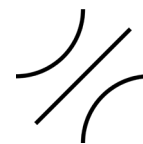


Subcontractor Default Insurance

Product Summary





Subcontractor Default Insurance

Subcontractor Default Insurance is a highly specialized product providing coverage to general contractors for direct and indirect costs of subcontractor defaults.

With SDI, the general contractor is in complete control of resolving the default without interference from the insurance company. Not only is this a significant operational advantage to the general contractor, but it also supports the obligations of meeting schedule commitments to the owner—an obvious advantage for both the owner and the general contractor.

We meet with every GCs key management team to understand their business processes and design the best possible program for their business.

The Cove SDI Product

- Indemnification Coverage
- 2 Year Policy
- Per Loss Limit up to \$50,000,000
- Policy aggregate limit up to \$150,000,000
- Indirect cost limit of \$5,000,000
- Minimum SIR of \$625,000 and flexible co-pay options
- Post completion coverage of up to 10 years on most projects

The Cove SDI Client

- Annual Subcontract volumes of at least \$50 million
- Commercial General Contractors in the U.S., its territories/possessions, & Canada
- Multi-Family Residential
- Industrial/Manufacturing
- Office/Retail Structures
- Transportation
- Commercial
- Senior Living
- Hospitality
- Healthcare facilities
- Government offices and facilities
- Educational structures/schools/religious

Cove Programs Claims

Resolving claims in a common-sense manner is at our foundation.

We make every effort to preserve positive relationships with our clients. We have created a very efficient claims process using best in class resources all working together towards claims resolutions.. In addition, we create collaborative environments to discuss and strategize about claims without losing track of the client's ultimate accountability for the Self-Insured Retention and Cove underwriters' responsibility under the insurance policies.

Creating this environment takes quite a bit of communication and cooperation on selection of counsel, experts, and litigation strategy. Cove's team members are dedicated to the highest level of this communication and the dividends this process generates.



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One of the biggest challenges faced by commercial general builders is risk of subcontractor non-performance. With the experience and insights offered by Cove's SDI risk engineers and account executives, we can not only help our clients better manage subcontractor performance risk, but can help them become better contractors and better businesses.

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- Nathan Espe, Head of SDI

Cove Programs Capacity

Cove is a Managing General Agency. We contract with the highest rated insurance companies/syndicates to underwrite on their behalf and provide the industry with a stable platform.

The Cove Programs insurance policy is issued by Lloyd's of London, the world's oldest recognized insurance organization. Each participant in the policy carries a Best Insurance Rating of 'A 15'. The long-term stability of this program is not based upon any one insurance company's changing underwriting appetite.

If one participant on the Cove Program wishes to exit the space, our London based team is always seeking out additional capacity.

About Optio

Optio brings together the specialist expertise of Cove Programs, Brockwell Capital, Northcourt Limited and Bay Risk Services to create one of the largest independently owned specialty MGAs, managing in excess of \$250 million GWP.

We are here to drive innovation in insurance to manage risk more effectively. By harnessing expertise and embracing technology, we strive to evolve with the needs of our business partners.

Using a combination of technology and market specialists, we create new products, services and solutions that bring efficiency to the market. With an open culture and unified approach, our people aim to form strong, long-term relationships with business partners so we can exceed expectations every time.

People



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UPDATED: MAY 2022