



Contractors Errors and Omissions Claims examples

HSB, a Munich Re company, is a technology-driven company built on a foundation of specialty insurance, engineering, and technology, all working together to drive innovation in a modern world.

HVAC contractor

HVAC contractors installed a new unit on the roof of a commercial building, but failed to properly complete the foundation support. The unit then broke through the roof, destroyed the unit, and resulted in significant damage to the building and personal property. The building and contents had to be repaired, and a new HVAC unit had to be installed.

Total contractor E&O loss: \$25,000

Building and contents loss - Covered under general liability

Tile installer

A tile installer incorrectly measured the height of the sub-flooring before beginning a new flooring job. As a result, all interior doors no longer cleared the newly installed tile floor. The sub-flooring and the tile work must be removed and reinstalled at the correct height.

Total contractor E&O loss: \$10,000

Fence erection

A fence installer misread the site plan while installing a fence. As a result, the fence was installed significantly over the property line. The fence must be removed and reinstalled along the correct property line.

Total contractor E&O loss: \$35,000

Lawn care services

A lawn care specialist applied the wrong chemical to the lawns at a corporate office park. All the turf subsequently died, and needed to be removed and replaced with new sod.

Total contractor E&O loss: \$17,000

Appliance installer

An appliance installer incorrectly wired a new 220-volt receptacle which caused a new commercial quality oven to malfunction. The oven was damaged and a new unit had to be installed.

Total contractor E&O loss: \$6,750

Electrician

An electrician improperly wired the receptacle for a newly installed pool filter. The error in the wiring caused the pool filter to be destroyed. The wiring was removed and redone to proper specifications.

Total contractor E&O loss: \$1,500

Pool filter replacement – Covered under general liability

Electrician

The improper wiring in the wing of a new hotel caused the rooms to be without heat for two days. As a result, the rooms needed to be rewired before the rooms could be occupied.

Total contractor E&O loss: \$12,000
(Including the loss of use of hotel rooms)

HVAC contractor

An HVAC contractor failed to install ductwork for a heating system parallel to (and above the level of) the ceiling joists. This installation method prevented the homeowner from installing a drop ceiling to cover the ductwork due to limited headroom (and further prevented their ability to finish a basement family room). As a result, the HVAC system needed to be removed and reinstalled in a parallel manner.

Total contractor E&O loss: \$10,000
(The cost of material and labor to reinstall the unit correctly)