

coverage that every contractor should consider is Products-Completed Operations liability coverage, which covers liability for your work at a project after the work is completed.

Be sure to consult existing policies where your company may be named as an additional insured and check all contracts and indemnity agreements, as they may have provisions promising to provide coverage for claims or losses as well. To be prepared for the worst, it is important to request and keep copies of the full policy and indemnity agreements when named as an additional insured or indemnitee.

Accepting coverage under a reservation of rights means that your insurer agrees to pay for your defense but is reserving the right to deny coverage at a later date based on the

### **3. PROVIDE TIMELY NOTICE**

Most policies require that you give the insurer notice as soon as is practicable once you are aware of a loss, suit, or claim, but every policy is different, so it's best to closely review each one. Some policies require insureds to report a notice of circumstances (i.e., notice of anticipated claims). Failing to comply with a policy's notice requirements can result in your insurer disputing coverage for pre-notice costs and expenses, or, in some cases, disputing coverage altogether.

While many jurisdictions require an insurer to show it was "prejudiced" before denying a claim based on late notice (i.e., that the insurer suffered actual harm based on the late notice), this is not always the case, so providing notice quickly under every policy that could potentially provide coverage is critical. Insurance coverage attorneys may be able to help analyze which of your policies may provide coverage for a particular claim, and brokers are often helpful resources to assist with providing notice to the insurance companies.

### **4. EVALUATE THE INSURER'S RESPONSE**

When a claim is filed, your insurance company's response will likely fall into one of three categories: accepting coverage unequivocally; accepting coverage under a reservation of rights; or denial of coverage.

Accepting coverage unequivocally, which is becoming less and less common, means your insurer agrees to pay for all defense fees, judgments, and settlements up to the limits outlined in your policy. The insurance company will typically appoint an attorney from a panel of prescreened law firms (known as panel counsel) who will provide regular reports and updates to the insurance company as the claim progresses.

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### About the Author

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Attorney Jacquelyn M. Mohr is a partner with Pasich LLP in the firm's Manhattan Beach, California, office. She represents commercial and individual clients in a wide range of disputes, including coverage advice, pre-litigation disputes, international arbitrations, and coverage litigation.

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### About the Article

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