

5 Claim Scenarios for Design Firms to Avoid

Choose a Claim Scenario.

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The PR Crisis

The Situation

As a subconsultant on the parking facility of an important downtown development, your engineering firm is named in a lawsuit when major structural defects are found.

The Implication

Given the prominence of the development, your firm's reputation is on the line.

The Insurance Solution

The *crisis event expense reimbursement coverage* included in your professional liability policy can help cover the costs to hire a public relations consultant service to help you manage stakeholder communications and media relations during the crisis and mitigate the potentially damaging impact to your company's reputation.

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The Duplicate Design

The Situation

A rival architect finds too many similarities in your new building design and files a disciplinary complaint against you alleging that you are using copyrighted material in your project.

The Implication

News of a conflict in the design of a high-profile project garners headlines, and you face a significant cost defending your reputation.

The Insurance Solution

Your *disciplinary and regulatory coverage* could cover expenses incurred as a result of the disciplinary or regulatory proceeding.

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The Acquired Error

The Situation

In the rush to meet a contractual milestone, a company your firm acquired a month ago makes a technical mistake that could result in a significant budget overrun.

The Implication

As the parent company, your firm could be held liable for any damages claimed by the project owner.

The Insurance Solution

With *automatic acquisitions coverage*, a company acquired during your policy period is automatically protected for 90 days (or until the policy expires if that happens first) for any errors it commits on or after the day it is acquired.

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The Worksite Injury

The Situation

A civil engineer providing on-site observation witnesses a worksite injury and the engineer's firm notifies Travelers of the pre-claim situation. During the resulting deposition, the engineer makes a statement accepting responsibility for not calling attention to the unsafe condition that resulted in the injury.

The Implication

Since the engineer is an employee of your firm, the engineer's statement could put your firm at increased risk of being held liable for the injury and any resulting expenses.

The Insurance Solution

For situations where there is a reasonable expectation that there will be a claim, *pre-claim assistance* can help cover expenses associated with the evaluation and mitigation of a potential claim and, with advice from professional claim, legal and industry experts, can help you avoid situations and statements that may increase your risk.

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The Joint Venture

The Situation

Your architecture firm enters into a joint venture with a group of other firms – one of which, you eventually discover, does not have the capabilities and expertise it had represented.

The Implication

The members of a joint venture enter into contracts as a single entity, but the project owner could hold each of you liable individually for the negligence of other members.

The Insurance Solution

With *joint venture coverage*, professional liability protection is extended to exposures arising from your participation in joint ventures.

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