

2004 PROFESSIONAL LIABILITY INSURANCE SURVEY RESULTS

(10/04/04)

(Information compiled by the Professional Engineers in Private Practice of the National Society of Professional Engineers (NSPE/PEPP),
the American Institute of Architects (AIA), and the American Council of Engineering Companies (ACEC))

	ACE USA	Arch Insurance Group	Arrowhead	AVRECO	Euclid	Insight/ Everest	Lexington	Liberty Int'l	Lloyds Paragon	RA&MCO	St. Paul	State Farm	VOSCO/ Continenta	XL Design	Zurich	
General Information:																
Question 1 - General Information	Paul Dietrich ACE USA 1601 Chestnut Street Philadelphia, PA 19103 215-640-4854-P 215-640-5487-F paul.dietrich@ace-usa.com	Rich Zarandona Sr. VP Arch Insurance Group 55 Madison Avenue Morristown, NJ 07962 973-206-8080-Phone 973-206-8081-Fax rzarandona@archinsurance.com	Jack Doran Arrowhead Design Insurance Division (ADI) 99 Pacific Street Suite 155E Monterey, CA 93940 831-333-9840-P 831-333-9847-F jdoran@arrowheadgrp.com	Linda Deiss AVRECO 550 W. Van Buren Chicago, IL 60607 312-294-5475-P 312-803-2170-F ldeiss@avreco.com	Brian Van Cleave, CPCU Euclid Managers, Inc. 234 Spring Lake Drive Itasca, IL 60143 630-208-1900-P 630-773-8959-F brvanclave@euclidmanagers.com	Michelle Duffett Insight Insurance Services, Inc. 2000 S. Batavian Avenue Suite 300 Geneva, IL 60134 630-208-1900-P 800-447-4626-P 630-208-7550-F 888-447-6289-F mduffett@insightinsurance.com	Patrick J. McCarthy Lexington Insurance Company 100 Summer Street Boston, MA 02110 617-330-8266-P 617-439-9794-F pat.mccarthy@sig.com	Bruce Eisler Liberty International Underwriters, Inc. 55 Water Street, 18th Floor New York, NY 10041 212-208-4200- Phone 212-208-2866-Fax Bruce.Eisler@Libertyliu.com	Carl Moore Paragon Int'l. Ins. Brokers, Ltd. 7 Bishopsgate, London 44-207-382- 2400-P 44-207-920- 0365-F cmoore@paragonbrokers.com	Grant Weaver RA&MCO Insurance Services 2300 Clayton Road, #1100 Concord, CA 94520 925-685-1600-P 925-685-1750-F gweaver@ramco-irs.com	Thomas Gresham St. Paul Fire & Marine Insurance Company 111 Schilling Road Hunt Valley, MD 21031 443-353-2257-P 312-381-7339-F tgsresham@spuultrawlers.com	Lonette Pearson State Farm Fire and Casualty Company 200 E. Randolph, 17th Floor, Chicago, IL 60601 866-737-6877-P 312-381-7339-F lonette_pearson@statefarmli.com	Lorna Parsons Victor O. Schinnerer & Company, Inc. 2 Wisconsin Circle Chevy Chase, MD 20815 301-961-9825-P 301-951-5444-F lparson@schinnerer.com	Andrea Mennenga XL Design Professional 2959 Monterey- Salinas Hwy. Monterey, CA 93940 831-373-2984, Ext. 3020-P 831-649-5852-F andrea.mennenga@xlamerica.com	Tim Corbett Zurich Insurance Company 801 N. Brand Blvd. Glendale, CA 91203 818-409-7854-P 818-500-4756-F tim.corbett@zurichna.com	
Question 2 - If your firm is not the insurer, what is your relationship with the carrier?																
If your firm is not the insurer, what is your relationship with the carrier?	-	n/a	ADI is the program manager	MGA with Underwriting authority	Managing General Agent	National Program Administrator	Not applicable	n/a	We are London Brokers	Underwriting Manager Programs Administrator	n/a	n/a	Underwriting Manager and Program Administrator	n/a	n/a	
a) What is the length of your relationship?	-	n/a	2 years	35 years	4 years	Since May 1, 2002	n/a	n/a	n/a	5 years	-	n/a	47 years	-	-	
b) Do you have premium setting authority?	-	n/a	yes	yes	yes	yes	n/a	n/a	no	yes	-	yes	yes	-	-	
c) Do you have claims settlement authority?	-	n/a	no	no	no	no	n/a	n/a	no	yes	-	yes	no	-	-	
Question 3 - Who is (are) the insurer(s) you represent (lead company and group)?																
Who is (are) the insurer(s) you represent (lead company and group)?	ACE American Insurance Company Illinois Union Insurance Company	Arch Insurance Co. Arch Specialty Insurance Co.	Liberty International Underwriters, a member of the Liberty Mutual Group	Certain Underwriters at Lloyd's, London	National Casualty Company/ Scottsdale Insurance Company	Everest National Insurance Company Everest Reinsurance Company Everest Indemnity Insurance Company (all members of the Everest Re Group)	n/a	Liberty International Underwriters, a member of the Liberty Mutual Group	Lloyds European Beravadian Insurers	Great American Insurance Companies	St. Paul Travelers	State Farm Fire and Casualty Company	Continental Casualty Co. (CNA Insurance)	XL Specialty Insurance Company Indian Harbor Insurance Company	Zurich Financial Services	

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Question 4 - How many continuous years have you provided professional liability insurance to the A/E market place?															
How many continuous years have you provided professional liability insurance to the A/E market place?	5 years	2 years	4 years	34 years	23 years	12 years	25 years	4 years	Since 1996	23 years	1 year	1.5 years	47 years	XL Design Professional was formed in 2003 with a vast majority of DPIC staff and the XL staff serving the A/E community	Since 1990
Question 5 - What was your total book of business for architectural and engineering liability insurance?															
Year 2003:									n/a						
# of Firms Insured?	PROPRIETARY	CONFIDENTIAL INFO	PROPRIETARY	CONFIDENTIAL INFO	-	2,250	CONFIDENTIAL INFO	proprietary		2853	2750	proprietary	18,635	Proprietary	1,727
Premium in Millions?	PROPRIETARY	CONFIDENTIAL INFO	PROPRIETARY	CONFIDENTIAL INFO	-	\$20.2	CONFIDENTIAL INFO	proprietary		\$54.3	\$35.8	proprietary	\$303	\$160 (adjusted for transition)	\$104.1
Year 2002:									n/a		n/a	n/a		n/a	
# of Firms Insured?	PROPRIETARY	CONFIDENTIAL INFO	-	CONFIDENTIAL INFO	-	1,240	CONFIDENTIAL INFO	proprietary		2516			17,626		1,761
Premium in Millions?	PROPRIETARY	CONFIDENTIAL INFO	-	CONFIDENTIAL INFO	-	\$8.8	CONFIDENTIAL INFO	proprietary		\$42.5			\$277		\$92.4
Year 2001:									n/a		n/a	n/a		n/a	
# of Firms Insured?	PROPRIETARY	CONFIDENTIAL INFO	-	CONFIDENTIAL INFO	-	1,490	CONFIDENTIAL INFO	proprietary		2308			17,810		1,102
Premium in Millions?	PROPRIETARY	CONFIDENTIAL INFO	-	CONFIDENTIAL INFO	-	\$7.5	CONFIDENTIAL INFO	proprietary		\$38			\$238		\$59.3
Question 6 - Are you trying to gain, maintain, or decrease market share in the next two years?															
Are you trying to gain, maintain, or decrease market share in the next two years?	gain	increase/gain	gain	gain	gain	increase	increase	gain	n/a	gain/increase	increase - market conditions permitting	increase	increase market share	gain	gain
Question 7 - What has been your carrier's Best's Rating and financial category for (please use year-end results except for current year use July 31)?															
Year 2004:															
Best's Rating?	A	A-	A	A-	A++	A+	A++	A	Lloyds is A-	A	A	A+	Axv	A+	A
Financial Category?	-	13	XV	-	XV	XV	Superior Class XV	XV	-	XIII	XV	XV	15	XV	15
Market Share?	-	-	-	-	-	-	-	-	-	± 5%	-	-	-	-	-

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Year 2003:																
Best's Rating?	A	A-	A	A-	A++	A+	A++	A	Lloyds is A-	A	A	A+	Axv	A+	A	
Financial Category?	-	13	XV	-	XV	XIV	Superior Class XV	XV	-	XIII	XV	XV	15	XV	15	
Market Share?	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Year 2002:																
Best's Rating?	A	A-	A+	A-	A++	A+	A++	A+	Lloyds is A-	A	A+	A+	Axv	A+	A+	
Financial Category?	-	12	XV	-	XV	XIV	Superior Class XV	XV	-	XIII	XV	XV	15	XV	15	
Market Share?	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Year 2001:																
Best's Rating?	A	-	-	A-	A++	A+	A++	-	Lloyds is A-	A	A+	A+	Axv	A+	A+	
Financial Category?	-	-	-	-	XV	XIV	Superior Class XV	-	-	XIII	XV	XV	15	XV	15	
Market Share?	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Question 8 - What was your combined ratio for 2003?																
A/E book of business?	PROPRIETARY	confidential	Please refer to 2003 Liberty Mutual Annual Report	-	-	not available	CONFIDENTIAL INFO	Please refer to 2003 Liberty Mutual Annual Report	n/a	premature	-	n/a	proprietary	proprietary	-	
Entire company?	PROPRIETARY	Public info ACGL on NASDAQ	Please refer to 2003 Liberty Mutual Annual Report	-	-	95.2%	CONFIDENTIAL INFO	Please refer to 2003 Liberty Mutual Annual Report	n/a	-	-	proprietary	99% (*4Q 2003)	91.6% (XL Insurance division)	-	

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Question 9 - Do you have underwriting restrictions based on:																
a) Size of Firm?	yes	no	no	no	yes	no	no	no	n/a	no	yes - annual fees < \$25 million	yes	no	no	no	
b) Location of Firm?	no	no	no	yes	yes	yes	yes	no	n/a	no	Yes - not available in Hawaii, Vermont, or Louisiana	yes	no	no	no	
c) Location of projects?	no	no	no	no	no	no	yes	no	n/a	no	no	no	no	no	no	
d) Type of practice?	yes	no	no	yes	yes	yes	yes	no	n/a	no	yes - restricted to licensed design professionals	yes	no	no	yes	
e) Restrictions on condominiums?	yes	yes	yes	no	yes	no	yes	yes	n/a	yes	Yes - 5% or less for new applicants	no	yes	yes (see below for explanation)	yes	
f) Restrictions related to asbestos	no	no	no	yes	no	no	yes	no	n/a	no	no	no	-	no	yes	
g) Restrictions related to "mold" claims?	yes	yes	no	yes	yes	no	no	no	n/a	no	no	yes	-	no	yes	
h) Location of projects?	no	no	no	See c above	no	no	yes	no	n/a	no	no	no	no	no	no	
i) Other restrictions?	-	yes	no	no	-	yes	no	no	n/a	yes	-	no	no	-	no	
<i>If yes, please explain:</i>	a) Firms with annual fees > \$250,000 g) Most classes no restrictions	Various other conditions and limitations apply	-	-	-	Not accepting geotechnical engineers, part-time practices, firms located outside the US	-	-	n/a	Residential geotechnical services as a specialty or concentration	-	-	-	9e) Subject to underwriting judgement, firms with a high proportion of condominium projects may be ineligible for our program.	Selected underwriting of hazardous classes and projects	
Question 10 - What limits of liability are available through your company?																
Minimum?	\$100,000	\$500,000	\$250,000	\$100,000	\$250,000	\$100,000	\$100,000	\$250,000	\$100,000	\$250,000 CSL	\$500,000	\$100,000	\$100,000	\$100,000	\$100,000	
Maximum?	\$15,000,000	\$10+ million	\$10,000,000	\$5,000,000	\$5,000,000	\$3,000,000	\$25,000,000	\$25,000,000	\$100,000,000	\$5 million awarded / up to \$25 million as needed	\$5,000,000	\$5,000,000	\$25,000,000	\$10,000,000	\$50,000,000 (Projects)	
a) What is the net insurance (excluding reinsurance) you typically retain on each?	PROPRIETARY	confidential	PROPRIETARY	100% retained by Lloyd's	-	not available	varies	proprietary	n/a	varies	100% for the great majority of design firms	proprietary	\$5,000,000	proprietary	\$2-15,000,000 (Practice) \$2-15,000,000 (Project)	

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Question 11 - Do you have special provisions for new insureds such as:																
a) Prior acts coverage w/o prior insurance?	yes	no	yes	yes	no	no	yes	yes	n/a	yes	Not normally available without prior coverage	no	yes	yes	no	
b) Prior acts when switching from another insurance company?	no	yes	yes	yes	yes	yes	yes	yes	n/a	yes	yes	yes	yes	yes	yes	
c) Predecessor firm coverage?	no	yes	no	yes	yes	yes	yes	no	n/a	yes	yes - if listed as a Named Insured	yes	yes	yes	yes	
d) Limits on retroactive coverage?	yes	no	no	no	yes	no	yes	no	n/a	yes	Usually not	no	yes	yes	no	
<i>If yes, please explain:</i>	Full prior acts coverage available subject to prior insurance requirement.				We will match the expiring policy coverage.	Firms w/o prior insurance are quoted w/o prior acts coverage. Firms w/ prior insurance are provided matching retroactive coverage, including predecessor firm coverage as appropriate.	Generally, firms which are new or who have not previously carried Professional Coverage would be ineligible for Prior Acts Coverage.		n/a	We will at least match a prior insurers retroactive date but otherwise at the underwriters prudent discretion.			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.	Prior acts coverage is available with prior carrier's retroactive date when the insured has maintained continuous coverage. Other requests for prior acts coverage are subject to underwriting approval.	Generally match existing retroactive coverage.	

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Question 12 - Do you consult or obtain feedback from user groups or professional societies prior to making policy and/or rate changes?

<p><i>If yes, please explain:</i></p>	yes	yes	yes	no	no	no	yes	yes	yes	n/a	yes	no - we seek feedback from our design customers and their specialized agents prior to making changes.	no	yes	yes - at a minimum of two times per year, XL Design Professional consults with DPRCG on current A/E practice management trends and its claims research which may lead to policy/rate changes.	no - We do not formally solicit feedback, but consult with "key" members of agent and professional societies prior to making policy changes and/or rate changes.
<p>Brokerage Community</p> <p>Law Firms</p>		<p>Various societies and groups</p>					<p>yes</p> <p>We have contact/feedback from all the industry associations and our own A&E Advisory Committee</p>				<p>yes</p> <p>Prior to making any substantive changes in terms or routes, besides our own needs analysis, we consult appropriate stakeholders for input on their consequences. We obtain considerable feedback from state and national professional societies.</p>					

Coverage:

Question 13 - For each state, do you offer coverage on an: a=admitted basis, s=surplus basis, states not listed=no coverage

		<p>Admitted Basis: AL, AZ, AR, CA, CO, DE, DC, GA, HI, IL, IN, IA, KY, MD, MA, MI, MN, MS, MO, NH, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, UT, WV, WI, WY</p> <p>Surplus Basis: AK, CT, FL, KS, LA, ME, MT, NE, NV, TN, TX, VT, VA, WA, VI, GU, PR</p>	<p>We are currently admitted in approximately 12 states and filed in 20 others. All remaining states are surplus lines, non-admitted.</p> <p>Admitted Basis: AZ, FL, IL, MA, MI, NJ, OR, PA, RI, TN, TX, WI</p> <p>N/A: VI, GU, PR</p>	<p>Admitted Basis: All states/territories except AK, MT, VI, GU, PR</p> <p>Surplus Basis: AK, MT</p> <p>n/a: VI, GU, PR</p>	<p>Surplus Basis: All states/territories except for IL, KY, GU</p> <p>Admitted Basis: IL, KY</p> <p>No Coverage: GU</p>	<p>Admitted Basis: All states/territories, except for HI, LA, AK, VI, GU, PR</p> <p>Surplus Basis: HI, LA</p> <p>No coverage: AK, VI, GU, PR</p>	<p>Admitted Basis: All states/territories, except for AK, LA, MT</p> <p>Surplus Basis: AK, LA, MT</p> <p>N/A: VI, GU, PR</p>	<p>Surplus Basis: All states/territories</p>	<p>Lloyds is licensed in 48 states</p>	<p>Admitted Basis: 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, VI</p>	<p>Admitted Basis: All states/territories except HI, LA, VT, VI, GU, PR</p> <p>No coverage: HI, LA, VT, VI, GU, PR</p>	<p>We will have admitted filings in all states w/ the exception of MA and RI. We are currently approved as an admitted A&E carrier in the following states: (AL, AZ, CA, CO, FL, ID, IL, IN, MI, MS, MT, NV, PA, TX, UT).</p> <p>Other states are pending approval by their DOI.</p>	<p>Admitted Basis: All states/territories</p>	<p>Admitted Basis: All states/territories, except VI and GU</p> <p>No coverage: VI, GU</p>	<p>Admitted Basis: All states/territories, except AK and WY</p> <p>Surplus Basis: AK, WY</p> <p>Other: Project policies done on a surplus lines basis</p>
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Deductibles:

Question 14 - Does your company have limits on deductibles?

Does your company have limits on deductibles?	yes	yes	no	yes	yes	yes	yes	no	n/a	yes	yes	yes	yes	no	yes
a) Minimum amount?	yes	\$5,000	no	yes	\$2,500	yes	yes	no	n/a	\$2,500	\$0 for small firms under \$250,000 in fees	yes	yes - starts at \$0	no	yes
b) Maximum amount?	yes	none	no	yes	no	no	yes	no	n/a	no	Maximum deductible is determined by insureds financial strength	yes	yes - based on the firm's size and ability to pay	no	yes
c) Do you offer stop-loss on deductibles (i.e., a maximum deductible limit option for all claims in the aggregate)?	yes	yes	yes	no	yes	yes	yes	yes	n/a	yes	Yes for most policyholders. The aggregate deductible is generally 300% of the per claim deductible.	yes	yes - available for eligible firms	yes	yes

Premiums:

Question 15 - What is the minimum premium for each of the following limits of liability:

\$100,000?	\$2,500	varies by class, location, state, etc.	n/a	\$1,000	n/a	\$1,400	\$2,500	n/a	n/a	n/a	n/a	varies	\$1,250	\$1,080	Varies by state and other rating criteria
\$250,000?	\$3,500	varies by class, location, state, etc.	\$2,500	\$1,400	\$2,800	\$1,400	\$3,200	\$2,500	n/a	\$2,500	n/a	varies	\$1,350	\$1,800	Varies by state and other rating criteria
\$1,000,000?	\$5,000	varies by class, location, state, etc.	\$4,000	\$1,900	\$4,600	\$1,400	\$5,000	\$4,000	n/a	\$5,000	\$1,800	varies	\$1,850	\$2,682	Varies by state and other rating criteria
\$5,000,000?	varies	varies by class, location, state, etc.	no established minimum	negotiated	-	not available	No set minimum	no established minimum	n/a	no absolute minimum	Varies with risk characteristics	varies	\$5,850	Based on exposure	Varies by state and other rating criteria

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Question 16 - How have your rates increased (or decreased) over the past three years? (percentage)															
2004	Moderate increases overall	increase; confidential	0%	0%	5 - 10%	10%	5 - 7% increase	0%	n/a	± 5%	10-35% for most risks depending upon risk characteristics	n/a	15%	Proprietary - rates vary based on individual firm's loss experience and other underwriting characteristics, as well as actuarial evaluations of rates.	+15 - 25%
2003	Moderate increases overall	increase; confidential	0%	10%	10 - 15%	10%	10% increase	0%	n/a	± 15%	n/a	n/a	15%	-	+33%
2002	Moderate increases overall	increase; confidential	n/a	rates adjusted but not across the board	20 - 25%	18%	10% increase	n/a	n/a	± 11%	n/a	n/a	11%	-	+18%

Question 17 - How do you expect your rates to change:															
a) Next year - 2005?	Reduction in rate of increase	not sure	Currently under review	u/k	unknown	5 - 10%	level	currently under review	n/a	level	unknown	0 - 15%	not available as of yet	TBD	5 - 10%
b) The following year - 2006?	-	not sure	not known	u/k	unknown	unknown	level	not known	n/a	unknown	unknown	n/a	not available as of yet	TBD	5 - 10%

Question 18 - Do you offer any type of profit sharing or dividend return program for your A/E program?															
	no	no	no	no	no	no	no	no	n/a	no	no	no	yes - Commitment Plus profit sharing	no	no

Question 19 - 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 Location of projects- 7 Type of practice- 1 Type of projects- 5 Annual billings- 2 Claims history- 3 Firm experience- 4	All values and factors are relevant and equally important to rating accounts.	Location of firm- 5 Location of projects- x Type of practice- 3 Type of projects- 4 Annual billings- 1 Claims history- 2 Firm experience- 7 Other: Firm's risk mgmt & quality control- 6	Location of firm- 5 Location of projects- 7 Type of practice- 1 Type of projects- 6 Annual billings- 2 Claims history- 3 Firm experience- n/a Other: Retroactive coverage-4	Location of firm- 6 Location of projects- 7 Type of practice- 2 Type of projects- 4 Annual billings- 1 Claims history- 3 Firm experience- 5	Location of firm- 4 Location of projects- 7 Type of practice- 2 Type of projects- 3 Annual billings- 1 Claims history- 5 Firm experience- 6 Other: Cont. Ed. Program Use of industry standard contract Membership in professional societies	Location of firm- 7 Location of projects- 6 Type of practice- 4 Type of projects- 2 Annual billings- 1 Claims history- 3 Firm experience- 5	Location of firm- 5 Location of projects- 8 Type of practice- 3 Type of projects- 4 Annual billings- 1 Claims history- 2 Firm experience- 7 Other: Firms risk mgmt & quality control- 6	n/a	Location of firm- 5 Location of projects- 7 Type of practice- 3 Type of projects- 5 Annual billings- 1 Claims history- 2 Firm experience- 6	Location of firm- 4 Location of projects- 6 Type of practice- 3 Type of projects- 5 Annual billings- 1 Claims history- 2 Firm experience- 7	Location of firm- 4 Location of projects- 5 Type of practice- 1 Type of projects- X Annual billings- 2 Claims history- X Firm experience- X Other: Risk Mgmt - 8	Location of firm- X Location of projects- X Type of practice- X Type of projects- X Annual billings- X Claims history- X Firm experience- X Other: Selected risk management practices Tenure in program with good loss experience	Location of firm- 6 Location of projects- 7 Type of practice- 4 Type of projects- 5 Annual billings- 1 Claims history- 2 Firm experience- 3 Other: Loss prevention practices (4A) Business practices (4B) Contracts (4C)	Location of firm- 3 Location of projects- 2 Type of practice- 1 Type of projects- 1 Annual billings- 3 Claims history- 1 Firm experience- 2

Other:
Use of standard contract forms (AIA, etc.)
Loss prevention/risk mgmt.
Professional society memberships
Types of clients
Business practices

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		ACE USA	Arch Insurance Group	Arrowhead	AVRECO	Euclid	Insight/ Everest	Lexington	Liberty Int'l	Lloyds Paragon	RA&MCO	St. Paul	State Farm	VOSCO/ Continenta	XL Design	Zurich
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Project Insurance:

Question 20 - Do you offer project insurance?

Do you offer project insurance?	yes select basis	yes	no	yes	no	no	yes	yes	n/a	yes	no	no	yes	no	yes
a) If yes, how many policies did you write in your last fiscal year?	PROPRIETARY	confidential	-	less than 5	-	-	CONFIDENTIAL INFORMATION	proprietary	-	41	-	-	9	-	20
b) If yes, maximum limits?	PROPRIETARY	\$10+ million	-	\$1,000,000	-	-	\$15 million	\$10 million	-	\$10 million	-	-	\$5,000,000	-	\$25,000,000
c) List any excluded class or business?	Sports facilities, condominiums	varies	-	same as practice policies	-	-	varies	-	-	Condominium; sports stadia; convention centers; certain other residential; public transit; airports; machinery or product design; marine	-	-	Stadiums, condos, housing projects of any type (apt. bldgs, tract dev., public housing bldgs.), convention centers, airports, manufacturing facilities w/	-	Nuclear, process, power, condominiums, machinery or product design, mines, stadiums and amusement parks.
													process engr design, product design, correctional facilities, public transit, design of traffic/transportation signals, power plants. No contractor lead design/build projects.		
d) Do you provide supplemental limits of liability?	yes	?	-	yes	-	yes	yes	yes	-	yes	yes - we offer specific additional limits of liability for specific projects	yes	yes	-	yes
e) If yes, maximum limits?	varies by risk type		-	So total on policy doesn't exceed 5mm	-	\$5,000,000	varies	risk dependant	-	\$5 million	Sum of basic policy limit and specific additional limit cannot exceed \$5 million	Up to \$5 million* *Specific project excess coverage is available	Up to \$5 million	-	\$25 million

Claims Process:

Question 21 - How does your company define a claim?

How does your company define a claim?	A written demand against any Insured for monetary damages for professional services. (See policy form attached to survey)	See policy	Claim means a demand for money or services, naming you and alleging a wrongful act or pollution incident.	Demand for money or services.	An oral or written demand for monetary damages... (See policy form attached to survey)	A demand for money or services, including but not limited to, service of suit or institution of arbitration proceeding 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.	"Claim" means a demand for money or services, naming you and alleging a Wrongful Act or Pollution Incident.	n/a	The service of a summons on a suit or a demand for arbitration against you alleging your negligent act, error or omission in the performance of your professional services. (Please see policy form attached to survey for more definitions)	Demand for money or services, naming the insured and alleging a wrongful act. A claims also includes the service of suit or the institution of an arbitration proceeding against the insured.	A demand for money or services.	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.	Claims(s) means a demand received by the insured for money or services and which alleges a wrongful act arising from the performance of professional services. (Please see survey for more definitions)	Any demand received by you seeking "damages" or "professional services" and alleging liability or responsibility on your part.
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2004 PROFESSIONAL LIABILITY INSURANCE SURVEY RESULTS

(10/04/04)

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Is "circumstance" reporting allowed?	yes	yes	yes	yes	yes	yes	yes	yes	-	yes, and encouraged	yes	yes	yes	yes	yes
Is "circumstance" reporting required?	yes	no	no	-	yes	Reporting of circumstances is not required as a provision of the policy, however, we strongly encourage that all potential claim situations be reported to protect the Insured's interest.	no	no	-	yes, if coverage is sought	strongly encouraged but not mandated	yes	no - we encourage early reporting. We found it minimizes the time and money or clients spend	no - but is encouraged	not required
						Known problems that are not reported could jeopardize coverage for future claims.									
a) Who supervises claims: Company adjusters?	yes	yes	yes	no	yes	yes	yes	yes	-	yes	yes	yes	yes	yes	yes
Who supervises claims: Independent contractor?	no	no	no	yes	no	yes	yes	no	-	no	no	no	no	no	no
b) What assistance do you offer your insured's with potential claims?	Pre-claims assistance provided and forms part of policy form.	Full risk management program, and pre-claims assistance	Loss prevention assistance (LP files) Disciplinary proceedings reimbursement Loss of earnings reimbursement for involvement in claims resolution ADA, FFHA and OSHA expense reimbursement	Insureds can talk to underwriters' attorneys	Insureds are encouraged to report circumstances as soon as possible.	Insight offers a toll free hotline that the Insured may call for advice regarding potential claim situations.	Lexington has contracted with the renown law firm of Donovan Hatem to offer our insured state of the art legal and practical advice. This service is free to our insured.	Loss prevention assistance (LP Files) Disciplinary proceedings reimbursement Loss of earnings reimbursement for involvement in claims resolution ADA, FFHA, and OSHA expense	-	Full service risk mgmt and pre-claim assistance by in-house experts and outside counsel.	yes	Contract review and other risk management assistance	Free pre-claim assistance	Early warning system puts a claim supervisor to work on a loss prevention file long before an issue becomes a formal claim. Assistance will vary depending on the specific needs.	Pre-claims assistance
						The staff also provides assistance in drafting response to potential claim situations and will work to mitigate problems before a situation deteriorates into a claim. If needed, defense counsel may be assigned to assist with potential claim mitigation.								It may range from simple monitoring by the XL Design Professional claim supervisor to assignment of counsel or expert consultation under the guidance of the claim supervisor.	

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Question 22 - Do you have claims offices that manage claims?															
a) If yes, where are they located? (city, state)	yes New York	yes; various locations including CA, IL, NY, etc.	yes New York	yes Law firm in New York City	yes Scottsdale, AZ	yes Liberty Corner, NJ Northbrook, IL Seattle, WA	yes Boston, MA	yes New York, NY	n/a	yes Concord, CA	yes Chicago and New Jersey	no	CNA claim field offices are located in 24 cities in 18 states. Our claims staff handle only A/E claims so they know the professions. (CA, CO, FL, GA, IL, KS, LA, MA, MD, MI, MN, NJ, NY, OH, PA, TN, TX, WA)	yes Irvine, CA; San Francisco, CA; Schaumburg, IL; Bloomfield, NJ; Pittsburgh, PA; Dallas, TX; Houston, TX; Cape Canaveral, FL; Exton, PA; Toronto, ON; Calgary, AB; Montreal, PQ; Vancouver, BC	yes Chicago; New York; New Jersey
b) What is the average case load per claims supervisor or independent contractor?	-	confidential	Varies by complexity of claim: + or - 150	unknown	-	not available	Varies - complexity of claims determines the amount of assignments	Varies by complexity of claim: + or - 150	n/a	Varies according to complexity of cases	-	-	160 claims per claims manager	Proprietary - at or below industry averages	Approximately 140 reported claims, circumstances and excess claims
c) How are claims managed when you do not have local claims offices?	-	Closest regional office	Claims are managed by NY claims office and assigned to specialized legal counsel if necessary.	New York law firm assigns to local attorneys	We hire local law firms	Claims adjusters are capable of managing claims across the country. Local counsel is appointed when appropriate.	Lexington has a unique Claims Mgmt. Agreement w/ Donovan Hatem, who work directly w/ the insured or their local counsel to direct & supervise the handling of the claim. Any coverage issue would be handled by Lexington's experienced in-house claims staff.	Claims are managed by NY claims office and assigned to specialized local counsel if necessary.	n/a	By our own staff	By our claim specialists in Chicago and New Jersey	Claims adjusters are able to manage claims nationwide. Local counsel is appointed as necessary.	The other states are assigned to the closest office	Regional claims offices provide service with local defense counsel as appropriate.	Claims are managed in the claim offices and defended by local counsel
Question 23 - Does your policy cover claims brought outside the U.S., its territories, or Canada?															
Does your policy cover claims brought outside the U.S., its territories, or Canada?	no *coverage available via endorsement	yes	yes	no	yes	no	yes	yes	n/a	Yes and no - depends upon agreed terms	yes	yes	yes	yes	yes

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a) If yes, does insured have the right to select legal counsel?	yes subject to carrier prior approval	varies	yes	yes - if underwriters agree	no	-	yes	yes	n/a	No - but subject to agreement	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	no - willing to make appropriate accommodations	no - however, insured's recommended counsel will be accepted when appropriate and agreed to by the regional claim manager	no
b) If yes, do you pay on behalf or do you indemnify?	yes	varies	pay on behalf	pay on behalf of	pay on behalf	-	indemnify	Pay on behalf	n/a	pay on behalf but depends upon venue	pay on behalf of	-	pay on behalf	pay on behalf subject to terms of the policy	pay on behalf

Litigation and Settlement:

Question 24 - Are "defense costs paid outside the limit of liability" available from your company?

Are "defense costs paid outside the limit of liability" available from your company?	no	no	no	no	They can be as an option.	yes	yes	no	-	no	no	no	no	no	no
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Question 25 - Do you reserve the right to appoint defense counsel on all claims?

Do you reserve the right to appoint defense counsel on all claims?	yes	yes	yes (may be designated by us, or at our option, by PH)	yes	yes	yes	yes	yes (May be designated by us, or at our option, by PH)	-	yes	yes	yes	yes	yes	yes
a) Do you accept alternate defense counsel when requested by insured?	yes	varies	yes (subject to qualifications)	will consider	sometimes	yes	yes	yes (Subject to qualifications)	-	yes - but as mutually 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 - we reserve the right to approve alternate counsel	yes - as appropriate	yes, if appropriate and agreed to by regional claims manager	yes

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Question 26 - 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 defense counsel deems necessary?																
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 defense counsel deems necessary?	yes	-	yes	attorneys handle this	yes	yes	yes	yes	-	yes	yes	yes	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.	yes	yes	
Question 27 - Do you have to obtain the consent of insured to compromise on or settle a claim?																
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	
Question 28 - Does insured have to obtain the consent of the insurer to compromise on or settle a claim?																
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	
Question 29 - Do you engage outside agencies to review defense counsel's billings?																
Do you engage outside agencies to review defense counsel's billings?	yes	-	no	no	no	no	yes * Very limited basis	no	-	No - reviewed internally	-	no	no	no	no	

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Additional Services:																
Question 30 - Where can the following special services be obtained if offered by your company? (mark all that apply)																
a) Insurance needs assessment	agent/broker	-	agent/broker	agent/broker	agent/broker underwriter	agent/broker underwriter claims dept.	agent/broker underwriter	agent/broker	-	agent/broker underwriter	agent/broker	agent/broker underwriter	agent/broker underwriter	agent/broker underwriter	agent/broker underwriter	
b) Application paperwork and assistance	agent/broker	underwriter claims dept.	agent/broker	agent/broker underwriter	agent/broker underwriter	agent/broker underwriter	agent/broker underwriter	agent/broker	-	agent/broker underwriter	agent/broker	agent/broker underwriter	agent/broker underwriter	agent/broker underwriter	agent/broker underwriter	
c) Explanation of coverage	agent/broker underwriter	underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	underwriter	agent/broker underwriter claims dept.	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	-	agent/broker underwriter attorney claims dept.	agent/broker underwriter claims dept.	agent/broker underwriter	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney	
d) Help with loss prevention programs	agent/broker underwriter attorney	underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	attorney	agent/broker underwriter	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	-	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	agent/broker underwriter claims dept.	agent/broker underwriter attorney	agent/broker underwriter attorney claims dept.	agent/broker underwriter	
e) Reviews of contracts	agent/broker underwriter attorney	underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	attorney	agent/broker underwriter attorney	agent/broker underwriter attorney claims dept.	agent/broker attorney	agent/broker underwriter attorney claims dept.	-	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	underwriter claims dept.	agent/broker underwriter attorney	agent/broker underwriter attorney claims dept.	agent/broker attorney	
f) Assistance with incidents and claims	attorney claims dept.	underwriter attorney claims dept.	agent/broker attorney claims dept.	attorney	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	attorney claims dept.	agent/broker attorney claims dept.	-	agent/broker attorney claims dept.	agent/broker attorney claims dept.	underwriter claims dept.	agent/broker attorney claims dept.	agent/broker attorney claims dept.	agent/broker attorney claims dept.	
g) Educational programs	agent/broker	underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	-	agent/broker underwriter	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	-	agent/broker underwriter attorney claims dept.	agent/broker underwriter attorney claims dept.	underwriter	agent/broker underwriter attorney	agent/broker underwriter attorney claims dept.	agent/broker	