Contractual risk transfer: getting to zero

DUAL

As one of the largest independent underwriting organizations in the US, DUAL supports more than 20 specialized products across commercial property, casualty, financial lines, and surety. DUAL also has an in-house claims team, made up of industry veterans who combine strong technical acumen with customer service to deliver favorable outcomes for insureds and the brokers who support them. The team's experience doesn't stay siloed within claims; it's built directly into how DUAL does business.

That approach is grounded in a simple, guiding question that shapes every significant liability claim: who contractually agreed to bear this loss? DUAL's commitment doesn't end once liability is evaluated or a settlement amount is identified, the team looks for every opportunity to enforce contractual risk transfer, from additional insured obligations to indemnification agreements, so responsibility ultimately lands where it belongs. This discipline is called Getting to Zero: reducing carrier partners' net indemnity payments, not by avoiding valid claims, but by enforcing the contracts negotiated long before the loss ever occurred.

> "Technical claims handling isn't measured by how quickly or even how much money leaves the file. It is measured by whether every contractual obligation has been identified, enforced, and resolved before the claim is closed. That's the standard we hold ourselves to."
>
> Laura Schoefer, Esq.
> EVP, Head of Commercial Casualty Claims

Case background

The DUAL Claims team brings together seasoned professionals to deliver on DUAL's promises to insureds and carriers. DUAL's claims examiners have manageable case inventories designed to allow them to spend the necessary time on individual matters to pursue favorable outcomes. Claims are approached with a focus on reviewing applicable contracts, certificates of insurance, additional insured obligations, and indemnification provisions before DUAL's carrier partner funds a loss. This approach is infused throughout DUAL, especially in claim types such as construction defect matters, where multiple subcontractors, overlapping scopes of work, and layered contractual relationships demand a technical understanding of coverage, indemnity, additional insured provisions, and persistence, not just liability evaluation and negotiation.

Challenge

In one case, a general contractor was sued following allegations of construction defects at a townhome development involving more than twenty vendors, multiple insurers, and contractual obligations that varied across the project. Early evaluations pointed toward a six-figure settlement, defense costs were climbing, liability was shared among multiple parties, and adjusters representing the subcontractors were slow to accept responsibility. At first glance, the matter looked destined to end with a significant indemnity payment from DUAL's carrier partner.

Resolution

Rather than focusing solely on negotiating settlement, the DUAL Claims team conducted a comprehensive review of construction contracts, purchase orders, certificates of insurance, additional insured endorsements, and indemnification provisions. Working closely with defense counsel, brokers, insureds, and other insurers, the team pursued tenders, enforced contractual obligations, and continually worked to shift responsibility to the parties that had contractually agreed to assume it. The claimant ultimately received a fair resolution, the insured remained protected, and what initially appeared to be a six-figure exposure, closed with no net indemnity payment from DUAL's carrier partner. This win wasn't the product of aggressive negotiation alone; it also came down to disciplined technical claims handling and making sure contractual risk transfer worked as contemplated.

Lessons

Through persistence, knowledge, and commitment to a fair resolution, DUAL Claims turned a large exposure into a net-zero outcome for the carrier partner. That's what Getting to Zero really means: not denying claims or paying less than is owed, but making sure every contractual obligation is identified, enforced, and resolved before the claim closes. The benefits ripple outward: insureds can see a reduced financial impact and a stronger claims history, brokers see the value of carefully negotiated contracts realized after a loss, and carrier partners can improve loss performance without compromising fair outcomes. Resolutions like these are not one-time wins but rather reflect repeatable discipline within the DUAL Claims team, and while not every claim reaches a net-zero result, disciplined risk transfer can deliver materially better outcomes for everyone involved.

For DUAL Claims, technical claims handling extends well beyond evaluating liability and negotiating settlements. In practice, that means enforcing contracts, protecting insureds, preserving broker relationships, and making sure carrier partners fund losses consistent with the risks they agreed to insure. That commitment to technical excellence, disciplined execution, and collaborative claims handling is how DUAL seeks to deliver measurable value long after a policy is written.

For more information about DUAL Claims, contact us at www.dualinsurance.com/contact.

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