

### COVERAGE APPLICATION

Architects & Engineers (A/E) Professional Liability was created to provide a financing mechanism for design professionals and engineering firms to protect from loss arising from actual or alleged negligent acts, errors and omissions in performing professional services.

The A/E Professional Liability policy is offered to all types of architectural and engineering firms.

### POLICY FORM

Architects and Engineers Professional Liability (A&E PL) insures design professionals against damages resulting from the acts, errors and omissions committed while rendering professional services including damages that can result from design mistakes and project delays. Expect most admitted carriers to offer coverage for pollution incidents arising out of professional services within the base policy form, with a growing number of markets also incorporating some degree of coverage for technology services and cyber liability. Industry segments facing these exposures include architectural design firms, engineers, construction management agency firms, interior designers, space planners, and surveyors.

### PROGRAM OVERVIEW

- External financing mechanism for both professional and environmental losses that would otherwise be incurred by the design or engineering firm.
- Provides coverage for defense costs from both owners and third parties. With both professional and environmental liability, defense costs alone can be catastrophic to a business.
- Provides vicarious protection from losses due to inadequate insurance limits or coverage of sub-design professionals.
- Fulfills contractual obligations of owners and design/builders.

- Underwriting process assists the design professional in managing their professional liability risk.
- Positive perception in the industry and community where services are being performed.
- Creates a competitive advantage when the benefits of such coverage are properly conveyed to the owner.
- Contractor's Pollution Liability can be endorsed with an occurrence trigger and can provide coverage for transportation and disposal liability.
- Mold liability coverage can be included under both coverage parts providing coverage for an extremely sensitive industry issue.
- Punitive damages (where allowable by law) can be provided. In cases involving environmental claims, especially mold, punitive damages coverage may be an extremely crucial coverage enhancement.
- Technology based coverage can be included.

### POLICY TERM

- Practice or Blanket Policy (meaning all services performed by the named insured) is typically offered on an annual basis.
- Project policies can be offered up to 10 years (including Extended Reporting Periods of up to 10 years).

### MARKET OVERVIEW:

Today there are over 30 carriers offering various forms of A/E Professional Liability coverage. Carrier appetite varies dramatically from one to another based on their underwriting experience and company expertise. For example, one carrier may only offer A/E Professional Liability to architectural and engineering firms while another only offers it to construction managers, design builders and other traditional construction firms. Market is restricted when it comes to higher risk engineering like geotechnical or structural engineering. Each carrier offers their own manuscript policy so careful attention must be given in reviewing each form for accuracy.

### CONTACT

#### RT SPECIALTY - HAMILTON

2465 Kuser Road  
Suite 202  
Hamilton, NJ 08960  
P: (609) 298-3516  
F: (609) 298-6254  
rtecp@rtspecialty.com

Or contact your local RT Specialty broker or underwriter.

## LIMITS OF LIABILITY

- \$250,000,000 per loss/\$250,000,000 aggregate limit of liability if structured with various carriers from the professional liability insurance marketplace.
- \$20,000,000 per loss/\$20,000,000 aggregate with any one particular carrier.

## PREMIUMS

Typical premiums begin around \$5,000 for the \$1,000,000 per loss/\$1,000,000 aggregate limit of liability.

## RETENTIONS

- \$5,000 minimum.
- A/E Professional Liability carriers offer both self insured retentions and deductibles. Typically deductibles have to be negotiated prior to policy inception.

## CONTACT

### RT SPECIALTY - HAMILTON

2465 Kuser Road  
Suite 202  
Hamilton, NJ 08960  
P: (609) 298-3516  
F: (609) 298-6254  
[rtecp@rtspecialty.com](mailto:rtecp@rtspecialty.com)

Or contact your local RT Specialty  
broker or underwriter.