

CONSTRUCTION INSURANCE FROM PEN UNDERWRITING



penunderwriting.co.uk

WHY PEN CONSTRUCTION?

As construction insurance specialists, established over 20 years ago, we know that building in something extra will create value for your client.

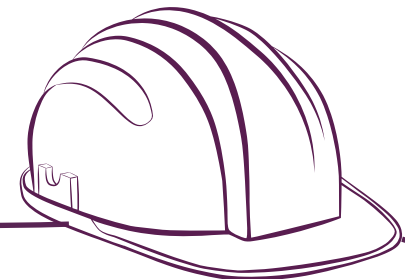
Does your current policy provide the following? Ours does as standard, which means these features and many more are automatically embedded in our policy at no extra cost:

- No Height or Depth limit
- Part Product
- 2 years new for old on Own Plant
- Replacement hire charges following damage to Own Plant
- Fuel in Bowsers
- HSE Fee For Intervention costs
- Completed Private Speculative Build up to 365 days and Commercial Speculative Build up to 90 days
- Customers Goods in the Care Custody & Control
- Contract Works Defects Extension
- Off-site storage
- Professional Negligence
- Financial Loss
- Cyber Liability
- Environmental Impairment Liability
- Environmental Statutory Liability
- Management Crisis Costs

We are able to offer the following sections of cover and limits on either an annual or single project basis.*

- Public Liability to £10M with excess layer options available
- Employers' Liability to £10M with excess layer options available
- Contracts Works Limit of Indemnity to £10M
- Own Plant Limit of Indemnity to £5M
- Hired in Plant Limit of Indemnity to £2.5M
- JCT 6.5.1 to £10M with excess layer options available
- Terrorism
- Legal Expenses including Contract Disputes

* Higher limits may be considered;



CRAFT AN ADVANTAGE

Not all construction policies will provide the cover your client needs as standard. Below are some of the key features included in our policy and what they cover.

HSE Fee For Intervention

From 1st October 2012 the HSE has been able to recover costs for carrying out some of its activities from those found to be in material breach of health and safety law. This cost recovery approach is known as Fee for Intervention (FFI) This policy will meet the costs where an inspection results in a letter, enforcement notice or investigation by the HSE. The average cost of a FFI invoice in 2016 was £650

Part Product

Most Contractors Public/Products Liability policies will as standard exclude damage caused to a product by its own defect. We will interpret the Product as being any and all work undertaken by or on behalf of the Insured under a contract. A Product means anything constructed altered repaired etc by the Insured and no longer in their possession or control. Our policy only excludes that part of the product which is defective. This allows cover to be brought back in on the overall product and limits the exclusion to the defective part of the product only. Giving the example of a new build property as the Product which is destroyed by fire the excluded defective component part may be as small and inexpensive as a fuse, the rest of the product now being covered.

Speculative Build

When a build under contract reaches practical completion, cover under a standard contract works policy ceases with the transfer of risk moving from the insured to their employer. If there is no employer and no contract and the insured has purchased land to build in the hope of an onward sale this is classed as speculative. Where practical completion is reached without a buyer the insured retains ownership of the risk pending sale. Our policy will provide cover up to 365 days for residential speculative build and 90 days for commercial speculative build pending sale, lease or rental of the property subject to the contract works policy remaining in force.

Environmental Impairment Liability

A standard pollution policy will pick up circumstances where the incident giving rise to a claim is sudden and takes place in its entirety at a specific moment in time. EIL allows cover to be brought back in where the incident giving rise to a claim is gradual. Giving the scenario where a fuel tank on site has been gradually leaking into the drains our policy will respond in the event of bodily injury or damage arising from such cause.

Defects Extensions

Most Contract Works policies will as standard exclude damage to property which is in a defective condition but will provide cover to other parts of the property which are damaged as a consequence of, this is referred to as DE3 and is common amongst most policies. Uplifts may be available to DE4 and DE5 to give wider cover. As an example, a marble column fails because its inner steel supporting rod is defective in design. The roof collapses, causing extensive damage to an expensive tile floor. Under DE3 the floor and roof would be covered but not the column. DE4 would cover the floor, the roof and the column but not the rod. DE5 covers everything except the cost of an improved type of supporting rod. Our wording provides DE3 cover with the option to uplift to DE4 post loss should this be economically viable to the insured. DE5 cover can be considered upon request.

Professional Negligence

Professional Negligence cover will offer protection against financial loss to an employer arising from the design activities of the Insured. For example, a plumber designing and installing all the waterworks for a new home may find the system fails. If there is no damage and no injury but the system just doesn't work due to an error in the design or specification, Professional Negligence insurance may cover the financial losses incurred by the employer. They may for example need to find alternative accommodation and place furniture into storage while the work is being rectified.

OUR APPETITE

ACCEPT

The main feature of the risk must be manual work away

Minimum turnover £1M

Air Conditioning, Acoustic Engineer, Alarm Installers, Artexers, Bathroom & Kitchen Installers, Blinds, Roller Window & Door Shutter Contractors, Bricklayers, Carpenters, Cavity Wall Insulators, Ceiling Contractors, Chimney Sweeps & Repairs, Conservatory Erection, Construction Site Logistics, Damp Proofing, Data Cable Installers, Domestic Shed & Garage Erectors, Drain & Pipe Cleaners, Drystone Walling, Ductwork Installers, Electrical Contractors, Fencing Contractors, Fitted Furniture Installers, Floor Covering Contractors, Floor Surfacing Contractors, General Builders, Glass & Double Glazing Contractors, Groundworkers, Harling & Roughcasting, Haulage Contractors, Heating & Ventilation Contractors, Insulation Contractors, Landscape Gardeners, Loft Conversion Contractors, Paving Contractors, Pipe Fitters, Plant Hire, Plastering & Drylining, Playground Equipment Installers, Plumbers, Road Surfacing/Kerbing, Shop & Office Fitters, Site Levelling/Clearance Contractors, Solar Panels (Farms), Sports Surfacing Contractors, Stonemasons, Terazzo Work, Tilers, Utility Contractor

ACCOMMODATE

The main feature of the risk must be manual work away, with this activity forming the majority of their overall work i.e specialists in their field

Minimum turnover requirement of £1M

Aerial Erectors, CCTV & Alarm Installers, Concrete Finishers, Concrete Pumps, Curtain Walling, Diamond Drillers, Formwork & Shuttering, Guttering, Lift Engineers, Reinforced Concrete Contractors, Soft Strip Contractors, Solar Panel Telegraph Pole & Street Light Installers, Tree Felling & Lopping, Underpinning, Water Treatment Contractors

DECLINE

Out of Appetite

Roofers, Scaffolders, Demolition, Steel Erection, Steel Fabrication, Asbestos removal, Forestry Contractors, Steeplejacks, Piling, Red Zone Rail Works, Work on Runways & Aprons, Tunnelling, , Work involving bridges & Viaducts, Basement Contractors



CONSTRUCTION - LIABILITY

We love finding solutions. We have expertise, empowerment and a first class product. We want to help you win and retain clients.

Include the following in your presentation to enable us to consider the risk and apply our best rates.

ONE

CRITICAL

Years trading or previous experience if a new venture along with details of the last 3 contracts

Even new ventures can attract a discount if you can outline any previous experience

TWO

CRITICAL

Last 5 years turnover and 5 years claims experience so we can assess any fluctuations

If a turnover has fluctuated this may not give a clear representation of the claims experience

THREE

Split in business activities if more than one activity is undertaken

Allows us to accurately apply the right rate rather than allocate to the highest risk trade

FOUR

Split in locations worked (Residential, Commercial, Industrial, Leisure, Offices, Schools) Maximum number of storeys worked to internally

Allows us to accurately apply the right rates rather than allocate to the highest risk location

FIVE

CRITICAL

Any work involving Asbestos Containing Materials either by the insured or by a BFSC

Material fact - we are not looking to accommodate risks where handling of ACM's are a feature

SIX

Split of work above 10M from ground level & split of depth work below 1M, 3M, 5M

Allows us to accurately apply the right rates rather than allocate to the highest risk

SEVEN

CRITICAL

% use of heat and type split by own work force and BFSC

Rating factor

EIGHT

Split between work in/on new build and existing buildings

Allows us to accurately apply the right rate rather than allocate to the highest risk

NINE

Payments to BFSC and what work they undertake on your behalf

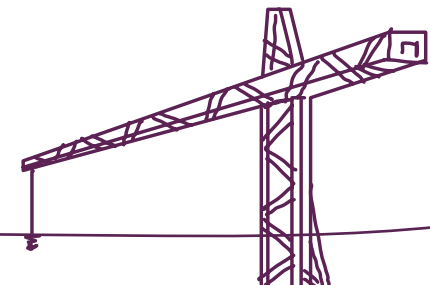
Rating factor - linked in with site supervisory wages below. Demonstrates the controls the insured has on site

TEN

CRITICAL

Full wages breakdown between clerical, manual away, manual premises, drivers, yardmen, site supervisors and fixed woodworking machinery

Allows us to accurately apply the right rates rather than apply all as manual if not otherwise split out



CONSTRUCTION - WORKS/PLANT

We love finding solutions. We have expertise, empowerment and a first class product. We want to help you win and retain clients.

Include the following in your presentation to enable us to consider the risk and apply our best rates.

ONE

CRITICAL

Years trading or previous experience if a new venture along with details of the last 3 contracts

Even new ventures can attract a discount if you can outline any previous experience

TWO

CRITICAL

Last 3 years turnover and 3 years claims experience so we can assess any fluctuations

If a turnover has fluctuated this may not give a clear representation of the claims experience

THREE

What % of turnover is derived where the Employer is responsible for insuring the contract works

Rating factor. If the Employer is insuring the works in joint names then a premium saving can be obtained

FOUR

Split between New Build and Alterations/Maintenance

Allows us to accurately apply the right rate rather than allocate to the highest risk

FIVE

CRITICAL

What % of work involves the use of Timber Frame

Material Fact. Our policy gives up to £2M/3 storeys. Please ensure this is adequate.

SIX

Details of security on sites

Particularly relevant where Timber Frame is a feature

SEVEN

CRITICAL

Estimated Maximum Exposure any one site - use this to set your limit of indemnity

We work on a LOI basis, not maximum contract value. A contract may be in 2 equal phases hence the LOI can reflect such

EIGHT

Inventory of Plant detailing individual makes, models and value and whether any security devices are installed

Allows us to accurately apply the right rate rather than allocate to the highest risk

NINE

CRITICAL

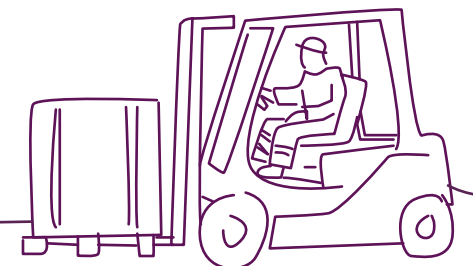
Estimated Maximum Exposure for Own & Hired in Plant on site/own premises - use this to set your limit of indemnity

We work on a LOI basis not sum insured, this can make a real difference to the rating if there is a good spread of risk

TEN

Annual Hiring Charges

Rating factor



DON'T JUST TAKE OUR WORD FOR IT

With a 45% success rate on quotes given through 2021 this is what some of our brokers are saying;

While the core essential covers a broker would expect on any construction insurance product are in situ - what is particularly impressive with the Pen Construction contract is the many additional areas of cover that are included automatically in their product.

The team were able to expand clearly and precisely on each area of cover that is included in their policy automatically - which you would not necessarily find to the same extent or at all - amongst other construction policy wordings that are available in the market to brokers.

Aside from these enhancements on policy covers for their product, I found Pen Construction underwriters keen to work with me as a broker on terms and premium in obtaining the correct and necessary risk information that allows them to provide me with competitive terms and premium aligned with an already enviable construction product."

Paul Schofield | Donald Schofield Limited

"It extremely easy to do business with Pen's Construction team"

Nicola Pearson | JM Glendinning Insurance Brokers

"Responsiveness is key - in this case I was able to get hold of the team immediately twice, get renewal terms easily based on information that was not straight forward and then get an amendment (last minute) resolved very quickly. What could have been a time consuming difficult renewal to talk through with an underwriter was made as simple as could be hoped for."

John Ramsden | Alan Boswell Group

"Our experience is that of easy, simple procedures from the underwriters and claims teams we deal with. We have always been able to contact the Construction team via email or phone with a quick response."

Andy Shore | Brooksure Insurance Brokers

We have been working with Pen Construction over the past 12 months. Their proposition is a breath of fresh air for the market.

Pen's Construction product includes many important additional features, including Part Products Liability and FFI costs charged by the Health & Safety Executive.

However, it's the immediate access to construction specialist underwriters, their balanced underwriting process, competitive premiums and can-do attitude which makes the Pen Construction offering very attractive to brokers."

David MacKinnon | Vision Insurance Services Ltd

"I was impressed by the breadth of policy coverage, competitiveness of the premium and responsiveness/expertise of the underwriter."

Kristina Hudgell | Aston Lark Group (Alton)

"Nicola King turned around a last minute quote request within a couple of hours and stayed on to 6pm as she knew I needed cover on the day, only to find out I had to leave the office earlier! She really pulled out all the stops for me and made the placement easy, efficient and super-quick - I cant praise her efforts highly enough - In a word - Superb!"

Abi Smith | Kelvin Smith Insurance Brokers

"The construction team is brilliant - we get a quick yes or no on whether they can do cover, and when they can quote we are finding them very competitive on premium with an excellent wording behind them."

Senior Account Handler | Broker in the South West of England

"I think it's already easy to do business with Pen's Construction team"

Becky Hitchcock | Aston Lark Group (Derby)

WHY PEN UNDERWRITING?

Pen Underwriting (Pen) is a multi-class, multi-territory Managing General Agent (MGA). When we set up Pen in 2014, we brought together some of the UK's best known and most respected underwriting businesses, many with decades of underwriting expertise. From a 'super start-up' of a dozen or so brands, to a single cohesive £660m GWP business, we're setting our sights on our next milestone - with a bold new vision to become a £1bn GWP underwriting & distribution business. Over the last six years, the businesses have integrated to form one single operation that had broad distribution and acted like an insurer, responsible for everything apart from the capital at risk.

In 2021, with the majority of the integration work done, and with Pen operating as a single business, Pen has redefined itself - not as the business it thought it might become, but as something even better - the business the market needs it to be.

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Our values - IDEAS, AGILITY, CONNECTING, FULFILMENT and SOLVING - are built on strong foundations

IDEAS - We find smart ways to make the most of opportunities

- Leveraging expertise and technology to create solutions
- Bringing new products and services to market
- Solving broker, carrier, coverholder and insured pain points

AGILITY- We are responsive people, empowered to make decisions

- Meeting Pen service standards
- Adapting products and processes quickly
- Being flexible in how we address challenges

CONNECTING - We work together to offer joined up solutions

- Being accessible to other teams
- Collaborating on initiatives across the business
- Being proactive about cross-selling opportunities

FULFILMENT- We deliver products, services, processes & infrastructure that provide a competitive advantage

- Satisfying needs of all stakeholders
- Executing work with attention to detail
- Providing a consistent customer experience

SOLVING - We focus on building our reputation as long-term partners

- Developing sustainable business practices
- Progressing our expertise, skills, and technology
- Creating solutions for the future





www.penunderwriting.co.uk

These are brief product descriptions only. Please refer to the policy documentation paying particular attention to the terms and conditions, exclusions, warranties, subjectivities, excesses and any endorsements.

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