

## Product: Single Project Construction Liability

Manufacturer Information
Product information
<p>This product is designed to cover a very wide variety of construction projects from design to completion and typically covering a period of time post hand over called 'completed operations period' for necessary snagging works. Wrap-Up liability consolidates insurance coverage for the principal, main contractors and subcontractors working on a project into one program which is purchased by the Principal or Main Contractor for the full length of the project, usually to satisfy their lenders requirements to provide certainty of coverage for the duration of the build, and also to avoid protracted arguments between different parties onsite in the event of issues. The completed operations are provided / negotiated at the start so the principal / contractors are automatically covered if they need go back on-site post-handover without the need to buy additional cover.</p>
Target market
<p>The Single Project Construction Liability product is specifically designed for construction-related businesses undertaking individual projects that require comprehensive liability coverage from design through completion and post-handover snagging works. It targets organisations that value certainty of coverage for the entire project lifecycle and streamlined claims handling across multiple stakeholders. Key characteristics include:</p> <p>(1) Business Size &amp; Type</p> <ul style="list-style-type: none"> <li>• Micro enterprises, small businesses, mid-sized commercial entities, and large multinational construction companies.</li> <li>• Typical customers include:             <ol style="list-style-type: none"> <li>a) Principals (project owners)</li> <li>b) Main contractors</li> <li>c) Subcontractors</li> <li>d) Project managers and consulting engineers involved in construction projects.</li> </ol> </li> </ul> <p>(2) Insurance Profile</p> <ul style="list-style-type: none"> <li>• Designed for businesses requiring Wrap-Up liability coverage for a single construction project.</li> <li>• Consolidates coverage for all parties involved in the project under one program, reducing disputes and ensuring lender requirements are met.</li> <li>• Coverage includes:             <ol style="list-style-type: none"> <li>a) Bodily injury</li> <li>b) Property damage liability</li> <li>c) Defence costs related to the insured project.</li> </ol> </li> <li>• Optional extensions available for niche risks such as:             <ol style="list-style-type: none"> <li>a) Faulty workmanship</li> <li>b) Fire and explosion</li> <li>c) Onsite pollution</li> <li>d) Riggers liability</li> <li>e) Hoist and elevator liability.</li> </ol> </li> </ul> <p>(3) Customer Needs &amp; Behaviours</p> <ul style="list-style-type: none"> <li>• Likely to value:             <ol style="list-style-type: none"> <li>a) Certainty of coverage for the full project duration, including post-completion operations.</li> <li>b) Simplified claims process avoiding disputes between multiple insurers.</li> <li>c) Ability to tailor coverage with extensions for specific project risks.</li> </ol> </li> <li>• Businesses that want:             <ol style="list-style-type: none"> <li>a) Compliance with lender requirements for comprehensive liability protection.</li> <li>b) A single, consolidated policy covering all contractors and subcontractors.</li> <li>c) Flexibility in limits and deductibles to match project size and complexity.</li> </ol> </li> </ul> <p>(4) Geographic Scope</p> <ol style="list-style-type: none"> <li>a) Distributed globally in jurisdictions where TMK is licensed.</li> </ol>



- b) Minimal underwriting appetite for the USA (including Puerto Rico and US territories) and any sanctioned territories.

(5) Distribution Channel

- Sold via coverholders, lineslips, open market placements, and consortium arrangements.
- Typically broker-driven, through both advised and non-advised processes.
- Distribution chain typically capped at 4 entities, ensuring oversight and compliance.

(6) Circumstances Where Product Delivers Greatest Value

- For projects where:
  - a) Multiple contractors and subcontractors are engaged, creating complex liability exposures.
  - b) Lenders require comprehensive liability coverage for the entire project lifecycle.
- Particularly valuable for:
  - a) Large-scale or high-risk construction projects where disputes over liability could delay completion.
  - b) Projects requiring post-handover coverage for snagging works without purchasing additional policies.

**Types of customer for whom the product would be unsuitable**

The Single Project Construction Liability product is not appropriate for:

(1) Individual Consumers or Personal Insurance Buyers

- The product is designed exclusively for commercial entities involved in construction projects and does not cater to personal or household insurance needs.

(2) Businesses Not Engaged in Construction or Project-Based Activities

- Organisations outside the construction sector or those without liability exposure related to building works will not derive meaningful value from this coverage.

(3) Entities Seeking Coverage for Ongoing Operations or Multi-Project Portfolios

- The product is tailored for single, defined projects and is unsuitable for businesses requiring annual liability policies or coverage across multiple projects.

(4) Customers Expecting All-Risk or Non-Construction Liability Coverage

- The product does not cover marine, aviation, environmental liability for gradual causes, or other unrelated liability exposures.

(5) Businesses Operating in Restricted Jurisdictions

- The product cannot be sold in the USA (including Puerto Rico and US territories) or any sanctioned territories.

This product is unsuitable for individuals, businesses outside construction, entities seeking multi-project or all-risk coverage, and those operating in restricted jurisdictions.

**Any notable exclusions or circumstances where the product will not respond**

**Exclusions include but not limited to:**

- Bodily injury sustained by any employee when liability is imposed under any Worker's Compensation statute.
- Bodily injury, property damage and defence costs arising out of ownership, maintenance, or operation of an automobile.
- Bodily injury, property damage and defence costs arising out of ownership, maintenance, operation, loading or unloading of watercraft or aircraft.

**Limit of liability:**

Each section of cover, additional extra(s) and/or extension(s) will be offered with their own limit of liability (and sub-limits where applicable), as requested by the customer to reflect their exposure to risk, and as stated in the policy schedule.

**Excess:**

Each section of cover, additional extra(s) and/or extension(s) will be offered with their own applicable excesses and stated in the policy schedule.

**Other information which may be relevant to distributors**

This product is permitted for sale via the following distribution chain:

- Lloyd’s Broker;
- Retail broker;
- Coverholders
- Intermediaries

No further distributors in the chain are permitted without TMKS’ approval. Any such approval will include consideration of their impact on product value.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub-broking), it is their responsibility to ensure all distributors have been provided with this document, have reviewed it, and understand the content. If there is any additional remuneration, including commissions, fees or other ‘non-standard’ remuneration charged to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full.

This product should be sold in line with FCA regulations and can be sold with & without advice by a regulated insurance distributor.

Distributors are expected to fully understand the eligibility criteria, covers and exclusions of the product.

This product can be sold face to face, via telephone or electronic communication or a mix of these methods, as long as customers are provided with sufficient information to make an informed decision regarding the suitability of the product.

**Commission & Fees**

The coverholder is expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement.

Brokers can select commission rates from a range set by the coverholder, so that remuneration can be aligned to their own distribution costs. The maximum commission rate set cannot be exceeded.

The coverholder is expected to maintain oversight of all broker commissions and, where there may be a risk to product value and remedial action taken whenever necessary including notification to Tokio Marine Kiln.

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

**How value is assessed**

Value is assessed based on a number of metrics, including underwriting, claims, complaints information, customer feedback as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	March 2026
Expected date of next assessment	March 2027

