

Construction PI

Top tips for building the best insurer submission

Our team

For further information, please contact:

Paddy Synnott

T +44 20 7031 2535

E paddyj.synnott@miller-insurance.com



Ben Combarro

T +44 20 7031 2605

E ben.combarro@miller-insurance.com



About Miller

We are a leading independent specialist (re)insurance broking firm with more than 750+ people across our UK and international operations.

Our reputation as the strongest advocates in the business comes from our exceptional people delivering exceptional results for over 120 years.

With a client-first approach, we value our long-standing relationships and continue to build strong and rewarding partnerships.



Miller is a Chartered Insurance Broker, the industry's gold standard for insurance brokers. We have committed to delivering professional excellence and adhering to a Code of Ethics.



Providing insurers with a high-quality risk submission is essential to giving your firm the best chance of obtaining favourable professional indemnity (PI) terms. Below is the key information you should include.

General overview

- Highlight the services provided and the sectors operated in
- Cover the firm's history and current ownership structure
- Outline the firm's vision, mission and values statement

Financials

Provide the group income over the last five years, including a breakdown by services and geography where relevant. You should also include the reasons for any significant increase or decrease in group income.

Projects

Include details of the five largest projects, including total contract values over the last three years. In addition to this, outline the largest contracts expected to start in the next 12 months.

Claims

Outline the number and nature of open and closed PI notifications and claims for the last 10 years, including details of the paid and reserved figures. Focus on what went wrong and lessons learnt so insurers can see what has been done to reduce the chances of this recurring.

Risk management

Demonstrating your firm's strong risk management practices is a vital part of your risk submission to insurers. You should explain the following.

- The role of the Board and the Senior Management team in reviewing principal risks, emerging risks and determining the firm's risk appetite
- The firm's bid/no-bid approach, including authority levels and bid participation
- Who can sign off on various stages of a tender and on what terms
- What due diligence the firm undertakes before working with a new client or on a new project, including how you get paid
- The percentage of work from repeat clients
- The firm's approach to working in joint ventures (how are JV partners selected and what due diligence do you enter into)
- How you manage supply chain risk, especially with the use of design firms and other professional services providers
- How you check the standing of suppliers and consultants, especially their PI insurance



- How you maintain full rights of recovery against suppliers and consultants, and how the terms of engagement with suppliers and consultants allow you to pass liability off 'back-to-back'
- The contract review processes (to avoid onerous contract conditions)
- What contractual terms you will never accept (e.g. liquidated damages, uncapped liability, fitness for purpose, etc.)
- What would stop your firm from bidding for a project (e.g. others underbidding price, potential poor credit rating of employer, lack of supply chain)
- What limitation of liability provisions you typically agree to (where possible emphasise percentage of contracts capped v uncapped)
- The percentage of contracts undertaken on your standard terms and conditions
- What risk management training is provided within the business
- The firm's approach to health and safety generally

Environmental, Social & Governance (ESG)

When considering a risk, insurers are placing greater importance on a firm's approach to ESG. As part of your submission to insurers, you should provide details of your firm's ESG strategy.

Environmental

Sustainability/climate change | Pollution/waste



Social

Human capital development | Human rights | Health & safety



Governance

Board diversity | Business ethics | Corporate governance | Corruption & instability



To further demonstrate your diligence and expertise to insurers, it is always good to include:

- accreditations & memberships
- key industry highlights and awards
- client testimonials.

If you would like to discuss the above or any other insurance requirements, contact our Professional Indemnity experts for more information.