



Berkley Construction Professional

| a Berkley Company

Succeed with Opus

Owners Protective Benchmarks

Introduction

By Raymond F.H. Bustamante

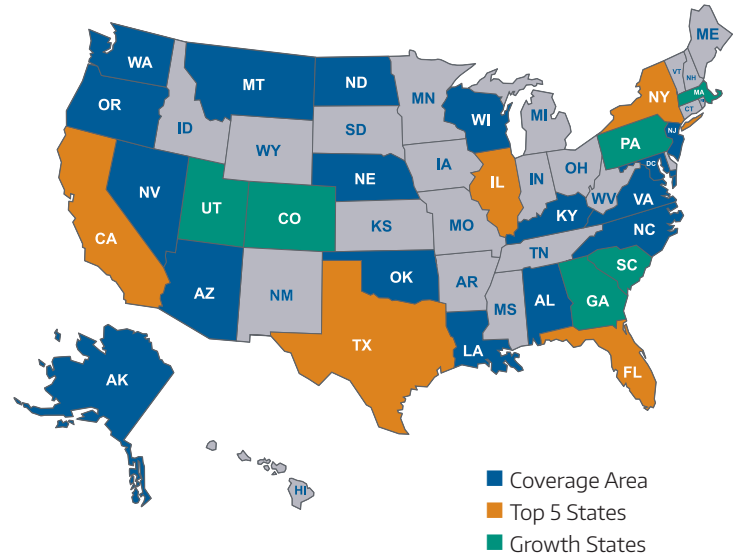
We are pleased to provide you with benchmark data of similar risks to yours that have purchased our Opus (owners protective) policy. As a leading insurer in this business, covering almost 40%+ of the entire market, we are uniquely positioned to give you guidance based on this data.

As a rule of thumb, we've seen firms such as yours purchase our protective policy to mirror half of the contingency of their project. The reason for this trend may be that design liability is usually accounted for in full within the contingency and when there is a significant claim involving design issues, it often exceeds the contingency. While there have been projects that have had total losses equal to the project value, it is almost unaccounted for in recent history, as design liability for your type of project usually represents a portion of added costs or delays and can be remedied with a good fix.

Depending on your financial wherewithal, risk appetite and unique project risks, the purchase of an owners protective policy is purely a personal decision. For example, for a \$200M project, the average contingency may be \$10M (5%) and you would be somewhat insured if, at a minimum, you purchase a dedicated \$5M Opus limit. Keep in mind that you would hope the underlying policies would be available in some form and assist you in the instance of a claim. If you want to increase your comfort with the amount of insurance purchased, we have seen firms such as yours purchase \$10M so as to match 100% of your contingency. This is not a guarantee that the limit will be adequate and you need to consider all aspects of the individual risks of your project in order to measure if the insurance comfortably aligns with your appetite and financial wherewithal for risk.

We appreciate the opportunity serve you and encourage you to work with your insurance broker before making any final decisions about your protective policy and the limits of liability you should purchase. If we can be of further assistance, please contact us.

National Coverage



We have provided coverage in more than 30 states.

Top 5 States for Policies Written

1. California
2. New York
3. Florida
4. Texas
5. Illinois

States Showing Growth for Policies Written

- Georgia
- Colorado
- Pennsylvania
- Massachusetts
- South Carolina
- Utah

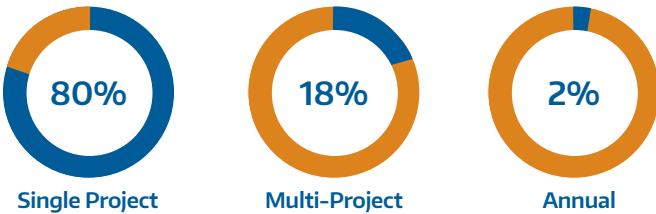
And many other states!

Don't miss your opportunity to grow with us!

Succeed with Opus!

Below is Opus benchmark data from our book of business that may provide assistance as you consider owners protective coverage.

Policies by Policy Structure Type



Growth Opportunities

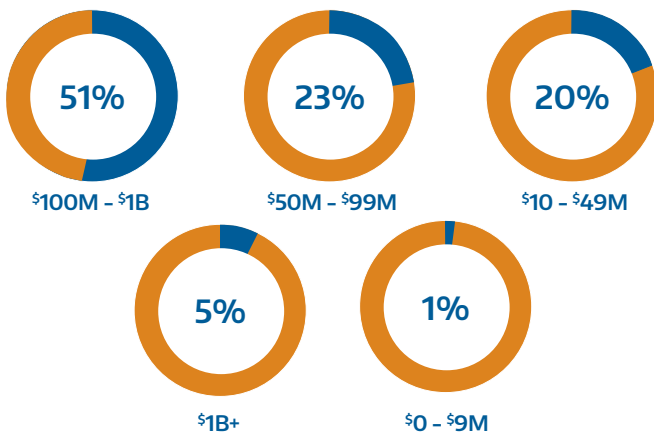
Currently, the majority of policies provide coverage for a single project. There is significant marketplace opportunity to increase the number of multi-project and annual structure policies.

Best Fit

Multi-Project Structure: Firms with a handful of well-defined, mid-to-large sized capital improvement/renovation projects planned for the next 5 years.

Annual Structure: Firms with a substantial backlog of small-to-medium capital improvement/renovation projects planned for the next 5 to 10 years and beyond.

Policies by Project Value



Most project owners purchase coverage for projects that exceed \$100M in construction values.

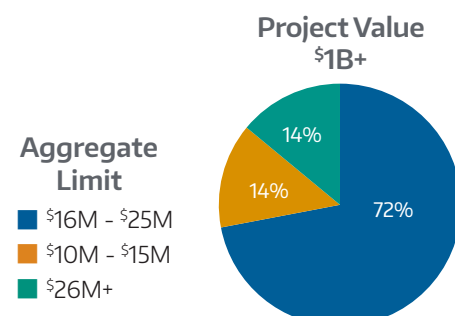
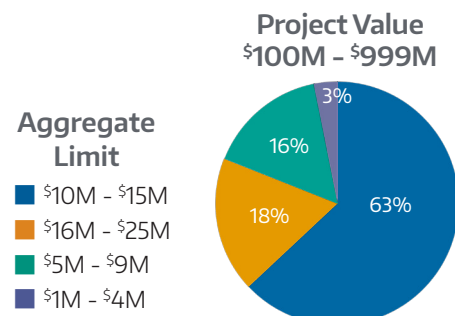
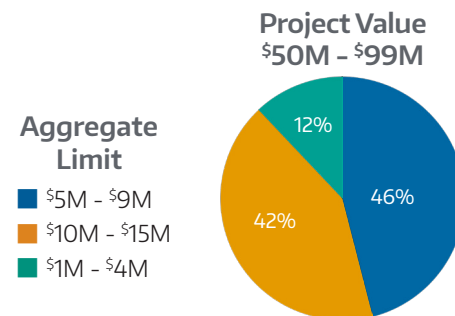
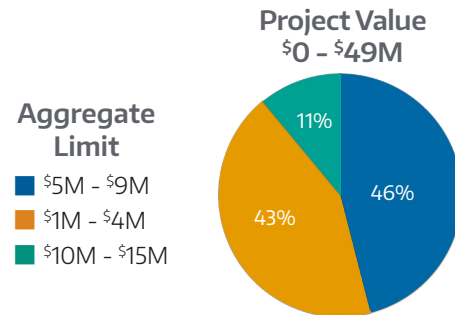
Growth Opportunities

The marketplace now recognizes the need for coverage for projects with values less than \$100M.

Small projects can generate big claims!

Policies by Aggregate Limit & Project Value

Our policyholders have purchased these aggregate limits for projects within the following project value ranges.



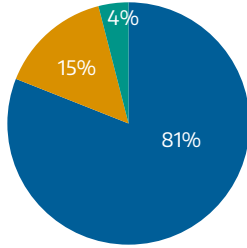
Policies by Minimum Insurance Requirement (MIR) & Project Value

Our policyholders have required these MIR limits for projects within the following project value ranges.

Project Value: \$0 - \$49M

MIR Limit

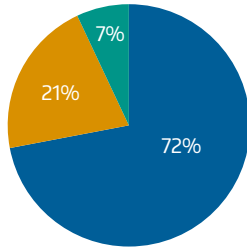
- \$1M - \$2M
- \$3M - \$5M
- \$6M - \$10M



Project Value: \$50M - \$99M

MIR Limit

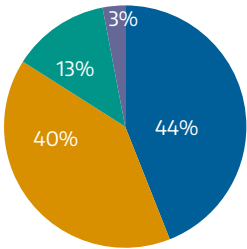
- \$1M - \$2M
- \$3M - \$5M
- \$6M - \$10M



Project Value: \$100M - \$999M

MIR Limit

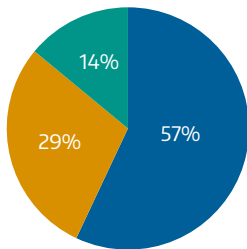
- \$1M - \$2M
- \$3M - \$5M
- \$6M - \$10M
- \$11M+



Project Value: \$1B+

MIR Limit

- \$5M - \$15M
- \$16M - \$25M
- \$26M - \$50M



Past MIR Purchasers

The most commonly required MIR by past purchasers is:

Project Value

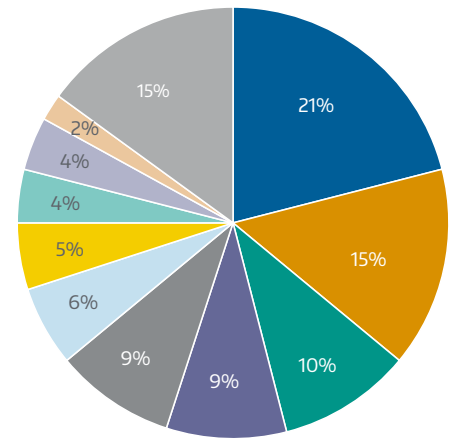
- \$0 - \$49M
- \$50M - \$99M
- \$100M - \$999M
- \$1B+

MIR

- \$1M - \$2M
- \$1M - \$2M
- \$1M - \$5M
- \$5M - \$15M

Policies Written by Project Type

Policies covering more than 25 different types of projects have been issued.



Top 5 Project Types

1. ■ Apartments
2. ■ Condos
3. ■ Office buildings
4. ■ Civil/Infrastructure projects
5. ■ Hospitals

Top Growth Opportunities

- ■ Casinos
- ■ Hotels
- ■ Educational Institutions
- ■ Nursing Homes
- ■ Retail

■ And others – just ask!



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Succeed with Opus!

Berkley CP's Opus is designed to protect project owners from subcontracted professional and pollution liability exposures. Opus introduces the Proactive Resolution feature, an innovative approach to the otherwise traditional protective indemnity claims resolution process. Additional policy enhancements are designed to meet the ever evolving and complex requirements of the construction industry.

Coverage Highlights

- Limits up to USD \$25 million
- First party protective professional indemnity coverage
- First party protective contractor's pollution coverage
- Third party claim defense and indemnity coverage
- Proactive resolution of protective claims provision
- Extended reporting periods matching the statute of repose available
- Coverage extension for certain professional services performed after substantial completion

Claims Highlights

- Experienced in-house claims personnel dedicated to construction professional and pollution liability
- Collaborative approach to resolve claims with policyholders and counsel
- Works closely with underwriting to ensure consistency when working with policyholders
- Low file counts result in better resolutions and customer service

About Berkley Construction Professional

Berkley Construction Professional is a division of Berkley Alliance Managers which is a member company of W. R. Berkley Corporation, an insurance holding company that is among the largest commercial lines writers in the United States and operates worldwide in two segments of the property casualty insurance business: Insurance and Reinsurance and whose insurance company subsidiaries are rated A+ (Superior) by A.M. Best Company. wrberkley.com

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For additional information concerning W. R. Berkley Corporation's insurance company subsidiaries, please go to: wrberkley.com/site-services/legal.aspx

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