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Claims Examples

Land Surveyors

1. Land Surveyor – Pile Location Error

The insured land surveyor was retained to plot the location of 250 foundation piles for the construction of a manufacturing plant. Time was of the essence as the owner needed to have the plant up-and-running as soon as possible to complete a large contract. The insured was informed that the piling contractor was to be on site in one week's time. The insured started to set up a proper layout grid. The piling contractor arrived on site early and was waiting for the insured to complete the layout positions. As a result, the piling contract began to incur delay costs. He informed the insured who, in an attempt to accelerate his work, changed his established layout procedures. Unknown to the insured, some of the fixed positions identified in the original survey were also inaccurate (these were used by the insured to plot the pile positions).

Shortly after the piles had been installed, the owner informed the insured that none of the piles were in the correct position and that the site had to be shut down in order for the piles to be properly relocated. The owner claimed against the insured for expenditure incurred in repositioning the piles (\$250,000), a two-month delay in the construction schedule (\$100,000) and loss of business income (\$100,000). Thus, damages claimed totaled \$450,000. ENCON retained two experts to assist in defending the claim: one to assess the cost of replacing the piles and another to assess the delay costs. The experts' reports were used to negotiate a settlement with the owner and contractor. The insurers paid a total of \$315,000 in damages, plus respectively \$8,500 on expert fees and \$3,000 on adjuster fees.

2. Land Surveyor – Site Layout Error

The insured land surveyor was retained to complete a construction layout for a house in a new subdivision. The insured had difficulty in locating surviving survey monumentation and, therefore, decided to lay out the foundations using old monumentation. The house foundations were duly constructed followed by the framing, in accordance with the insured's layout. When the insured returned to the site to complete a follow-up Real Property Report, he discovered that the house was five feet too close to a boundary with the street.

The claim was reported to ENCON and a claims adjuster was retained to assist in the investigation of the matter. Since it was not possible to obtain a variance, the only solution was to raise the house, relocate the foundations, and then replace the house. ENCON negotiated directly with the developer, and the insurers paid \$46,000 to resolve the matter. By quickly responding, damages for delay were avoided. An additional \$3,900 was spent on claim adjusting fees.

These Claims Examples are for illustrative purposes only. Please remember that only the insurance policy can give actual terms, coverage, amounts, conditions, and exclusions.