

SME Construction

Specialist solutions built by professionals



Zurich – leading the way in insurance for SME Construction

Zurich is one of the UK's leading insurers, providing global coverage and market-leading risk management across a broad range of sectors.

Our heritage and reputation are built on financial strength and stability, building confidence with brokers and customers that we provide reliability and are here for the long term.

We have continuously delivered strong financial performance irrespective of market conditions, continuing pressure on pricing and the rising impact of claims inflation on Business Operating Profit and Combined Ratio.

- In May 2009, Zurich achieved its 25th consecutive quarter of profitability.
- Zurich's UK business results for 2008:

Gross Written Premium (GWP)	£2,097 million (up 2% compared with 2007)
Business Operating Profit (BOP)	£295 million (£91 million in 2007)
Combined Ratio	95.7% (104.8% in 2007)

Underwriting integrity combined with a customer-focused ethos is what sets us apart.

We are a trustworthy partner for you and your customers, someone you can confidently place business with – even in turbulent market conditions.

Our broad footprint spans the needs of private individuals, SMEs and corporate businesses and includes specialist areas such as Construction, Property Investors, Marine Cargo and Engineering. So not only can we help you reach a wide customer base, we can also provide the depth of expertise that successfully supports both you and your customers. You can be confident you have access to valuable insight, experience and decision-making, whatever business you're looking to place.

Strength and reputation

- Global insurer with GWP of US\$37.2 billion in 2008.
- Third largest general insurer in the UK.
- UK's leading Employers' Liability insurer.
- Five-star Defaqto ratings for our Home and Motor products.

We have strong regional presence in the UK backed by global reach and capacity. With a network of UK branches and a UK-wide salesforce, we can work with you and your customers in a way that fulfils specific requirements.

Opportunities in SME Construction

Zurich has established a specialist SME Construction offering through national centres of excellence in the UK and Northern Ireland. These centres provide underwriting and claims expertise that respond to the unique factors relating to the construction industry. SME Construction is a market that offers significant future growth opportunities.

Why are we targeting this business?

- Significant opportunities exist for Zurich to achieve profitable growth in the SME Construction market.
- The differing needs of SME companies from Corporate companies require specific insurance solutions – Zurich has adapted its approach to respond to the specific customer segmentation within this industry.
- Zurich's ethos of sustainable pricing and underwriting approach ensures we are able to offer affordable solutions irrespective of the insurance market conditions, when other insurers are less consistent.
- The construction industry requires complex insurance programmes and expert knowledge – Zurich has built this industry insight and expertise through the dedicated centres of excellence.

Market size

Sourced from Internal Zurich research

- The overall UK construction insurance market is estimated at approx. £1.5 billion Gross Written Premium (GWP).
- Construction accounts for over 10% of UK businesses, with 90% of those being defined as either Tradesman or SME sized companies (up to £5 million turnover).

Market share

- Zurich is the third largest construction insurer in the UK and growing in the SME Construction sector.

Our view of the industry landscape

Economic factors

The construction industry is:

- Volatile and highly price sensitive due to the low margins and tender approach to insurance purchase
- Impacted significantly by the economic downturn with many businesses fighting to survive
- Currently expected to contract by an estimated 15% over the next few years through, acquisition, liquidation and reductions in company size
- Affected by funding difficulties delaying or halting building site projects.

Risk factors

- A mobile and fluid workforce, remote supervision, interaction with the public, sub-contractor relationships and legal requirements that often work against the company all add to the distinct complexities associated with construction risks both from an underwriting and a claims perspective.
- Sub-contracting is a key feature of the trade and controlling and understanding the role, supervision and suitability of a sub-contractor is essential. Zurich can assist in developing best practice in managing this exposure.
- The nature of work in construction means that serious and fatal incidents are more prevalent than any other industry. This contributes towards insurer appetite and ability to operate in the market creating fluctuation in capacity and availability and affordability of insurance.
- As insurers drive up rates, companies will be forced to tighten their health and safety practices and risk management to ensure the best terms and maintain insurer interest.

Future potential

- Infrastructure work is still growing and companies associated with this type of work are a key target for Zurich.
- Civil Engineering is providing a bright spot for the industry with some strengthening in the flow of projects starting.
- The London Olympic Games with its immovable deadline of 2012 is providing a reliable regular source of work for the industry. By

- the end of 2009 over 11,000 people will be directly employed on Olympic projects and with £4 billion work already reached contract award and a further £10.7 billion still to be awarded.
- Construction work driven by public funding such as education and rail is expected to grow significantly over the next five years.

SME Construction customers you can target

Our core appetite is UK-based contractors and construction companies who purchase annual and project insurances, between £1 million and £5 million turnover and typically:

- Show a responsible attitude to Health & Safety and risk management
- Have +50% of their risk exposure away from their own premises, including installation, maintenance, building, groundwork, plant hire, and operate heavy machinery at third party sites
- Preferred trades are:
 1. Groundworkers (3m depth)
 2. Electrical contractors
 3. Painting & decorating contractors
 4. General builders
 5. Plant hire contractors
 6. Plastering & ceiling contractors
 7. Shopfitting contractors
 8. Scheme opportunities.

There are elements of the construction market we are unable to underwrite. These are predominantly:

1. Asbestos removal contractors
2. Demolition contractors
3. Scaffolding contractors
4. Roofing contractors
5. Heavy civil engineering risks
6. Offshore risks
7. Non-UK risks.

Matching our cover to your customers

Employers' Liability	Suitable for construction companies with a turnover of £1 million to £5 million who show a responsible attitude towards Health & Safety/risk management and with a predominant (+50%) work away exposure.
Public and Product Liability	
Contract Works Cover	
Other core covers*	

* refer to the relevant section under Core Product Choice.



Why choose Zurich for SME Construction?

Specialist service and cover built on strong principles

Our SME Construction cover is built on the following fundamentals:

- Specialist SME insurer with an appetite for growth
- Specialist in-house underwriting expertise with industry knowledge and authority to make decisions
- Sustainable and consistent approach to pricing
- Swift response for new business enquiries
- Specialist Construction Claims team
- A shared pool of construction best practice, knowledge and innovation
- Expert line of business approach, enabling choice of unbundled or packaged customer underwriting.

Schemes

- We insure a variety of Tradesman and SME risks through schemes and are looking to further develop these. These can be either wholesale or retail facilities.

Service that sets us apart

Zurich has a unique approach to working with brokers, with several initiatives in place to provide help and support.

Market underwriters

Brokers have direct access to market underwriters, who have the authority to make decisions. Our underwriters can assist you with customer visits.

UK-wide salesforce

Our dedicated salesforce is there to help brokers develop both SME Construction and their overall insurance portfolio. These are the people who can help develop your business plan, prospect and pipeline.

Portfolio Development Underwriters

You have access to Portfolio Development Underwriters with a real appetite for developing portfolio business, who will work with you to develop solutions for block books of SME Construction business or consider your SME Construction business as part of a wider portfolio.

E-trading solutions

Zurich is investing significantly in developing full-cycle e-trading solutions for brokers, providing fast and efficient transactions. Brokers are already benefiting from strategic e-trading partnerships with us and we're seeking further opportunities.

Claims

- We minimise disruption and loss for your customers, ensuring each claim is proactively handled at the earliest possible stage.
- We have a specialist Construction Claims team, exclusively handling construction claims, who have an extensive knowledge of varying complex contractual arrangements associated with the construction industry.
- We have a dedicated occupational disease claims team, which is at the forefront of recent case test litigation.
- Our catastrophic personal injury team proactively manages large PI claims.
- As well as using in-house claims inspectors, we use a network of expert construction specialist Lawyers and Loss Adjusters.
- We have an in-house market-leading fraud identification and investigation team to combat the continued rise in insurance claim fraud.

Portfolio solutions – Altitude

Brokers are increasingly seeking to work with select panels of insurers and consolidate their insurance portfolios. Zurich's unique Altitude portfolio solution is swift, flexible and tailor-made, based on understanding your portfolio of business and your key placing drivers.

You can take advantage of the Altitude winning formula and benefit from:

- A simple way to move business to a trusted provider
- A proven system to agree transfer protocols and ensure due diligence
- Arrangement tailored to your needs
- Integrity and expertise to manage the portfolio throughout the lifecycle.



Core Product Choice

Zurich Construction underwrites all major lines of business for SME Construction clients and includes the following products.

Employers' Liability cover

- Indemnity limits up to £25 million available.
- No standard height or depth restrictions.
- Corporate Manslaughter extension up to £5 million aggregate limit.
- Conditionless policy.

Public and Products Liability cover

- Indemnity limits up to £10 million available.
- Corporate Manslaughter extension up to £5 million aggregate limit.
- Full contractual liability on Public and Products liability.
- No standard underground services endorsements.
- No standard subcontractors warranties/restrictions.
- No standard hazardous work exclusion.
- No height or depth restrictions.
- Environmental statutory clean up costs (Bartoline) can be included up to £1 million aggregate limit.
- Subject to a satisfactorily completed questionnaire, our asbestos exclusion can be removed from the PL policy.

Contract Works cover

- DE3, DE4 and DE5 wordings available depending on trade.
- 'All Risks' cover available in the UK.
- CAR and EAR specific wordings.
- Large contract limits available.

Other core covers

- Motor Fleet.
- Contractors Plant.
- Excess Employers', Public and Products Liability.
- Contractors Joint Indemnity (21.2.1 / 6.51 or similar).
- Material Damage and Business Interruption.
- Goods in Transit.
- Money.
- Specified Items – 'All Risks'.
- Design and Construct Professional Indemnity.
- Crime.
- Directors' & Officers' Liability.
- Excess Directors' & Officers' Liability.
- Executive Assurance.

Specialist Support Products

- Surety Bonds and Guarantees – supplied by Zurich GSG.
- 10 year warranty policy – supplied by Zurich Building Guarantee.

Additional benefits

We are able to offer further additional benefits including:

- Long-term deals, based on two-year cover
- Competitive premium instalments
- Package placing benefits.

Making the most of Zurich for all your customers' needs

Ways to expand your business, meet all your customers' needs and leverage opportunities from SME Construction

- Risk Management Services.
- Directors' & Officers' Liability.
- Professional Indemnity.
- Legal Indemnities.

Zurich also provides expert and specialist solutions in the following markets:

- Corporate construction
- General SME
- General Corporate
- Engineering
- Construction
- Professional & Financial Lines
- Property Investors
- Marine Cargo
- Community & Social Organisations
- Navigators & General
- Home & Motor
- Zurich Private Clients.

Maximise your business potential by exploiting the full power of Zurich

Zurich – leading the way in SME Construction

- Specialist in SME Construction insurance with a broad spectrum of clients in the majority of the industry sectors.
- Long-term commitment to the industry through competitive and sustainable premiums.
- Access to an expert experienced team of underwriters with the authority to make decisions.
- A UK-wide sales force supported by market underwriters with an appetite for developing business.
- Specialist claims service with a dedicated construction claims team giving seamless claims handling.
- An appetite for Portfolio trading with a unique and tailored portfolio solution – Altitude.

By taking advantage of the full breadth and depth of our offerings you can be sure that you have access to wide market coverage, deep industry expertise and specialist capability. With a long-term commitment to the broker market, we're leading the way.

Get in touch with your Zurich contact or visit:
www.zurich.co.uk/brokerzone



For more information visit:

www.zurich.co.uk/brokerzone

Zurich Insurance plc

Zurich Insurance plc, a public limited company incorporated in Ireland Registration No. 13460 Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland. UK branch registered in England and Wales Registration No. BR7985. UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Zurich Insurance plc is authorised by the Irish Financial Regulator and subject to limited regulation by the Financial Services Authority. Details about the extent of our regulation by the Financial Services Authority are available from us on request.



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