

Collateral Warranty

Be Better Advised...

MGB is a leading specialist Lloyd's Broker arranging Professional Indemnity Insurance cover, which includes the Construction and Engineering sectors. We have a reputation for delivering competitively priced, quality products and service to our clients. MGB are pleased to be working in conjunction with Mills & Reeve to provide our Construction and Engineering clients with a **free** Collateral Warranty Advice Service (CWAS). Mills & Reeve is one of the UK's leading full-service law firms with extensive knowledge and expert insight in these sectors to provide the specialist advice needed.

There are a number of different contract forms used within the complex and challenging industries of Construction and Engineering. It is important that insured firms ("Insureds") ensure that their contractual documents are fit for their intended purpose. In doing so, they should encourage economy and quality; have in-built safety mechanisms which anticipate potential future problems and conform with an ever changing legal landscape. The advisers who draft these contracts need to be specialists in their field and understand what needs to be achieved on behalf of Insureds.

What is a Collateral Warranty?

A Collateral Warranty ("CW"), or Duty of Care Agreement ("DCA"), is a contractual arrangement created to extend/create legal relationships and in particular create duties which would not otherwise exist. Creating such contractual relationships and duties has the potential to prejudice an Insured firm's entitlement to professional indemnity insurance cover and/or to extend its contractual obligations beyond the scope of cover provided by the typical professional indemnity insurance policy. (See our *'Collateral Warranty, Be Better Informed'* doc for more info.)

Our CWAS

MGB are working with Mills & Reeve to deliver to firms insured through MGB a **free specialist quality service** by a team of highly skilled lawyers.

MGB have also agreed an optional chargeable service with Mills & Reeve. Insureds, therefore, have a choice as to the help they have available to call on to best protect not only their insurance cover, but their business as a whole.

What does MGB's Free CWAS entail?

MGB have agreed with Mills & Reeve that they will provide firms insured through MGB with the following service:

- A review of the proposed Letter/Terms of Appointment, CW, DCA, Deeds of Novation and other associated documentation.
- This advice is capped at one hour but supported within that by a complimentary telephone advice service relating to the above documentation.
- Advice in easy to understand "traffic light" format informing you how the above documents may impact on your current professional indemnity policy arranged by MGB:
 - **Red:** Stop and change
 - **Amber:** Pause and consider amendment, but not essential
 - **Green:** Allow original clause without amendment

- The advice will be turned around in five working days unless a different response time is agreed in advance.

Full Commercial Review Option

MGB have agreed **discounted fixed rates** with Mills & Reeve for a full commercial review of construction documents to any firm insured through MGB that benefits from the free CWAS. This covers the following documents for both Consultants and Design and Build Contractors:

Collateral warranties	£75 + VAT for one warranty £150 + VAT for a set of warranties
Consultant appointments	£350 + VAT
Deed of novation	£175 + VAT
Consultant framework	£500 + VAT

A full commercial review in relation to other construction documents such as building contracts, parent company guarantees and performance bonds can also be provided.

Additional Service

MGB has also agreed with Mills & Reeve that for any firm insured through MGB, they will provide a **free telephone advisory service** that provides access to Mills & Reeve’s expertise as the first step in managing legal and commercial business issues. This service can be used for preliminary legal advice on commercial issues, including advice on drafting and enforceability.

The Insured firm will have access to **telephone advice** across a range of practice areas including:

- **Employment:** Employment disputes, redundancies, dismissals, enforcement of restrictive covenants and contractual arrangements.
- **Commercial Disputes and debt recovery:** Funding options, conditional fee arrangements and alternative dispute resolution.
- **Drafting commercial contracts:** Enforceability, arbitration clauses, general advice, EU and competition issues.



The free telephone advisory service is limited to 30 minutes per helpline enquiry. It is provided at the sole discretion of Mills & Reeve who reserves the right to refuse to provide advice in the event of a conflict or for any other reason.

More about Mills & Reeve

Mills & Reeve is one of the UK’s leading full-service law firms, with offices in Birmingham, Cambridge, Leeds, London, Manchester and Norwich. They have built an 800-strong practice on the basis of their commitment to clients, expertise and outstanding teamwork. They rank very highly both within the profession and in the minds of their clients and pride themselves on providing a service that is efficient, pragmatic and jargon free.

Contact

To take advantage of the Free CWAS, Full Commercial Review or Additional Service and/or to make enquires about further legal services, please contact Nik Oldham or Neil Frankland quoting MGB/CWAS:

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