

2012 PROFESSIONAL LIABILITY INSURANCE SURVEY OF CARRIERS - RESULTS

7/17/2012

Information compiled by the American Institute of Architects Risk Management Committee and AIA Trust (AIA), the American Council of Engineering Companies Risk Management Committee (ACEC), and the National Society of Professional Engineers/PEPP Professional Liability Committee (NSPE/PEPP/PLC)

	XL Group	Euclid Managers	ACE USA	Liberty International Underwriters	Markel	Travelers Insurance	Beazley	HCC Specialty	V. O. Schinnerer & Co., Inc.	Hanover Insurance Company	Arrowhead General Insurance Agency, Inc. (ADI)	AXIS Insurance Company	Aspen Insurance	Lexington Insurance Company	Catlin Design Professional	Navigators Management Company, Inc.	RLI Insurance Company
Question 1: Please provide us with your firm's contact information.																	
Name:	Albert J. Rabasca	Brian Van Cleave	Christopher Calnon	Georges Pigault	Glen R. Mangold	Homer M Sandridge	James K. Schwartz, Esq.	James L. Bechter	Kate Enos Frownfelter	Katherine (Kitty) L. Dimit	Lawrence Moonan	Lorna Parsons	Robert Cunningham	Robert Rogers	Tom Bongji	William G. Farran	Lenny Waldhauser
Address:	300 Broadacres Drive, , Bloomfield, NJ, 07003	234 Spring Lake Drive, , Itasca, IL, 60143	601 South Figueroa Street, 15th Floor, Los Angeles, CA, 90017	55 Water Street, 18th Floor, , New York, NY, 10041	Ten Parkway North, , Deerfield, IL, 60015	111 Schilling Road, , Hunt Valley, MD, 21031	141 Tremont Street, Suite 1200, Boston, MA, 02111	2300 Clayton Road, Suite 1100, , Concord, CA, 94523	2 Wisconsin Circle, , Chevy Chase, MD, 20815	333 W. Pierce Road, Suite 300, Itasca, IL, 60143	99 Pacific St., Suite 155F, Monterey, CA, 93940	300 Connell Drive, Suite 8000, , Berkeley Heights, NJ, 07922	590 Madison Ave, 7th Floor, , New York, NY, 10022	100 Summer Street, , Boston, MA, 02110	1990 N. California Blvd., Suite 230, Walnut Creek, CA, 94596	6011 University Blvd., Suite 280, , Ellicott City, MD, 21043	150 Monument Road, Suite 605, Bala Cynwyd, PA, 19004
Question 2: Are you a (n):																	
	Insurer	Underwriting manager	Insurer	Insurer	Insurer	Insurer	Insurer	Underwriting manager	Underwriting manager	Insurer	Underwriting manager	Insurer	Insurer	Insurer	Insurer	Insurer	Insurer
Question 3: If you are NOT an insurer, please specify:																	
		We have the nationwide exclusive for Scottsdale Insurance Company/National Casualty Company as an MGA For A&E Professional Liability						HCC Specialty serves as the underwriting manager for the Architects and Engineers Professional Liability program for HCC Insurance Holdings, Inc., our parent company.	Victor O. Schinnerer & Co., Inc.		We are the Program Managers for Hudson Insurance Group, contracted to write A/E Professional Liability.	N/A					
Question 4: How many continuous years has your firm provided professional liability insurance to the A/E marketplace?																	
	39	12+ years	12	11	43	13	26	twenty five years (25).	55	35	11	2+	4	37	26	7	4
Question 5: If your firm is not the insurer, with which insurers has your firm previously been associated over the past decade and for what duration?																	
		Scottsdale/National Casualty 12+ Years			N/A			Great American 1999-2004 HCC Insurance Holdings, Inc. 2004-Present.	CNA - Continental Casualty Company	In Jan, 2010, Hanover acquired Benchmark Professional, who along w/ its predecessor Insurance Management Inc (IMI) had been continuously underwriting AE's since 1/1977	Liberty International Underwriters, 2 years Hudson Insurance Group, 9 years	N/A					
Question 6: What was your total book of business for engineering and architectural liability insurance in the following years?																	
2011 - Number of Firms Insured				Proprietary	Proprietary	6597	6000+		Proprietary	Confidential	1,200	Proprietary	proprietary	Proprietary		800	3,100
2011 - Premium in Millions				Proprietary	Proprietary	\$80	120 - 130		Proprietary	Confidential	\$30 million	Proprietary	proprietary	Proprietary		8	\$24,465,000
2010 - Number of Firms Insured				Proprietary	Proprietary	6725	7500+		Proprietary	Confidential	1,100	Proprietary		Proprietary		300	1,924
2010 - Premium in Millions				Proprietary	Proprietary	\$81	135		Proprietary	Confidential	\$28 million	Proprietary		Proprietary		3	\$14,430,000
2009 - Number of Firms Insured				Proprietary	Proprietary	7230	7500+		Proprietary	Confidential	950	Proprietary		Proprietary		350	886

2009 - Premium in Millions				Proprietary	Proprietary	\$90	145		Proprietary	Confidential	\$26 Million	Proprietary		Proprietary		5	\$7,540,000		
Question 7: What percentage of your total book of A/E premium comes from firms with revenue of:																			
Less than \$500,000			5%		39	23%	17	premium but higher t	Proprietary		20%	Minimal	0	5%		60	57		
\$500,000 to \$5,000,000			25%		11	58%	33	60% by premium	Proprietary		50%	Proprietary	25	10%		39	33		
More than \$5,000,000			70%		50	19%	50	premium but lower t	Proprietary		30%	Proprietary	75	85%		1	10		
Question 8: Are you trying to gain, maintain, or decrease market share in the next two years in certain market segments?																			
Gain	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Maintain																			
Decrease																			
Please explain:								We will continue to look to grow in the segments where it makes underwriting sense.						We are actively seeking firms over \$250,000 in billings with good risk management and business practices, expertise in their fields, and excellent to reasonable claims histories. Our goal is to be consistent over the market cycles.			We seek to gain market share across all segments of the business. Our focus is on long term stability, so we will not grow market share at the expense of prudent underwriting	Catlin is a market-leading provider of insurance for design professionals in the US and worldwide. We look to continue to expand our presence.	We are trying to increase our market share of small and medium size firms.
Questions 9-12: What have been your carrier's Best's Rating, financial size category, and market share for the following years? (Please use year-end results, but use July for the current year).																			
2012 Best's Rating	A	A+	A+	A	A	A+ (Superior)	A	A+	A	A	A	A	A	A	A	A	A+		
2012 Financial Size Category	XV	XV	VX	XV	XIII	XV	XV		XV	XIV	XV (15)	XV	XV		XV	X	XI		
2012 Market Share									confidential			Unknown							
2011 Best's Rating	A	A+	A+	A	A	A+ (Superior)	A	A+	A	A	A	A	A	A	A	A	A+		
2011 Financial Size Category	XV	XV	VX	XV	XIII	XV	XV		XV	XIII	XV	XV	XV	XV	XV	XV	XI		
2011 Market Share									confidential			Unknown							
2010 Best's Rating	A	A+	A+	A	A	A+ (Superior)	A	A+	A	A	A	A	A	A	A	A	A+		
2010 Financial Size Category	XV	XV	VX	XV	XIII	XV	XV		XV	X11	XV	XV	XV	XV	XV	XV	XI		
2010 Market Share									confidential			Unknown							
2000 Best's Rating	A	A+	A+	A	A		We presume this is for 2009, not 2000: A		A	A-		N/A					A+ 2009		
2000 Financial Size Category	XV	XV	VX	XV	XIII		XV		XV	X							X 2009		
2000 Market Share									confidential										
Question 13: Do you have coverage restrictions related to:																			
Residential and Condos					X			X		X				X					
Schools																			
Geotechnical Services					X		X			X			X			X			
Question 14: Do you provide multi-year policies?																			
	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	No	No	No	No	No	Yes	Yes	Yes	

If "Yes," please explain the general criteria you apply to such policies:	Firms in our small firms programs and firms needing run-off policies may purchase multi-year policies.						With our A&E Advantage Small Firm Program, subject to certain underwriting criteria.	Many small firms are eligible for a 2 year policy.	For firms under \$250,000 in fee, subject to guidelines relating to discipline and project type.	2 and 3 year policies. These multi-year products are available for small business across the Construction Program including Architects, Engineers, Environmental, Construction Managers and Specialty firms with revenue under \$250,000. A two year product is available to firms with revenue up to \$500,000.	Generally intended for stable firms with less than \$1mm in gross billings					We have the ability to offer two year policies for small firms. Additionally, we provide multi-year policies of up to ten years on a project-specific basis.	Two year policies are available to qualifying firms with annual billings of \$500,000 or less. Design Firms with annual billings in excess of \$500,000 are written on a one year policy.	< \$1,000,000 annual revenues with newly established firms accepted
Question 15: What limits of A/E professional liability coverage are available through your company?																		
	Minimum \$ - 100000 Maximum \$ - 10000000	\$5,000,000/\$5,000,000	10,000,000	\$100,000 - \$10,000,000	\$10MM	\$5,000,000 is the maximum per claim limit currently available for design professionals professional liability.	minimum: \$100,000 maximum: \$30,000,000	\$5 million per claim and in the aggregate.	\$20,000,000	\$100,000 to \$10,000,000	Up to \$10 million per claim/\$10 million aggregate	\$250,000 to \$25 Million	Up to \$10M	Min. \$250,000 Max 25,000,000	We offer limits from \$250,000 to \$10,000,000	Our minimum limit of liability is \$250,000 and our maximum limit of liability is \$5,000,000.	Up to \$5,000,000	
Question 16: Are these annual aggregate limits?																		
	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	
Question 17: Do you offer split limits?																		
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Question 18: Does your professional liability policy provide Prior Acts Coverage?																		
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Please explain any restrictions:	Prior Knowledge					Prior acts coverage is typically available for qualified firms which have maintained coverage for a minimum of 1 year.	Generally, match the expiring policy's coverage.	We match other reputable carriers' prior acts dates as they do ours.	If a firm requesting the prior acts coverage never had insurance before, we generally will not provide prior acts coverage.		If firm was insured with prior acts coverage in the past.	We use a retroactive date. Firms with less than three years of continuous coverage get a premium credit but may not be eligible for full prior acts.			When switching from another carrier to Catlin, Catlin will generally adopt the retroactive date utilized by the prior carrier.	Prior acts coverage is generally available to most firms, after one year of coverage, without a retroactive date limitation.		
Question 19: When did your company most recently update its A/E professional liability policy?																		
	1-3 years	We have enhanced the policy by endorsement on an annual basis	Nov-06	A&E Advantage program 2012	2011	2009	2010	2012 - currently being filed.	Whitin the past 1-3 years	Apr-10	2010	Policy form: 2011, Endorsements: 2012	2011	2009	2012	2010	Within the past 4 years	
Question 20: Do you consult or obtain feedback from user groups or professional societies prior to making policy and/or rate changes?																		
	Yes	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Question 21: How many non-managerial, full-time A/E underwriters do you have supporting your PLI program?																		
	23	2	40	6	47	13	13	Eight	34	5	Five	4 (In addition, all managers underwrite.)	2	15	7	4	10	
Question 22: On average, how many years of experience do your non-managerial, full-time A/E professional liability underwriters have?																		
	14	8+		15	8	10	greater than 15 years on average		7+ years - up to 40 years	18	15 years	5+ for underwriters, 26+ for managers	8	10	18	8	7	

Question 23: Is your policy form "pay on behalf of" or "indemnity basis"?																		
	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	Pay on behalf of	
Question 24: For each state/jurisdiction, do you offer coverage on an: (select all that apply)																		
Admitted basis	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Surplus basis	X		X	X	X		X	X			X	X	X				X	
No coverage																X		
Question 25: Does your company have underwriting guidelines or restrictions on deductibles based on firm size?																		
	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Question 26: Do you offer stop-loss deductibles (i.e., a maximum deductible limit option for all claims in the aggregate)?																		
	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	
Question 27: How have your rates increased (or decreased) over the past four years?																		
	3-4% average	Flat	No	A&E Advantage Small Firm Program decrease for certain areas of practice	2011 -5% to -6% 2010 -5% to -6% 2009 -5% to -6% 2008 -8% to -10%	On an overall average basis,Travelers premiums as a percentage of billings decreased in 2008, 2009; were were unchanged in 2010; and increased slightly in 2011.		Decreased 10-13%	Our rates have remained generally consistent over the past four years.	Due to our well established, consistent underwriting appetite our rates have remained virtually flat.	Increased for certain project types and disciplines on a selective basis.	Rates have been steady.	No		We have seen a net decreas in rates over the last four years.	2012 - No Change 2011 - No Change 2010 - N/A 2009 - N/A	Decrease 1% - 3%	
Question 28: Are there particular exposures for A&E professionals that may lead to higher rate increases than in recent years?																		
	YES - Because rate increases are determined by many variables including exposure, any exposure that experiences a significant increase in severity and/or frequency would heighten the potential for rate increases. We continue to keep a close watch on exposures with potential for volatility such as residential, universities and sustainable design (client expectations vs. actual performance). While remaining mindful that the present state of the economy continues to impact severity and frequency, the economy as well as other market conditions and variables also impact rates, i.e. capacity.	Residential/Condo minium projects	Poor loss experence	Yes, condo residential; subsurface; stadiums; waste water treatment	Residential Geotech	Yes- the ongoing trend of increasing average cost of claims against design professionals.	Yes - residential, claims history, structural and geotechnical. However, it is best to contact your Beazley underwriter for further information.	None noted except that individual firm experience will drive its own rate based on claims history, discipline, size, and project types.	We see no specific new exposures that indicate the need for a higher rate increase than in recent years.	Firms changing focus to projects/clients of which they have no prior experience.	Yes, for residential projects, condominiums, Geotechnical Engineers and Public School projects.	Poor claims experience.		K-12 schools, residential, recent claims, financial distress.	Increase in residential condos as well as an increase in in claim frequency and serverity.		Rate development is based on individual risk qualities to include: claims experience, project types, and disciplines rendered.	
Question 29: How do you expect your rates to change?																		
	increase	Flat	Stable	Rate increase may apply to high risk areas of practice	Increase 5%			Stable to slightly increase.	We expect our rates to remain generally consistent with a moderate rate increase in larger firms and firms with losses will generally see a rate increase.	No rate changes planned at this time	We are applying rate increases selectively to address underpriced project types and/or disciplines- so far in 2012 we have acheived a 6% overall rate increase on the book.	Unknown.			No Change		FLAT or No change	

If Yes, please comment:	CIRCUMSTANCE means an event or occurrence from which the INSURED reasonably expects that a CLAIM(s) could be made.				Circumstance reporting is available at the option of the insured.	<small>a Potential Claim and gives the Company written notice during the Policy Period of the particulars of such Potential Claim including: A. all known facts related to the Potential Claim; B. the identity, if known, of each person allegedly involved in or affected by such Potential Claim; C. the date such persons became aware of the Potential Claim; Specimen PTC-1001 Ed. 11-08 Printed in U.S.A. Page 4 of 7 ©2008 The Travelers Companies, Inc. All Rights Reserved. D. the dates of the alleged events; and E. the reasons for anticipating a Claim.</small>	We encourage reporting of all circumstances that may reasonably give rise to a claim.	Yes, if the Insured becomes aware of a "circumstance, they should give written notice to the company.	It is encouraged and voluntary.	An event, incident, allegation, circumstance, dispute or situation which may subsequently give rise to a claim.	We encourage reporting of circumstances and provide free loss prevention assistance for such matters.	The Insuring Agreement outlines how to report a circumstance.	Refer to the policy for our stance on reporting potential claims	Catlin Design Professional not only allows circumstance reporting; it is highly encouraged.	<small>the Policy Period, any Insured becomes aware of any act, error or omission which may reasonably be expected to be the basis of a Claim against any Insured, including but not limited to any notice, advice or threat, whether written or verbal, that any person or entity intends to hold the Insured responsible for any alleged act, error or omission and gives written notice to the Company with full particulars, including: a. The specific act, error or omission; b. The dates, entities and persons involved; c. The identity of anticipated or possible claimants; d. The Professional Services or activities the Insured provided or engaged in; e. The circumstances by which the Insured</small>	RLI encourages circumstance reporting and recommends that Insured's consult with RLI claims experts. All pre-claim services are free of charge.	
Question 42: Is "circumstance" reporting required?																	
If Yes, please comment:	No	Yes	No	No	No	No	No	Yes	No	No	Yes	Yes	No		No	No	No
										Strongly suggest all circumstances are reported as anytime an insured handles a circumstance or claim on their own, it can jeopardize coverage or prejudice the insurer	We expect a firm to report known circumstances to Hudson for assistance.	The form makes it optional during the policy period but the renewal application asks about knowledge of circumstances. Addressing circumstances promptly almost always produces a better outcome.					
Question 43: If a "circumstance" has been reported, do you recognize the claim as covered by the policy in force at that time?																	
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Question 44: Who supervises claims for your company?																	
	Company Claim Consultants	Scottsdale Insurnace Company claims staff	Justin Rose	Company adjustors	Company personnel.	All claims for design professionals are managed by Travelers employees which are experienced in managing design professional claims.	in-house claims managers	We have a Claims VP that oversees the work of our claims administrators. We have offices both in California and New York.	Company Adjusters	Anthony Carolei, J.D., Somerset, NY direct dial 800-257-5720, Ext 2209; Matthew Hays, Itasca, IL, direct dial 630-521-8457	Hudson Insurance Company- David Lurie & Andrei Ilica manage our claims case load.	David Hart, Esquire, Senior Vice President	Dedicated company A&E claims examiners	Claims for Catlin Design Professional insureds are handled by our own claim professionals. All are licensed attorneys and all have significant experience representing architects and engineers.	David Soltero manages design professionals liability claims.	Dedicated RLI claims personnel located in Chicago, IL	
Question 45: What assistance do you offer your insured's with potential claims?																	
	XL's pre-claim assistance remains second-to-none in the industry. Our Early Warning System pairs the insured with an experience Claim Consultant to address issues before they become claims. The Claim Consultants, most of whom are attorneys, work with the insured to avoid or mitigate potential claims. This often involves retaining counsel or an expert consultant at no cost to the insured.	We help resolve any claim issues	Free pre-Claim Assistance	Liberty provides assistance to policyholders to resolve issues before they may develop into a claim and/or circumstance.	Pre-claim assistance from our Claim Staff; AE Specialist attorneys assigned as needed; Supplemental Payments available for Subpoena of Records.	Travelers claims managers work with insured and, if appropriate, independent defense counsel to mitigate the insured's exposure in potential claims situations.	Beazley offers free pre-claims assistance and will retain counsel at our expense to assist the insured as necessary	Wilson Elser, our claims administrators, are attorneys who function in the role of claims administrators. Their legal background and claims experience allows them to provide valuable assistance to our insureds.	Free pre-claims assistance.	Full assistance as needed; to encourage same, the deductible does not apply until or unless an actual claim is made. Typically we see non-party depositions or subpoenas for records or phone calls asking for advice is responding to certain situations.	Our policy provides for Free Loss Prevention Assistance, defined in the policy and in response to reported circumstances. The company pays for all related costs until which time a claim is made.	If notice of a circumstance is given per the policy terms, we, at our sole discretion, may elect to investigate. Until a claim arises, we will be responsible for any costs we incur for that investigation.	Free Pre-claim assistance	Insureds may received free legal advice from Lexington or Donovan Hatem LLP.	Catlin is proud to offer its insureds free pre-claim assistance. Our experienced claim professionals work with the insured and will retain counsel to assist with pre-claim matters when appropriate. We will also retain experts when appropriate to assist the insured and counsel. Catlin's claim professionals also provided free contract review services. Our pre-claim services have been ranked highest in customer satisfaction in a major survey of design professionals.	Pre Claims Assistance and Prevention Services. The Company will pay, at its sole discretion, all reasonable fees, costs and expenses the Company incurs in the investigation of a potential Claim reported by the insured in accordance with Section V.A.2. Reporting of Claims and Potential Claims. The reasonable fees, costs and expenses paid under this provision must be incurred prior to the date a claim is made. Once a Claim is made Claim Expenses and Damages incurred are subject to Section II. Limits of Liability and Deductible, provision of this policy.	RLI claims personnel or outside counsel may be retained. Free pre-claim assistance is available.
Question 46: Does your pre-claims assistance include availability of panel counsel with A/E defense expertise?																	
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Question 50: On average, how many years of A/E professional liability claims experience do the staffers in in the previous question have?																		
	10	Unavailable	5 to 10 yrs	15	13 years avg AE claim experience	15+	15+	Seven or Eight years.	10+ years	20	15 years	Significant.		Almost all A&E Claims Eximiners are Attorneys. Average experience is more than 10 years.	16	18	10+ years	
Question 51: Do you conduct any type of follow-up evaluation after the claim is closed out to determine the insured's' satisfaction with your claims handling process?																		
	Yes	No	No	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	
Question 52: Do you do independent surveys of insured's regarding their level of satisfaction with your services?																		
	Yes	No	No	No	No	No	Yes	No	Yes	No	No	No		No	Yes	Yes	Yes	
Question 53: Does your policy cover claims brought outside the U.S., its territories, or Canada?																		
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Question 54: If your policy covers claims brought outside the U.S., its territories, and Canada, does the insured have the right to select legal counsel?																		
	No	Yes	No	Yes	No	No		No	No	No	No		Yes	Yes	Yes	No	No	
Question 55: Does your policy provide for payment of defense costs in addition to the limit of liability either in the standard form or by endorsement?																		
	Yes	Yes	No	Yes	No	No	No	No	No	Yes	No	No	No	Yes	No	No	Yes	
If yes, please identify the conditions required for such endorsement.	Yes (please identify the conditions required for such endorsement) - By endorsement in New York - EXPENSE OFFSET TO 50% OF LIMITS CONSENT - REGULATION 107 NOTICE - NEW YORK. The Company shall be liable for CLAIM EXPENSES (legal defense costs) that exceed fifty percent (50%) of the LIMITS OF LIABILITY and exceed the Deductible obligation for CLAIM EXPENSES (legal defense costs). The Company shall not be liable for the amount of any judgement or settlement of any CLAIM that exceeds the remaining LIMITS OF LIABILITY.				our LIU A&E Advantage small firm program provides defense outside the limit of liability subject to program guidelines.					As required by state law				Where leagally required. e.g. Province of Quebec.			As required by individual States	
Question 56: What is your company's practice regarding issuing a "reservation of rights" letter?																		
	XL Insurance issues reservation of rights letters only on claims that contain allegations, which fall outside the purview of coverage and, if found to be true or valid, would not be covered under the policy. Such reservation of rights letters do not imply that any of the allegations are true or valid, but are provided to inform the insured of the potential coverage ramifications, their rights and the rights of the Company. All such reservation of rights issues are discussed in detail with the insured and their agent before the issuance of a letter and the insured is requested to challenge any reservation of rights they believe to have been made in error.			Reservation of Rights Letters are issued when appropriate. Claims adjuster makes a determination after the claims information has been reviewed.	Generally, Liberty's position is not to issue ROR letters unless there is a responsible and prudent business reason for doing so.		Moderate use where appropriate.	Travelers claims managers provide a written explanation of the policy coverage for every claim.	Reservation of rights letters are issued if required by law and necessitated by the specific facts and circumstances of a claim. Reservation of rights letters are discussed with the broker prior to issuance.	We issue ROR letters.	We give broad form coverage and partner with our insureds and conduct an individual case by case analysis when a reservation of rights letter is issued.	Generally both the insureds and insurers rights are reserved until after all facts of the claim are received.	If and when there are potential, specific issues that require a reservation of rights, a letter will be issued. Hudson doesn't reserve rights on each and every claim.	We use them when needed to preserve our rights. Underwriters are notified and asked for input if there is a coverage issue.	Reservation of rights letters are generally issued if there is any question of coverage under the policy	Catlin Design Professional goes out of its way to avoid sending reservation of rights letters to insureds unless it is absolutely necessary given the circumstances of the particular claim.	We strive to outline the extent to which our insurance policy will be able to respond to a claim.	Reservation of rights letters are issued on select basis and based on nuances with a particular matter.

Question 57: Do you reserve the right to appoint defense counsel on all claims?																	
	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Question 58: Do you accept alternate defense counsel when requested by insured?																	
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If yes, please specify any conditions.	Legal counsel for the defense of any CLAIM(S) shall be designated by the Company or, solely at the Company's option, by the INSURED with the prior approval and written consent of the Company and subject to the Company's guidelines.	On a case by case basis.	Request will be considered on a cases by cases basis.	Liberty's program and policy form allows the flexibility to accept alternative defense counsel subject to our prior approval.	Qualification procedure for non-panel counsel utilized.	While Travelers reserves the right to select the defense counsel, we will consider recommendations made by the insured.	If they meet our reporting guidelines and can demonstrate expertise.	Sometimes, where it fits the situation, we may utilize counsel requested by the insured. More often, it is our choice as we deal with experienced firms with a successful track record in a given locale.	As appropriate under the circumstances.	If requested counsel is properly experienced and without conflict. Generally most times requested counsel is already on Hanover's approved panel counsel listing.	If the firm is qualified to do A/E defense work and agrees to Hudson's fee schedule.	We do our best to accommodate Insured requests for qualified defense counsel. The pre-qualified name of the Insured's first choice of counsel can be added to the policy by endorsement in most states.	Provided counsel has the appropriate experience and agrees to abide by Lexington/AIG guidelines.	While Catlin's policy terms provide that the company has the right to appoint counsel, we regularly confer with our insureds prior to counsel selection. If the insured has a preferred attorney, that preference will usually be honored assuming the attorney has appropriate experience representing design professionals.	We have the right to select counsel. We will give consideration to the insureds request for alternative defense counsel, if the request is made and approval given prior to binding coverage.	RLI does not maintain a formal panel counsel and strives to appoint competent counsel. Alternate counsel may be considered subject to RLI Claims dept. review.	
Question 59: Do you review the strategic and tactical decisions of defense counsel assigned to defend an insured, such as by requiring assigned defense counsel to obtain the approval of depositions that defense counsel deems necessary?																	
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Question 60: Do you have to obtain the consent of insured to compromise on or settle a claim?																	
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Question 61: If the insured elects to contest the claim rather than accept a settlement, do you then limit your subsequent liability for the claim to the amount that the claim could have been settled for?																	
	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	Yes	Yes	No	No
Question 62: Does insured have to obtain the consent of the insurer to compromise on or settle a claim?																	
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Question 63: Do you engage outside agencies to review defense counsel's billings?																	
	No	Yes	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes
Question 64: Does your company provide the following risk management services and products for your insured's?																	
	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Question 65: Does your company provide any other risk management for your insured's?																	
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
If yes, please specify other current risk management programs.	A full curriculum of optional loss prevention and education programs eligible for premium credits and continuing education credits. The XI Insurance Contract Guide for Architects and Engineers, a combination of issue-driven-discussions, claim scenarios, problem solving strategies and contract language solutions published in 2007 as a 500+ page book and CD, was updated in 2009 and is now available exclusively to our insureds on the XI Learning Management System (LMS). Also, XLDP and PSMJ, Resources, Inc., the world's leading educator, publisher, and consultant on the effective management of architecture, engineering, and construction firms, recently announced a new collaborative agreement to share knowledge, develop custom research tools, analyze trends in new ways, and develop reports and educational materials to advance Architecture and Engineering (A/E) firms' risk and practice management efforts.	Claims assistance hot line.	We provided contract review services via an outside Law firm.	LIU Risk Management Website includes on-line courses, white papers, claims case studies, access to RedVector discounted on-line courses and other industry specific content.	In addition to contract reviews, publications and seminars, numerous items are available on a password protected site for our clients.	Travelers risk management services for design professionals in Sign, Sealed & Delivered risk management news letter; Contract Solution Matrix online contract guide; Loss Lessons Learned claim examples; Contract Review Service; RMPUSONLINE.COM risk management website; pre-claims assistance and other individual insured counsel; quarterly risk management webinars and much more.	contract review, seminars, quarterly risk management webinars to all insureds and broker partners, quarterly AE newsletter, extensive risk management website (www.beazley.com /A&E) as well as on-site seminars by request.	Risk Management booklets.	Contract Reviews Publications Seminars We provide a wide array of risk management services including the above as well as seminars, podcasts, CDs, webenabled risk management materials, blogs, Twitter and Facebook. We do national, regional in-house seminars in conjunction with state and local associations.	Contract Review, Seminars, Webinars, White Papers, Lessons Leared/Suggestions on How Claim Could Have been avoided post-claim, and as requested	Our Director of Education and Loss Prevention, Steve Rowinski, provides customized education programs and seminars to our insureds and brokers.	Contract reviews. Seminars. Other initiatives under development.	Lexington provides: Contract Reviews, In-house Seminars; a Risk Management Website; Loss Prevention Services	Catlin Design Professional provides numerous risk management services and products including: - webinars - risk management newsletters - white papers - risk management seminars	Contract Review services, Risk Management Publications and Webinars.		

Question 66: How many of your company's risk management personnel exclusively support A/E firms?																
	100%	Unavailable		Underwriting department	0	Our 13 design professionals claim managers provide risk management services on a regional basis.	2	One.	7	2	One.	We use outside experts.	One	3	1	
Question 67: Please provide the name of the primary contact for risk management personnel.																
	Albert J. Rabasca - Director of Industry Relations	Brian Van Cleave		Underwriting department	Glen R. Mangold	Michael Gillen, Managing Director 1000 Windward Concourse, Suite 100 Alphretta, GA 30005 Phone: 678-317-7083 Email: mjgillen@travelers.com	Colleen M. Palmer, Esq. (617) 239 - 2606 colleen.palmer@beazley.com	David Wiley, VP	Joseph Jones, Esq., AIA	Gary M. Prather, P.E., M.S, MBA Direct Dial 816-510-8281	Steve Rowinski, VP and Director of Education & Loss Prevention.	Lorna Parsons, Vicki Szot, or Rich Zarandona	Donna Hunt Esq., AIA (617) 330-4236 donna.hunt@chartisinsurance.com	Tom Bongli, Esq.	David Soltero	Barb Sable Phone 301-802-0068 or Laurel Tenuto Phone 610-664-8700 Ext. 1489
Question 68: How many A/E risk management seminars does your company conduct annually?																
	approximately 200			Numerous	8	20	4 webinars per year, plus 10 - 20 individual seminars	Few - two or three but we do support, financially and otherwise, our panel counsel when they provide seminars on our behalf or for our insured's benefit.	Numerous	Minimum of 1 per quarter nationally and then as requested by agents and policyholders	40	TBD	50+ to individual A&E Firms	24	2	45 to 55
Question 69: What is the estimated number of A/E contracts your company reviews annually?																
	Approximately 700 for the Claim Consultants alone. This does not include our PLAN agents' numbers, which could easily	Not provided		Numerous	100	150	hundreds	Twenty five.	1500	200 to 300	300	Unknown	2000	278	60	Several hundred annually
Question 70: Who performs these contract reviews?																
	XL Insurance Claim Consultants, PLAN agents and where appropriate, defense counsel.		Outside Law Firm	Underwriting and claims personnel	Wilson, Elser, Moskowitz, Edelman, Dickler (WEMED).	Travelers regional claims managers	Colleen M. Palmer, Esq. (617) 239 - 2606 colleen.palmer@beazley.com	Claims and Underwriting personnel.	Qualified risk management staff and specifically trained underwriters.	Gary M. Prather or Katherine L. Dimit	Steve Rowinski, Director of Education and Loss Prevention. He is also an attorney and former A/E claims supervisor.	Selected law firms including The Heuer Law Group.	Contract are reviewed by Donovan Hatem LLP attorneys exclusively.	Contract reviews are conducted by Catlin's claim professionals who are all licensed attorneys.	Our risk management staff and underwriter	In-house risk management personnel, outside counsel, and qualified underwriters.
Question 71: What is the average turnaround time for these contract reviews?																

	24 hours		24 to 48 hours	Under 48 hours	24-48 hours	24-48 hours	24 - 48 hours	one or two days.	1 business day turnaround - 100% of the time	24 hours guaranteed	24 hours.	24-48 hours		48 hr turnaround Max. average is less than 24 hrs.	Catlin aims to review contracts and get them back to the insured within 48 hours although many are completed within 24 hours.	24 - 48 hours	24-48 hours
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Question 72: Please list the number and types of A/E risk management publications offered by your company. Please also provide a sample of your latest publication, preferably in an electronic format, to tcanela@aia.org.

	Visit xldp.com for more information and to access a copy of Professional Services Agreement: A Primer, introductory information from the Contract Guide. Also visit www.xldp.com/tools for complimentary risk management tools including regional claim reports, a sample chapter of The XL Insurance Contract Guide for Design Professionals and access to our on-line webcast, What You Need to Know About Indemnities.			SCOPE quarterly newsletter	100 Top Risk Avoidance Techniques Risk Management Quiz Abandoned Project article Green risks article Taking over for another Design Professional article	Stamped, Sealed & Delivered Risk Management Newsletter Contract Solutions Matrix - online contract workbook Loss Lessons Learned - Claims examples	numerous publications available via our website (www.beazley.com /A&E)	Ten Commandments of Loss Prevention. On our Website- risk management articles by learned panel counsel.	Extensive and numerous publications and can be found at www.Schinnerer.com as well as www.PlanetAEC.com	Various white papers as needed depending upon new issues or challenges to AE community, ie, change in laws or new court rulings/finding.	Quarterly Risk Management News letters, white papers on key risk management issues.	TBD			See response to question regarding Risk Management Services above.	1 - Blueprint	
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Question 73: Please provide estimated percentage of claims driven by:

Technical Errors	30				Proprietary		43	20%	Proprietary	50%	30%	Confidential		Proprietary			
Project Management (including contractual terms):	26				Proprietary		2	10%	Proprietary	10%	30%	Confidential		Proprietary			
Poor communication	24				Proprietary		10	10%	Proprietary	15%	30%	Confidential		Proprietary			
Poor documentation	5				Proprietary		9	15%	Proprietary	15%	10%	Confidential		Proprietary			
Other (please explain in question below)	15				Proprietary		36	Bodily Injury 15%, plus other as noted below.	Proprietary	10%		Confidential					

Question 74: If you included "Other" in your previous response, please explain.

					N/A	Other includes QA/QC issues; fee claims; and project delivery method		15% - poor client selection often sets the stage for subsequent claims as well as the (10%) financial condition of claimant. Often, say 10%, there is no basis for a claim...other than greed, anger or vengeance for matters unrelated to professional negligence.		5% Timeliness of performance; 5% cost overruns		N/A					
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Question 75: Where can the following special services be obtained if offered by your company?

Insurance needs assessment	PLAN Agents Underwriters	Agent/Broker			Markel broker/underwriter	Insured agent or broker	agent/broker; underwriter	Broker.	Agent/Broker	Agent	Our Broker network	Broker		Agent/Broker, Underwriter, Attorney		Agent/broker	Agent/Broker
Application paperwork and assistance	PLAN Agents Underwriters	Agent/Broker - Underwriter		Underwriting	Markel website/broker/underwriter	Insured agent or broker	agent/broker; underwriter	Broker	Agent/Broker, Underwriter	Agent	Our Broker network	Broker		Agent/Broker, Underwriter		Agent/broker	Agent/Broker/Underwriter
Explanation of coverage	PLAN Agents Underwriters Attorneys Claim Consultants	Agent/Broker - Underwriter		Underwriting	Markel website/broker/underwriter	Insured agent or broker	agent/broker; underwriter; attorney	Broker	Agent/Broker, Underwriter, Attorney, Claims Department, Risk Manager	Agent	Our Broker network	Broker, Underwriter, Claims		Agent/Broker, Underwriter, Attorney		Agent/broker Underwriter	Agent/Broker/Underwriter/Attorney/Claims Department
Help with loss prevention programs	S/A	Agent/Broker		Underwriting	Markel website/broker	Travelers regional claims manager	agent/broker; underwriter; claims department	Broker, attorney, consultant specialist.	Agent/Broker, Underwriter, Risk Manager	Agent/Hanover	Our Broker network and ADI	Broker, Underwriter		Agent/Broker, Underwriter, Lexington Risk Management Director			Agent/Broker/Underwriter/Attorney/Claims Department
Review of contracts	S/A	Agent/Broker - Attorney		Underwriting and claims personnel		Travelers regional claims manager	agent/broker; underwriter; attorney; claims department	Underwriter/Claims Administrator.	Agent/Broker, Underwriter, Risk Manager	Agent/Hanover	Our Broker network and ADI			Agent/Broker, Underwriter, Lexington Risk Management Director			Agent/Broker/Underwriter/Attorney/Claims Department
Assistance with incidents and claims	PLAN Agents Claim Consultants and Attorneys	Agent/Broker - Claims Department		Claims		Travelers regional claims manager	agent/broker; attorney; claims department	Claims Assistant or Claim VP.	Agent/Broker, Underwriter, Attorney, Claims Department, Risk Manager	Hanover	Hudson Insurance Company			Agent/Broker, Underwriter, Claims Department, Lexington Risk Management director			Agent/Broker/Underwriter/Attorney/Claims Department
Educational programs/seminars	PLAN Agents Claim Consultants Underwriters and Attorneys	Agent/Broker - Underwriter		Underwriting		Travelers regional claims manager	agent/broker; underwriter; attorney; claims department	Broker, Website	Agent/Broker, Underwriter, Attorney, Risk Manager	Agent/Hanover	Our Broker network and ADI			Agent/Broker, Underwriter, Lexington Risk Management Director			Agent/Broker/Underwriter/Attorney
Publications	S/A			Underwriting		Travelers regional claims manager	agent/broker; underwriter; attorney; claims department	Underwriter, website	Underwriter, Risk Manager	Hanover	Our Broker network and ADI						Agent/Broker

Question 76: Would you provide a specimen copy of your policy?																	
	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes		Yes

Question 77: If you wish to provide comments on this survey, please do so in the space below.

	NExt year I would like to suggest a program that can be opened and closed as it takes time to obtain information and realistically the survey cannot be done in one sitting.			Question re: risk management and products question - there was no options to select.		While we have striven to provide accurate answers to the survey questions, it is important that readers remember that individual policies may have endorsements that modify coverage. Coverage is determined by each insured's policy rather than the generalized responses to this survey.		Form is not complete but we will send you a copy prior to our meeting in October. We look forward to visiting with the Liability Committe.									Thank you for the opportunity to share our program highlights.