

Contractors Professional Liability Insurance

New and Emerging Challenges



Contractor liability exposure broadens as use of design-build increases. For centuries, builders in foreign markets have used the design-build project delivery method rather than the design-bid-build method. In the U.S. and Canada, it has only been within the past 20 years that the design-build method has gained acceptance—first in the private sector, and now in the public sector. The Design Build Institute of America projects that 50% of nonresidential construction will use the design-build method over the next few years.¹

Unlike contractors who sign design-bid-build contracts, contractors who sign design-build contracts are ultimately responsible for the performance of the design work. This greatly increases their liability exposure.

Lexington Insurance— one of the strongest and most stable property casualty insurers — has been serving the casualty market for decades. Lexington provides security, flexibility, and quality with each insurance policy.

Subcontracted Design Professional Liability Insurance May Not be Enough

Contractors who choose to rely on the professional liability coverage of their subcontracted design professionals could find that coverage falls short as their liability exposure increases.

- Many subcontracted design professionals do not carry professional liability coverage unless required by contract. If there is no underlying insurance and the design professional has insufficient funds, the contractor may be entirely responsible for the damages proven in a lawsuit.
- Most subcontracted design professionals do not name contractors as an additional insured in their professional liability policy. Therefore, the contractor's defense may not be covered.

Lexington's Contractors Professional Liability Insurance: A Proven Solution

Lexington's Contractors Professional Liability Insurance provides coverage for claims brought against the contractor that arise out of the negligent performance of professional services.

- Pollution liability coverage available on a claims-made basis
- Limits up to \$20 million available
- Worldwide coverage available

Architects and Engineers Risk Management Services

Lexington Insurance's Architects and Engineers (A&E) Professional Liability insurance products provide industry-specific integrated risk management services. Lexington has developed a program combining in-house risk management and strategic arrangements with leading construction legal specialists and consultants. This arrangement enables us to provide a variety of services to help the A&E professional better understand the complexities of the many legal and financial risks faced in the course of business. Lexington A&E risk management services are provided on a complimentary basis and include:

- www.lexaehelp.com – A web-enabled risk management resource and training tool created to help Lexington policyholders understand, address, and minimize the legal liabilities inherent in the A&E marketplace.

1. www.dbia.org/about/designbuild

Contractors Professional Liability Insurance

New and Emerging Challenges

- **Contract review services** – Lexington provides a complimentary contract/legal document review service provided by a leading law firm to help mitigate legal exposure.
- **Loss prevention services** – Policyholders have immediate access to complimentary legal counsel for loss prevention advice.
- **Risk management seminars** – Customized seminars presented by legal experts in the design field to address particular concerns of our policyholders.
- **Claims management services** – Dedicated and experienced A&E claims examiners and attorneys work closely with our policyholders to ensure efficient, effective claims handling service.
- **Lexington design professional educational tools** – Lexington has teamed up with a leading law firm to provide policyholders the opportunity to earn continuing education credit (CEUs) via online training at www.lexaehelp.com.



For updates on today's rapidly changing risk landscape – and how Lexington is responding – tune into our ongoing Lexcasts® series at www.lexingtoninsurance.com.

Contact

For more information, please email lexcasualty@chartisinsurance.com or visit www.lexingtoninsurance.com.

LEXINGTON INSURANCE
CHARTIS 

Lexington Insurance Company, a Chartis Company, is the leading U.S.-based surplus lines insurer. Chartis is the marketing name for the worldwide property-casualty and general insurance operations of Chartis Inc. For additional information, please visit our website at <http://www.chartisinsurance.com>. All products are written by insurance company subsidiaries or affiliates of Chartis Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.

