

Admitted. Different. Better.

Victory® General Liability now exclusively offers the Faulty Workmanship Coverage Endorsement.



Victory® is Admitted. Different. Better. With Faulty Workmanship Coverage.

BTIS continues to look out for both you and your contractors by offering a unique and affordable coverage, *exclusively* available with our Victory® Admitted General Liability.

Introducing our new Contractors Faulty Workmanship Coverage endorsement. This unique coverage may be added to the general liability policy and provides a **\$10,000** limit for as low as **\$30**. This coverage endorsement is offered only in Victory®, and cannot be found with *any other* market.

What is the Faulty Workmanship Coverage Endorsement?



Contractors Faulty Workmanship Coverage is a new and unique endorsement that provides a \$10,000 limit to protect your clients against claims arising out of faulty workmanship, materials or products. These claims would otherwise be excluded by the "business risk" exclusions found in every standard ISO Commercial General Liability policy.

In states that require a contractors license bond, claims arising out of faulty workmanship, materials or products may also be made against the contractor's license bond. If the bonding company pays any such claim, the contractor must repay the bonding company. The contractor's failure to repay the bonding company could result in suspension or revocation of their contractor's license. By protecting against bond claims, the Contractors Faulty Workmanship Coverage also protects the contractor's license, and their livelihood.

Highlights of the Faulty Workmanship Coverage:



Unique coverage found only at BTIS

This coverage is exclusive to BTIS and only available on Victory® Admitted!



\$30 Minimum Premium

The rate for this unique coverage enhancement is based on receipts, with a \$30 minimum premium!



15% Commission

An outstanding commission rate that will help you increase your bottom line!



Added Protection for Your Clients

Claims made coverage form, extended reporting period available!

This is not a policy, but merely a general description of coverages. Refer to actual policy for full coverage details including exclusions and limitations. Your policy will contain all of the terms and conditions applicable in the event of a loss or claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS ERRORS AND OMISSIONS (WITHOUT LABOR)

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Limits Of Insurance		Per "Claim" Deductible	Total Premium
\$10,000	Per "Claim" Limit	\$ 500	\$
\$10,000	Aggregate Limit		
Retroactive Date:			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

SECTION I – COVERAGES is amended as follows:

A. The following is added to Coverage A:

COVERAGE – ERROR AND OMISSIONS

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "contractors' errors and omissions" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any incident and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages for "contractors' errors and omissions" in any one "claim" is \$10,000, subject to an aggregate limit of \$10,000, in excess of a \$500 deductible, unless other amounts are indicated in the Schedule of this endorsement; and

(2) **Our right and duty to defend ends when we have paid or tendered for settlement the applicable limit of insurance in the payment of judgments or settlements for "contractors' errors and omissions".**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to "contractors' errors and omissions" only if:

(1) The "contractors' errors and omissions" takes place in the United States of America (including its territories and possessions); and

(2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule of this endorsement nor after the end of the policy period; and

(3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph d. below, during the policy period or an Extended Reporting Period we provide under Paragraph E. of this endorsement; and

(4) The insured issued a written contract or work order prior to initiating "your work". However, this only applies if the estimated cost of "your work" was over \$500.

c. All "contractors' error and omissions" performed by you at any one location will be deemed to have been performed at the time any "contractors' errors and omissions" at that location were first performed.

d. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

(1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or;

(2) When we make settlement in accordance with Paragraph 1.a. above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the "claim".

B. For the purposes of the coverage provided by this endorsement, the following is added to Coverage A, Paragraph 2. Exclusions

This insurance does not apply to:

1. Architectural, Drafting or Engineering Services

Architectural, drafting or engineering service provided by the insured including:

a. Preparation, approval, or failure to prepare or approve maps, shop drawings, plans, opinions, reports, surveys, field orders, change orders, designs, or drawings and specifications; and

b. Supervisory or inspection activities performed as part of any related architectural or engineering activities.

However, this exclusion shall not apply to claims arising from the architectural, engineering or drafting services provided by you if such services are within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.

2. Bankruptcy

Any liability arising out of your bankruptcy or insolvency.

3. Bodily Injury, Personal and Advertising Injury

a. "Bodily Injury" including sickness, disease or death resulting; and

b. "Personal and advertising injury".

4. Copyright Infringement

Damages which arise out of infringement of copyright or trademark or patent; unfair competition or piracy; or theft or wrongful taking of concepts or intellectual property.

5. Contractual Liability

"Contractors' errors and omissions" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

6. Delay

Delay or failure by you or anyone acting on your behalf to perform a contract or agreement on time.

7. Dishonest, Fraudulent, Expected, Intended, Criminal Or Malicious Acts

Damages arising out of any expected, intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

8. Estimates, Financing and Legal Work

Any liability because of an error or omission:

a. In the preparation of estimates of probable job costs, or cost estimates being exceeded; estimates of profit or return on capital;

b. In advising or failure to advise on financing of the work or project;

- c. In advising or failing to advise on any legal work, title checks, form of insurance, or suretyship.

9. Fines And Penalties

Any fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.

However, if we defend the insured against a "suit" seeking damages for "contractors' errors and omissions" and the "suit" seeks both compensatory and punitive or exemplary damages, we will afford a defense to such actions, but will not be liable for any punitive or exemplary damages or fines, penalties or other non-compensatory damages.

10. Manufacturer's Warranty

Express manufacturer's warranties or guarantees.

11. Ongoing Work

"Your work" that has not been completed. "Your work" will be deemed to be completed at the earliest of the following times:

- a. When all of your work at the location has been completed; or
- b. When that part of your work at a location has been put to its intended use by any person or organization other than another contractor or subcontractor working at the same location.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

12. Owned Property

Damage to property owned by, rented or leased by the insured.

13. Pollution Loss, Cost Or Expense

Any loss, cost or expense arising out of any:

- a. Request, demand, order or statutory, governmental or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

14. Subcontracted Work

"Contractors' errors and omissions" performed by a subcontractor.

15. Substitution

Any liability from a decision to substitute a material or product for one specified on blueprints, work orders, contracts or engineering specifications unless there has been written authorization.

16. Nuclear

This insurance does not apply to injury, sickness, disease, death, damage or destruction:

a. Under "contractors errors and omissions":

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

(a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

(b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. "Contractors' errors and omissions" resulting from the "hazardous properties" of the "nuclear material"; if:

(1) The "nuclear material":

(a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or

(b) Has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed,

stored, transported or disposed of by or on behalf of an insured; or

- (3) The "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

c. As used in this exclusion:

(1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(2) "Hazardous properties" include radioactive, toxic or explosive properties;

(3) "Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for:

(i) Separating the isotopes of uranium or plutonium;

(ii) Processing or utilizing "spent fuel"; or

(iii) Handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

(4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";

(5) "Nuclear reactor" means any apparatus designed or used to sustain nu-

clear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

(6) "Property damage" includes all forms of radioactive contamination of property.

(7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

(10) "Waste" means any waste material:

(a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and

(b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (a) and (b) of the definition of "nuclear facility".

17. **Labor Charges Or Profit**

Your labor charges, whether performed by you or on your behalf. We will not pay for any profit or loss of profit.

C. For the purposes of the coverage provided by this endorsement **SECTION III – Limits of Insurance**, is replaced by the following:

1. Limits Of Insurance

a. The Limits of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:

(1) Insureds;

(2) "Claims" made or "suits" brought;

(3) Persons or organizations making "claims" or bringing "suits"; or

(4) Acts, errors or omissions.

b. The Aggregate Limit of this endorsement is the most we will pay for all damages because of all acts, errors or omissions committed during the policy period.

c. Subject to the Aggregate Limit, Per "Claim" Limit of this endorsement is the most we will pay for all damages sustained as a result of:

- (1) An act, error or omission; or
- (2) A series of related acts, errors or omissions

d. We will pay for your cost of materials. We will not pay for any profit or loss of profit.

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

2. Deductible

a. Our obligation to pay damages to or on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule. The Limits of Insurance shall not be reduced by the amount of this deductible.

b. The terms of this insurance, including those with respect to:

- (1) Our right and duty to defend any "suits" seeking those damages; and
- (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.

c. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

D. For the purposes of the coverage provided by this endorsement, Section IV – Commercial General Liability Conditions, Paragraph 2, **Duties In The Event Of Occurrence, Offense, Claim Or Suit**, is replaced by the following:

2. Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit

a. We must be notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should

include what the act, error or omission was and when it occurred.

b. If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must also see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

E. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

1. You will have the right to purchase an Extended Reporting Period of one year, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The type of operations conducted by the insured;
- b. Previous types and amounts of insurance;
- c. Limits of Insurance available under this endorsement for future payment of damages; and

d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force during and after the Extended Reporting Period.

2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date shown in the schedule of this endorsement. Once in effect, the Extended Reporting Period may not be canceled.
3. If an Extended Reporting Period is in effect, we will provide an extended reporting period Contractors Errors and Omissions aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period Contractors Errors and Omissions aggregate limit of insurance will be equal to the Aggregate Limit amount shown in the Schedule of this endorsement.

All claims arising under the Extended Reporting Period are subject to all provisions of Paragraph C. of this endorsement.

F. For the purposes of the coverage provided by this endorsement, the following are added to **Section V – Definitions:**

1. "Claim" means any demand, or "suit", made for damage as the result of "contractor's errors and omissions".
2. "Contractors' errors and omissions" means faulty workmanship, material or products including resulting consequential loss. The damages must have occurred while performing operations described in the Declarations.
3. **Section V – Definitions**, Paragraph 18 is replaced by the following:
 18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the in-

sured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

G. For the purposes of the coverage provided by this endorsement, the following Fully Earned Premium provisions are added.

1. The Total Premium shown in the Schedule is the minimum premium for this endorsement and is not subject to pro-rata, or less than pro-rata adjustment, in the event of cancellation of the policy or this endorsement by the Named Insured. Cancellation of the policy or this endorsement for nonpayment of premium is considered a request by the Named Insured for cancellation and will activate this fully earned provision.