

Broker News on Programs, Services and The Marketplace



Inside This Issue:

Agency vs. At-Risk Construction Mgmt.	1
Construction Management	
Quick Reference	1
Getting Your Quote Quickly	2
Sales Tools	2

Construction Managers Find a Home at Schinnerer

Construction management is a unique specialty at Schinnerer because we have three separate programs able to handle the risk:

1. The **A/E Program** insures A/E firms performing some construction management services.
2. The **Contractor's Program** takes your at-risk construction managers.
3. Our **Specialty Construction Consultants Program** handles agency-only construction managers.

And don't forget that our P&C Program can write many of your construction management clients on a tailored package policy (TCPP).

We get a lot of questions about construction managers, many of which focus on the difference between agency and at-risk construction management. This issue will not only answer that question, but will also address getting your CM quotes completed as quickly as possible.

Agency vs. At-Risk Construction Management: The Basics

Because agency and at-risk construction management fall into two different programs at Schinnerer, we often get questions from you about which one your client fits into. Here's the answer:

Agency Form construction management (and the similar "owner advisor" form) means acting as the representative or agent

of the owner. Professional services provided by the agency form construction manager may include: a) Obtaining and evaluating bids for the owner, b) Preparing contracts, c) Coordinating the scheduling of work, and d) Acting as the owner's agent during the construction process. Other services may include cost estimating, value engineering and coordination during the construction phase of the project. An agency form construction manager acts as the eyes and ears of the owner.

Agency form construction management may or may not be performed in conjunction with design services, but never involves taking direct responsibility for the means, methods and techniques of construction and the resulting work. However, because the agency construction manager is providing a professional service to the owner/client, professional liability insurance is still required. In this case, knowledge and experience, rather than registration or licensing, is generally all the qualification that is needed for coverage. We insure agency form construction managers in our Specialty Construction Consultants Program. For more information, please contact Kristen Barry at (301) 951-9776. Agency form construction managers may also be eligible for a tailored P&C package policy as well. Call Jennifer Clements at (301) 951-5420 for more details.

At-Risk Form construction management is a project delivery process in which the

construction manager assumes responsibility for the means, methods, and techniques of construction and the related work. They also may have the ability to hire and fire and may be responsible for on-site safety. From an underwriting perspective, they present many of the same exposures as a general contractor but have an additional exposure to errors and omissions in their role as an advisor and facilitator for the owner. Your at-risk construction managers can get professional liability coverage through our Contractor's Program. For more information, call Danielle Smeeton at (301) 951-6939.

Construction Management Quick Reference

	Agency Form	At-Risk Form
Program	Specialty Construction Consultants (admitted)	Contractor's (non-admitted)
Contact	Eric Myers (301) 951-5428	Eric Myers (301) 951-5428
Qualifications	<ul style="list-style-type: none"> • No responsibility for means, methods, techniques • Eyes and ears of owner 	<ul style="list-style-type: none"> • Ability to hire/fire • Responsible for on-site safety • Responsible for means, methods, techniques of construction
P&C available?	Yes: Tailored package policy	Not currently

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Construction Managers Find a Home at Schinnerer *(continued from front)*

Getting Your Agency CM Quote—Quickly!

Time is of the essence for every professional. To get your agency construction management quotes, make sure the following items are included your client's application and send it to your Specialty Construction Consultants Underwriter.

- **A complete address.** This may seem like a simple one, but zip codes get the application to the appropriate underwriter and allow us to enter the application.
- **A project list.** The information on the size, type, and location of the project helps us evaluate the experience and expertise of the firm.
- **A detailed description of the firm's services.** The description of construction management services traditionally include: coordination of services on behalf of the owner, scheduling, cost estimating, code compliance, and/or program management.

- **A résumé.** Although we do write start-up companies, we also look at the experience of the principal and key personnel to determine the long-range stability of the company. Firms with licensed principals must have at least three years of experience. Non-licensed personnel must have five years of relevant experience.
- **A copy of the contract.** Many prospects are purchasing insurance because a client requires it. If specific wording or limits are expected, include the information with the submission so that we can clearly meet or discuss the requirements in the quotation.
- **Completed billings questions.** Billing information is critical for our underwriting process, so we need complete billing information, including fees for sub-consultants and their reimbursable expenses. And speaking of complete submissions, make sure you are sending us . . .

- **A complete application.** Incomplete or missing answers may cause a delay in your quote. Claims information, previous insurance, ownership in other entities, explanation of the use of non-standard contracts and any other unique details of the firm are all items your client should be ready to provide at the time the application is sent.

Need Help Selling to Construction Management Firms?

We've got the flyer for you. It contains complete program details as well as a claims scenario, illustrating the importance of professional liability coverage, even for an agency construction manager. If you'd like some copies, please call our Client Services Liaison at (301) 951-9746.

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