphasis on the following:

- **Definition of professional services**
- **Policy exclusions**
- **Joint venture coverage**

Contractor/Designer Joint Venture Insurance Issues

Insuring the joint venture under a single policy

- **Advantages**
 - ◆ **Single identifiable premium**
 - ◆ **Single policy deductible**
 - ◆ **Guaranteed coverage for entire JV**
 - ◆ **Coverage is easy to understand**

Contractor/Designer Joint Venture Insurance Issues

Insuring the joint venture under a single policy

- **Disadvantages**
 - ◆ **Cost**
 - ◆ **Must be coordinated with practice coverage**
 - ◆ **Separate tail coverage must be continued**
 - ◆ **Depending how coverage is written there is no guarantee that poor loss experience won't follow to the practice policy**

Contractor/Designer Joint Venture Insurance Issues

Insuring the Joint Venture under each co-venturer's Policy

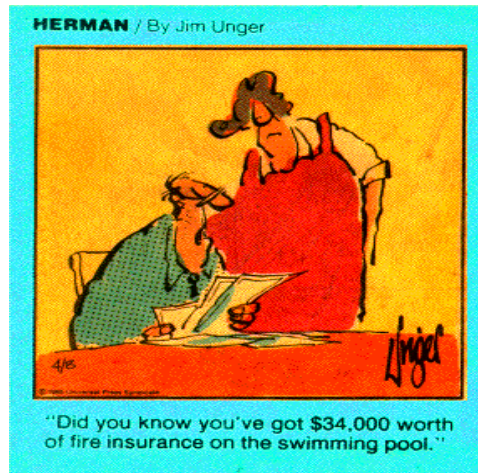
- **Advantages**
 - ◆ **Cost**
 - ◆ **Deductible In line with ability to pay**
 - ◆ **Control of coverage**
 - ◆ **Easier to handle**

Contractor/Designer Joint Venture Insurance Issues

Insuring the joint venture under each co-venturer's policy

- **Disadvantages**
 - ◆ **Overlapping coverage or coverage gaps**
 - ◆ **Multiple insurers handling a claim**
 - ◆ **Multiple deductibles**
 - ◆ **Poor loss experience will effect practice policy**

Joint Or Separate Coverage Be Clear On The Concepts



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