

2003 AIA/NSPE/ACEC PROFESSIONAL LIABILITY SURVEY RESULTS

	ACE USA	Arch Insurance Group	Arrowhead Design Insurance Division	AVRECO	DPIC Companies/Royal & SunAlliance USA	Euclid Managers	Insight Insurance Services, Inc.	Lexington Insurance Company (AIG)	Paragon Int'l Insurance Brokers, Ltd.	RA&MCO Insurance Services	The St Paul Fire & Marine Insurance Company	Victor O. Schinnerer & Co, Inc.	XL Insurance	ZurichNA
General Information														
Question 1 - Name of company?														
	ACE USA	Arch Insurance Group	Arrowhead Design Insurance Division	AVRECO	DPIC Companies/Royal & SunAlliance USA	Euclid Managers	Insight Insurance Services, Inc.	Lexington Insurance Company (AIG)	Paragon Int'l Insurance Brokers, Ltd.	RA&MCO Insurance Services	The St Paul Fire & Marine Insurance Company	Victor O. Schinnerer & Co, Inc.	XL Insurance (formerly, ECS, an XL Capital Company)	ZurichNA
Question 2 - If your firm is not the insurer, what is your relationship with the carrier?														
	N/A	N/A	Program Manager	M.G.A.	Insurer	Managing General Agent	Insight is the national program administrator	N/A	London/Lloyd's Broker	Underwriting Manager	N/A	Underwriting Manager & Program Administrator	Insurer	N/A
a) What is the length of your relationship?			18 Months	34 years	A/E market for 32 years		Approx 1 1/2 yrs, since May 1, 2002	N/A	Firm started in 1996	5 years		46 years		
b) Do you have premium setting authority?			Y	Y	Y	Y	Y	N/A	N	Y		Y		
c) Do you have claims settlement authority?			Y	N	Y	N	N	N/A	N	Y		N		
Question 3 - Who is (are) the insurer(s) you represent?														
	ACE American Insurance Company, Illinois Union Insurance Company	N/A	Liberty International Underwriters	Certain Underwriters at Lloyd's London	Royal & SunAlliance USA; Security Insurance Company of Hartford; The Connecticut Indemnity Company	National Casualty Company / Scottsdale Insurance Company	Everest National Insurance Company; Everest Reinsurance Company; Everest Indemnity Insurance Company	N/A	London and European Market	Great American Insurance Companies	The St Paul Fire & Marine Insurance Company	Continental Casualty Co. (CNA Insurance)	Greenwich Insurance Company - admitted paper Indian Harbor Insurance Company - non-admitted NOTE: Both companies are part of the XL Capital Group.	Zurich American Insurance Company; Zurich American of Illinois Insurance Company; American Zurich Insurance Company; Steadfast Insurance Co.
Question 4 - What was your total book of business for architectural and engineering liability insurance? (# of Firms Insured / Premium in Millions)														
Year 2002	Proprietary Information	Confidential	±100 ; \$2-3M	Confidential	\$226M			Confidential	118 ; \$11M	2516 ; \$42.5M	as of 8/23/03 1122 ; \$13.3MM	16,700 ; \$274M	Excess of 1750; \$73MM	1,761 ; \$92.4M
Year 2001			0		\$216M		1490 ; \$7,500,000	Confidential	90 ; \$9M	2456 ; \$38M		16,400 ; \$255M	Excess of 500; \$35MM	1,102 ; \$59.3M
Year 2000			0		\$210M		1400 ; \$7,000,000	Confidential	80 ; \$8M	2308 ; \$35.7M		16,200 ; \$242M	Excess of 350; \$32MM	1,003 ; \$44.2M
Question 5 - What has been your carrier's Best's Rating and financial category for?														
Year 2003	A ; XIII	A- ; XII	A ; XV	A-	B+ ; (XL Design Professional has purchased the renewal rights for DPIC insureds, and will be quoting renewal terms to them)	A++ ; XV	A+ ; XV	A++ ; XV	Several (Lloyd's overall is an A-)	A ; XIII	A ; XV ; 2%	A ; XV	A+ ; XV	A ; XV
Year 2002	A	A- ; 10	A+ ; XV	A-	A ; XIV; 40%	A++ ; XV	A+ ; XIV	A++ ; XV		A ; XIII	A ; XV; 0%	A ; XV	A+ ; XV	A ; 15
Year 2001	A			A-	A+ ; XV; 40%	A++ ; XV		A++ ; XV		A ; XIII	A+ ; XV; 0%	A ; XV	A+ ; XV	A+ ; 15
Year 2000	A			A-	A+ ; XIV; 40%	A++ ; XV		A++ ; XV		A ; XIII	A+ ; XV; 0%	A ; XV	A+ ; XV	A+ ; 15
What was your combined rating for 2002?														
A/E book of business	Proprietary	Confidential	<50%		Confidential		Not available	Confidential	N/A	Premature	N/A	Confidential	Confidential	
Entire company		Confidential	does not apply		122.8% USA			Confidential	N/A	N/A	95.2%	106.4%	2002: 92.9%	
Question 6 - Do you have underwriting restrictions based on:														
a) Size of firm?	N	Y	N	N	N	Y	N	N	N	N	Y-annual fees<\$50MM	N	Y, The current minimum requirement is \$100,000 in annual billings.	N

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b) Location of firm?	N	N	N	Y	N	Y	Y	Y	N	N	Y - not available in HI, LA, VT	N	Yes. US/Canada. No practice or project specific coverage is available for firms domiciled or projects located outside the US, its territories or Canada. Project coverage is only provided to existing insureds. As a general rule, we do not provide coverage for projects with construction values in excess of \$100 MM.	N
c) Location of projects?	N	N	N	N	N	N	N	Y	N	N	N	N	Y	N
d) Type of practice?	Y	N	N	Y	N	Y	Y	Y	N	N	Restricted to licensed design professionals	N	Y. The following types of disciplines are not favorable underwriting classes of business due to claim frequency and/or severity potential and, therefore, are held to higher underwriting review and standards: Geotechnical/Soil Engineering Structural Engineering Process Engineering Mining Engineering Building Envelope System/Design Construction Management (at-risk)	Y

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e) Restrictions on condominiums?	Y	N	Y	Y	N	Y	N	Y	N	Y	Y 5% of less	Y	Y. Condominium projects have an unfavorable claims frequency/severity history and, therefore, present higher than average underwriting exposure. In general, firms that have greater than 5% of their revenues attributable to this project type, are typically not eligible for our program.	Y
f) Location of projects?	N	N	N	N	N	N	N	Y	N	N	N	N	Y	Y
g) Other restrictions? If yes, please explain.		Yes, Program is currently focused on firms with revenues >\$2M per year	Yes. Types of projects Claims history	N	N	N	Y	N	N	Yes, Geotechnical engineering firms providing services to residential projects.		N	Yes. See text in bound survey.	No, Selective Underwriting of hazardous classes and projects.
Questions 7 - What limits of liability are available through your company?														
Minimum	\$100,000.00	\$100,000.00	\$250,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$250,000.00	\$250,000.00 claim/aggregate 5 million in house	\$500,000.00	\$100,000.00	\$500,000.00 per claim/aggregate	\$100,000.00
Maximum	\$10,000,000.00	\$10+ million	\$10 mil	\$2,000,000.00 but more is available on certain risks	\$10,000,000 (more available)	\$5,000,000.00	\$3,000,000.00	\$25,000,000.00	\$400,000,000.00	Up to \$25 million	\$5,000,000.00	\$25,000,000.00	\$25,000,000.00 per claim/aggregate	\$5,000,000 Practice \$25,000,000 Project
a) What is the net insurance (excluding reinsurance) you typically retain on each policy?	Varies	Confidential	Not public	0%	Proprietary Information		Not available	Varies	N/A	Varies by treaty	Generally 100% of limits written for Design Firms	\$5,000,000.00	Confidential	\$2,000,000 Practice \$5-15,000,000 Project
Question 8 - Do you have special provisions for new insureds such as:														
	Y	Varies	Y	Y	Y	Y	N	Y	N	Y	Not available to without prior coverage.	Y	Y	Y
a) Prior acts coverage?	Y	Varies	Y	Y	Y	Y	Yes. Insight will match the retroactive date used by the other carrier.	Y	N	Y	Y	Y	Y	Y
b) Prior acts when switching from another insurance company?	Y	Varies	Y	Y	Y	Y		Y	N	Y	Y	Y	Y	Y
c) Predecessor firm coverage?	Y	Varies	Y	Y	Y	Y	Y	Y	N	Y	Y-if named as a Named Insured	Y	Y	Y

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d) Limits on retroactive coverage? If yes, please explain.	N	Varies	No, each firm underwritten individually	N	Y - Prior acts are available with prior carrier's retroactive date	Y - We will match the expiring policy	Y - New firms or firms that have not previously carried coverage are quoted retro-inception. In some cases, we will make exceptions to the retroactive date for specific projects.	Y - Generally firms which are new or who have not previously carried Professional Liability Coverage would be ineligible for prior acts coverage.	N	Yes, All risks are individually underwritten and coverage terms are offered accordingly. We will at least match a prior insurers retroactive coverage date and extend it with good experience.	Usually not	Yes, Small Firms, Landscape Architects and Surveyors must carry PL for at least one year before they are eligible for prior acts coverage. All other programs require at least two years of coverage with any carrier.	Yes, Commensurate retroactive coverage is afforded upon receipt and satisfactory review of existing carrier coverage and loss history.	No, Generally match existing retroactive coverage.
Coverage														
Question 9 - For each state, do you offer coverage on an: a = admitted basis, s = surplus basis, n = no coverage														
Admitted basis	AZ, NJ, TX,		AL, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, ME, MD, MA, MI, MN, MS, MO, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY	IL, KY	AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WV, WI, WY, PR	AL, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IN, IA, KS, KY, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WV, WI, WY	AL, AZ, AR, CA, CO, DE, DC, GA, ID, IL, IN, IA, KS, KY, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WV, WI, WY			AL, AZ, CA, CO, DE, DC, FL, GA, HI, IL, IN, IA, KS, KY, ME, MD, MA, MI, MN, MO, MT, NE, NV, NJ, NC, ND, OH, OK, OR, PA, RI, SC, TN, TX, UT, VA, WV, WI, WY, VI	St Paul is admitted in all states except LA, HI, and VT. Coverage is not available in these 3 states. We do not currently offer coverage on surplus lines basis in any state.	AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, PR	AL, AK, AZ, AK, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, IA, KS, KY, LA, MD, MA, MI, MN, MS, MO, MT, TN, UT, VT, VA, WA, WV, WI, WY, PR	AL, AZ, AK, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, GU, PR
Surplus basis		We are surplus lines in all states	AK, LA, MT	AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IN, IA, KS, LA, ME, MD, MA, MI, MN, MS, MO, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, MT		HI, LA,	FL, LA, NH, VT	AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, VI, GU, PR	Lloyd's is all surplus lines other than Illinois and Kentucky.	AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, VI, GU, PR		ME, TX, VI	AK, WY	
No coverage	VI, GU, PR		VI, GU, PR	N/A		AK, IL, VI, GU, PR	AK, CT, HI, NY, VI, GU, PR				HI, LA, VT, VI, GU, PR		GU; Other - Canada	

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Deductibles														
Question 10 - Does your company have limits on deductibles?														
a) Minimum amount?	Y	Y	N	Y	N	Y	Y	Y	N	Y	Y	Y	Y	Y
			N	Y	N	\$2,500.00	Y - \$2,500 in most cases \$1,000 for very small firms	Y	N	\$2,500.00	\$0 for many firms under \$250,000 in annual fees.	Y, starts at \$0	Yes: \$5,000	Y
b) Maximum amount	Y	N	N	Y	N	N	N	Y	N	No, as appropriate	Maximum deductible is determined by insureds financial strength	Y, based on the firm's ability to pay	N: based on financial ability	Y
c) Do you offer stop-loss on deductibles (i.e., a maximum deductible limit option for all claims in the aggregate)?	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y, available for eligible firms	Y: Typically 3 times the per claim amount.	Y
Premiums														
Question 11 - What is the minimum premium for each of the following limits of liability?														
\$100,000	\$2,500.00	Varies	N/A	\$1,000.00	\$1,100.00	\$2,000.00	\$1,400.00	\$2,000.00	Varies	N/A	N/A	\$1,250	Not Available	Varies by state and other rating criteria
\$250,000	\$3,500.00	Varies	\$2,500.00	\$1,250.00	\$1,800.00	\$2,800.00	\$1,400.00	\$3,200.00		\$2,500.00	N/A	\$1,350	Not Available	Varies by state and other rating criteria
\$1,000,000	\$5,000.00	Varies	\$4,000.00	\$1,500.00	\$2,670.00	\$4,600.00	\$1,400.00	\$5,000.00		\$5,000.00	\$1,800.00	\$1,850	None - based on exposures	Varies by state and other rating criteria
\$5,000,000		Varies	\$12,000.00		based on exposure		Not Available	No set minimum		No absolute minimum	\$7,180.00	\$5,850	None - based on exposures	Varies by state and other rating criteria
Question 12 - How have your rates increased (or decreased) over the past three years?														
Year 2003	Moderate rate increases past two years	Y	10% too small a # to be significant	0%	Varies by state and based on firm practice, loss experience, and emphasis on loss prevention.	10-15%	10%	+10	25%	± 10 *	generally 15-35%	15%	>10%	+15
Year 2002		Y	N/A	0%	Rates will be determined in Q4 2003 and by individual firm's results and practice improvement.	20-25%	18%	+10	40%	± 10 *	N/A	11%	>10%	+18
Year 2001		N/A	N/A	15%	TBD		N/A	+5	15%	± 10 * Our rating system (filed rates) remain unchanged. Market forms have created effective increases, however.	N/A	Varies by state and size of firm, firm type and loss experience. Rates for Structural firms have gone up.	>10%. In general rate changes are based on individual account merits and average market rates. We have not issued mandatory all account rate increases.	+15

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Question 13 - How do you expect your rates to change:														
Year 2004	Continued rate increases	Not sure	15%	U/K	Rates will be determined in Q4 2003 and by individual firm's results and practice improvement	unknown	10%	+5	flat	unknown	Most firms will see rate increases in 2003 of 15 to 35% depending upon location, nature of services rendered, length of expiring policy term. We expect the pricing trend to continue for the first 6 months of 2004.	Not available as yet.	>10%	10-20%
Year 2005		Not sure	(?)	U/K	TBD	unknown	unknown	level	flat	unknown	We are unable to predict rate needs in late 2004 or 2005	Not available as yet.	Unknown	5-15%
Question 14 - Rank the following characteristics in order of importance in your premium determination process. If a characteristic isn't considered in the premium determination basis, leave it blank.														
Location of firm	6	Our rating system and methodology is confidential	4	6	7	6	4	7	can't answer	Important	4	X	5	3
Location of projects	7		X	X	6	7	9	6		Important	6	X	8	2
Type of practice	1		3	1	3 (see below)	2	2	4		Important	3	X	3	1
Type of projects	5		5	4	4	4	3	2		Important	5	X	4	1
Annual billings	2		1	2	5	1	1	1		Very Important	1	X	1	3
Claims history	3		2	3	2	3	5	3		Very Important	2	X	2	1
Firm experience	4		6		1	5	8	5		Important	7	X		2
Other (please list)				retro cover 5	Components of practice: Contracts 3a Business Practices 3b Loss Prevention 3c		Continuing education program; Use of industry standard contracts; Membership in professional societies			Percentage of construction observation/administration Use of standard contract forms (AIA, etc.) Review of contracts of hire Participation in peer review and loss prevention programs Professional society memberships		Risk Management Practices	Management Attitude - 7 Contract Usage - 6 Types of Clients-9 Internal Risk Control Measures - 10 Continuing Education - 11	
<i>Project Insurance</i>														
Question 15 - Do you offer project insurance?														
	Y	Y	N	Y	N - only specific job excess	N	N	Y	N/A	Y	N	Y	Y	Y
a) If yes, how many policies did you write in your last fiscal year?	Proprietary	Confidential		1				Confidential		± 45		22	<10	40
b) If yes, maximum limits?	\$10,000,000	\$10+M		All as on practice policy				\$25 Million		\$10 Million		\$5,000,000.00	\$25,000,000 per claim/aggregate	\$25,000,000

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c) List any excluded class or business?	Sports facilities, condominiums			All as on practice policy				Varies		No absolute excluded classes, however, condominiums are not viewed favorably. Likewise sports stadia		Stadiums, Condos and housing projects of any type (apartment buildings, tract developments, public housing buildings), Convention Centers, Airports, Manufacturing facilities with process engineering design, Product design, Correctional facilities, Public transit, Design of Traffic /transportation signals, Power plants. No contractor lead design/build projects.	Lead firm must be an existing insured. Coverage not available for sports complex or residential projects. Construction values < \$100MM.	Nuclear, process, power, condominiums, machinery or product design, mines, stadiums and amusement parks.
d) Do you provide supplemental limits of liability?	Y	Varies		do not understand the question unless you mean do we write project excess over a practice-if so, yes we do			Y. Specific Project Excess coverage can be added to the practice policy, increasing the limit of liability available for the specified project.	Y		Yes, if you mean project specific excess. No, if you mean defense outside limits.	We can offer specific additional limits for a particular project.	Y	Y, Excess coverage available	Y
e) If yes, maximum limits?	\$10,000,000	Varies		\$2,000,000.00 unless project warrants more			\$5,000,000	Varies			Sum of basic policy limit and specific additional limit cannot exceed \$5,000,000.	\$5M	Same as b) above	\$5,000,000

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<i>Claims Process</i>														
Question 16 - How does your company define a claim?														
	A written demand against any Insured for monetary damages for Professional Services, or a civil proceeding against any Insured seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading, including any appeal therefrom.	Per policy	"Claim" means a demand for money or services, naming you and alleging a Wrongful Act or Pollution Incident.	Demand for money or services	Claim means a demand against you, or the filing of a suit or the initiation of an arbitration proceeding naming you, that seeks damages for an alleged error, omission, negligent act, or "personal injury" arising out of your Professional Services; or an event of which you have knowledge that may result in a demand against you that seeks damages arising out of your Professional Services.	Claim(s) means an oral or written demand for monetary damages from any party whose intent it is to hold you responsible for any wrongful act in performing prof. services.Claim also means your knowledge of circumstances which could reasonably be expected to give rise to such demand. You must tell us of such claim(s) or circumstances in writing during the policy period or Extended Reporting Period.Demand includes, but is not limited to, service of suit, institution of arbitration proceedings, or mediation.	Claim means "a demand for money or services, including but not limited to, service of suit or institution of arbitration proceedings against the Insured for damages."	Any demand against the insured for money or services including but not limited to the service of suit or institution of arbitration proceedings.	N/A	Please see appended policy text	A demand for money or services, naming the insured and alleging a wrongful act. A claim also includes the service of suit or the institution of an arbitration proceeding against the insured.	Demand for money or services alleging a wrongful act. Circumstance means an event reported during the policy term from which you could reasonably expect that a claim could be made.	Definition of claim depends on the specific policy. However, a claim is generally a demand upon the insured for money or services.	Any demand received by you seeking "Damages" or "Professional Services" and alleging liability or responsibility on your part.
Is "circumstance" reporting allowed?	Y	Y	Y	Y	Y	Y	Y	Y		Yes and encouraged.	Y	Y	Y	Circumstance reporting is allowed
Is "circumstance" reporting required?	Y		N	Y	Y- it is encouraged	Y	Reporting of circumstances is not required as a provision of the policy, however if a circumstance has not been reported and the insured changes insurance carriers, they may be putting their coverage into jeopardy if this circumstance later becomes a claim. In order to protect the insured's interest, we strongly encourage that all potential claim situations be reported.	N		Only if coverage is sought	Strongly encouraged but not mandated	No, we encourage early reporting. We found it minimizes the time and money our clients spend.	No, however, underwriters recommend prompt reporting of all circumstances	Circumstance reporting is not required

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a) Who supervises claims: Company adjusters? Independent contractor?	Y N	Y	N Y, Us the Program Manger	Y	Y N	Y	Y Y	Y Y		Y N	Y N	Y N	Y N - All professional liability claims are assigned to an XL in-house claim attorney. Assistance is provided by in-house engineers (technical issues) and a nationwide network of outside attorneys and consultants.	Y N
b) What assistance do you offer your insured's with potential claims?	Pre-Claims assistance is available and forms part of the basic policy form.	Full service Risk Management and pre-claims assistance	LP assistance; Atty selection; Loss of earnings & exp. reimb.	They can discuss with our attorneys from the first moment it becomes a circumstance	Early Warning System puts a claims supervisor to work on a loss prevention file long before an issue becomes a formal claim.	Potential claims can be reported to the Company for assistance and we encourage issues to be reported as soon as possible	Insight offers a toll-free hotline that the insured may call for advice regarding potential claim situations. The staff also provides assistance in drafting responses to potential claim situations. If necessary, defense counsel may be assigned.	Lexington has contracted with the renowned law firm of Donovan Hatem, to offer our insured, state of the art legal and practical advice. This service is free to our insured.		Full service risk management, loss prevention and incident management both by in-house experts and outside counsel.	Circumstance reporting starts with a discussion with the A&E claim specialist. Consultation with outside counsel if necessary.	Free Pre-Claim Assistance	Pre-claim assistance is provided. We will investigate the most cost-effective solution for potential claims. In-house legal and technical reviews conducted by our staff of attorneys and consultants are provided to the insured. If outside legal and/or expert assistance is needed, these costs will be incurred by the insured and credited toward their self-insured retention.	Pre-claims assistance
Question 17 - Do you have claims offices that manage claims?	Y	Y	Y	Y	Y	Y	Y	Y	We have claims department	Y	Y	Y	Y	Y
a) If yes, where are they located? (city, state)	New York	Various locations	Monterey, will add regional offices as required	New York City	Irvine, CA; San Francisco, CA; Itasca, IL; Norcross, GA; Bloomfield, NJ; Dallas, TX; Toronto, ON; Montreal, PQ; Vancouver, BC	Scottsdale, AZ	Liberty Corner, NJ; Northbrook, IL; Seattle, WA	100 Summer St, Boston, MA 02110		Concord, CA	Our A&E national claim director is located in Chicago, IL. We expect to add A&E claim specialists in each region as needed.	CNA claim field offices are located in 25 cities in 19 states - CA, CO, FL, GA, IL, KS, LA, MA, MD, MI, MN, NC, NJ, NY, OH, PA, TN, TX, WA	Home Office: Exton, PA	Chicago, New York and New Jersey

2003 AIA/NSPE/ACEC PROFESSIONAL LIABILITY SURVEY RESULTS

	ACE USA	Arch Insurance Group	Arrowhead Design Insurance Division	AVRECO	DPIC Companies/Royal & SunAlliance USA	Euclid Managers	Insight Insurance Services, Inc.	Lexington Insurance Company (AIG)	Paragon Int'l Insurance Brokers, Ltd.	RA&MCO Insurance Services	The St Paul Fire & Marine Insurance Company	Victor O. Schinnerer & Co, Inc.	XL Insurance	ZurichNA
b) What is the average case load per claims supervisor or independent contractor?		Confidential	N/A at this time. But will be <150 files per supervisor	U/K	At or below industry standard case loads	Unavailable	Not available	Varies-complexity of claims determines the amount of assignments.		± 160	Very low-we are new in this line and have only a few claims.	106 claims per claims manager	110	Approximately 140 including reported claims, circumstances and excess claims.
c) How are claims managed when you do not have local claims offices?		N/A	Our Claims Director will travel, or, if appropriate, assign claim to local counsel	Managing attorney has a network of offices to which he assigns claims for local handling	Regional claims offices provide service with local defense counsel as appropriate	Insurance Company hires local law firms.	Claims adjusters are able to manage claims across the country. Local counsel is appointed when appropriate.	Lexington has a unique Claims Management Agreement with the law firm of Donovan Hatem who work directly with the insured or their local counsel to direct and supervise the handling of the claim. Any coverage issue would be handled by Lexington's experienced in-house claims staff.		By staff		The other states are assigned to the closest office.	All claims managed out of the Exton, PA office.	Claims are managed in the claim offices and defended by local counsel.
Question 18 - Does your policy cover claims brought outside the U.S., its territories, or Canada?														
	Yes, available by endorsement	Varies	Y	Y	Y	Y	N	Y	N/A	Yes, but must be agreed as to venue	Y	Y	Y and N, depends on the policy.	Y
a) If yes, does insured have the right to select legal counsel?	Yes, subject to prior approval by company	Varies	Y	No - Insured can request counsel but we may or may not agree with the selection	Yes in collaboration with DPIC claims supervisor and counsel	N		Y		No, but we agree to agree upon selection	Defense counsel may be designated by the company, or at the Company's option, by the insured with the Company's written consent and subject to the Company's guidelines.	No, willing to make appropriate accommodations	N	N
b) If yes, do you pay on behalf or do you indemnify?	Pay on behalf		Indemnify	Pay on behalf	Payment on behalf subject to terms of policy	Pay on behalf		Limited to specific situation		Both-depends upon venue	Pay on behalf of	Pay on behalf	Y and N, depends on the policy; generally - pay on behalf	Pay on behalf
c) If yes, are claims, including expenses, paid in US dollars?	Y		Y	Y	Yes, subject to terms of policy	Y		Variation in policies.		Y	All payments are subject to policy limits which are expressed in U.S. Dollars.	Y	Yes, if the policy is written based on US dollars.	Y

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<i>Litigation and Settlement</i>														
Question 19 - Are "defense costs paid outside the limit of liability" available from your company?	N	N	N	N	N	They can be as an option	Y. This coverage can be purchased as a separate option	Y	N/A	N	N	N	Y and N; depends on State requirements. However, in general N	N
Question 20 - Do you reserve the right to appoint defense counsel on all claims?	Y	Varies	Y	Y	Y	Y	Y	Y		Yes, but as agreed	Y	Y	Y	Y
a) Do you accept alternate defense counsel when requested by insured?	Y	Varies	Y	Maybe	Yes, if appropriate	Sometimes	Y, if the requested counsel has appropriate expertise, they will be considered, but we cannot guarantee that every request will be honored.	Y - If certain standards / qualifications are met		Yes, but as agreed	Defense counsel may be designated by the company, or at the Company's option, by the insured with the Company's written consent and subject to the Company's guidelines.	Yes, as appropriate	Y and N; depends circumstances of the claim situation. We do solicit the insured's input regarding designation of counsel.	Y
Question 21 - Do you exercise control over 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 defense counsel deems necessary?	Y		Y	Y	Y	Y	Y	Y		Yes, but we consult with the policyholder on technical and strategic decisions in their best interests.	Y	No, we do not exercise control over defense counsel's strategic and tactical decisions, but we work closely with defense counsel and our insureds to help formulate appropriate and effective defense and resolution plans.	Y	Y
Question 22 - Do you have to obtain the consent of insured to compromise on or settle a claim?	Y		Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y
Question 23 - Does insured have to obtain the consent of the insurer to compromise on or settle a claim?	Y		Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y
Question 24 - Do you engage outside agencies to review defense counsel's billings?	Y		N	N	Y	Unavailable	N	Y - Very limited basis.		No, not at this time		N	N: reviewed by in-house staff	N

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Additional Services														
Question 25 - Where can the following special services be obtained if offered by your company? (mark all that apply)														
a) Insurance needs assessment.														
agent/broker	X	X	X	X	X	X	X	X		X	X	4		X
underwriter	X				X	X	X	X		X		4	X	
attorney	X												X	
claims department	X						X						X	
b) Application paperwork and assistance.														
agent/broker	X	X	X	X	X	X	X	X		X	X	4		X
underwriter	X	X		X	X	X	X	X		X		4	X	X
attorney		X												
claims department		X												
c) Explanation of coverage.														
agent/broker	X	X	X		X	X	X	X		X	X	4		X
underwriter	X	X	X	X	X	X	X	X		X	X	4	X	X
attorney		X	X		X	X	X	X				4		X
claims department		X	X		X	X	X	X			X	4		X
d) Help with loss prevention programs.														
agent/broker	X	X	X		X	X	X	X		X	X	4		X
underwriter	X	X	X		X	X	X	X		X	X	4		X
attorney		X	X		X	X	X	X		X	X	4		X
claims department		X	X		X	X	X	X		X	X	4		X
e) Review of contracts.														
agent/broker	X	X	X		X	X	X			X	X	4		X
underwriter	X	X	X		X	X	X			X	X	4	X	
attorney		X	X	X	X	X	X	X	X	X	X	4		X
claims department		X	X		X	X	X		X	X	X	4	X	
f) Assistance with incidents and claims.														
agent/broker		X	X		X	X	X				X	4		X
underwriter		X	X		X	X	X			X	X	4		X
attorney	X	X	X	X	X	X	X	X	X	X	X	4		X
claims department	X	X	X		X	X	X	X	X	X	X	4		X
g) Educational programs.														
agent/broker	X	X	X		X	X	X			X	X	4		X
underwriter		X	X		X	X	X	X		X	X	4		
attorney	X	X	X		X	X	X	X		X	X	4		
claims department	X	X	X		X	X	X	X		X	X	4	X	