



Learn From

## REAL ARCHITECT & ENGINEER

### Professional Liability Claims



The complex environment in which architects and engineers operate means that even when risk management is a priority, professional liability claims can — and do — arise.

**Having a comprehensive insurance policy from a stable provider like Professional Underwriters Agency (PUA) that will defend insureds from potential claims and cover those claims, if needed, is essential for A&E professionals' bottom line and peace of mind.**

#### PUA Comes Through For You

In addition to providing best-in-class professional liability solutions for architects, engineers and other classes of business, our insureds benefit from our comprehensive risk management and claims support.

- ✓ Contract reviews to help identify clauses that may lead to increased exposure or that can be added to contracts to limit exposure
- ✓ Loss prevention hotline to help avoid claims, mitigate damages and assist in responding to routine project communications or subpoenas requesting documents
- ✓ In-house claims team that offers pre-claims assistance, guides insureds through the claims process and works to minimize the scope of claims made on insureds' policies

**READ ON FOR CLAIMS SCENARIOS ►**



### Scenario 1 ARCHITECT

A claim was made against an architect for significant settlement at a project more than two years after completion. The settlement appears to be a result of improper and insufficient geotechnical design and testing. While the architect did not retain the geotechnical engineer, the owner alleged that the architectural and structural designs also contributed to the settlement, resulting in a significant amount of damage to the project. The matter was ultimately settled for almost \$300,000 on the part of the architect.



### Scenario 2 LANDSCAPE ARCHITECT

A landscape architect was retained by a high-net-worth client to design the grounds of a multi-million dollar vacation residence. The landscape architect's services included the conceptual design of a swimming pool and surrounding hardscape, which involved the selection of stone and tiling to be used in the project to match the project's aesthetic. Following completion of the project, the tiles the landscape architect selected for the pool failed and needed to be replaced as they were not suitable for the type of pool constructed. After seeking contribution from the tile supplier, the claim was settled prior to the initiation of litigation for approximately \$385,000.



### Scenario 3 INTERIOR DESIGN

An interior designer specified vinyl wallcoverings on a hotel project in accordance with the brand's specifications. Due to alleged design and construction defects, the internal building air was more humid than anticipated, moisture was trapped behind the wallcoverings and mold formed. The interior designer was named as a defendant in litigation involving more than 15 parties. The cost to defend was significant and, ultimately, the matter was settled for more than \$100,000.



### Scenario 4 CIVIL ENGINEER

A civil engineering firm that provided professional services for a highway improvement project was named as a defendant in a wrongful death lawsuit concerning a fatal motor vehicle accident that occurred on the highway. While the civil engineering firm's liability was vigorously contested, following discovery and as the matter approached trial, it became clear that a jury could potentially find the firm partially liable for the death and could be subject to a massive award of damages. Accordingly, the lawsuit was settled globally prior to trial for nearly \$5 million. Of that amount, the firm's contribution to the global settlement was approximately \$550,000.



### Scenario 5 ELECTRICAL ENGINEER

A claim was made against an electrical engineer for providing faulty electrical drawings for a new medical campus. The electrical engineering firm hired another engineer, with whom they had a previous relationship, to prepare a portion of the design. Although the electrical drawings at issue were the sub-consultant's design, it was the electrical engineer's responsibility to ensure accuracy of the electrical design. There is a joint demand of \$850,000 to the insured and sub-consultant.



### Scenario 6 STRUCTURAL ENGINEER

A claim was made against a structural engineer when a pier in a five-level parking garage failed, causing the garage to settle several inches. During the review of the situation, it became clear that the precast concrete contractor did not provide the structural engineer with certain load points in the area of the failure. Due to safety concerns, the pier and adjacent grade beams required extensive repairs that are anticipated to cost as much as \$1.5 million.



### Scenario 7 LAND SURVEYOR

A land surveyor provided professional services for a large residential subdivision project for a national homebuilder client. After the land surveyor's services were provided and the project's roadways and sewers were built, as the utilities were being installed it was discovered that the land surveyor erred in evaluating the elevation of certain areas of the land the project was being built on. The error resulted in nearly \$1 million in remediation costs during the pendency of construction.



### Scenario 8 MECHANICAL ENGINEER

A mechanical engineer was retained to provide mechanical and plumbing design and construction administration services on a condominium project. The owner sought to use a specific mechanical system, which the insured was not familiar with, for part of the project and asked the architect to hire another mechanical engineer to design this portion of the project. When this specialized mechanical system failed, the insured was named as a defendant in the owner's lawsuit. Although the insured did not design the specialized mechanical system, because said system tied into the insured's design, the insured had exposure and the litigation was settled with a contribution of more than \$500,000 on the part of the insured.