

2006 PROFESSIONAL LIABILITY INSURANCE SURVEY OF CARRIERS - RESULTS

10/5/2006

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

	ACE USA	Arrowhead	AVRECO	Beazley	Euclid	Insight	Lexington	Liberty International	RA&MCO	Travelers Insurance	State Farm	Victor O. Schinnerer & Company	XL Design Professional	Zurich
Question 4. - How many continuous years has your firm provided professional liability insurance to the A/E market place?														
	5 years	5 years	36 years	20 years	25 years	13 years	Since 1970's	5 years	24 years	8 years (includes time as Kemper Program) St Paul purchased the renewal rights of the Kemper Program in 2003.	4 years	49 years	In conjunction with our predecessor DPIC Companies, we have offered A/E professional liability insurance for over 30 years.	17 years
Question 4-If your firm is not the insurer, with which insurers has your firm previously been associated over the past decade and for what duration?														
		Liberty Insurance for 2 1/2 years	Lloyds of London for 36 years			Insight was the underwriting manager for Safeco for 9 years. The A&E program ended when the new president of Safeco					None	CNA, 49 years		
Question 5- What was your total book of business for architectural and engineering liability insurance in the following years?														
# of Firms Insured						2005 - 3,200 2004 - 3,250 2003 - 2,250	Proprietary	2005- 1000 2004 - 1,100 2003 - 600		2005 - 6,210 2004 - 5,419 2003 - 2,932* *Doesn't represent a full year program switched to St Paul in June of 2003 when St Paul purchased the renewal rights to the Kemper AE Program and hired the staff.		2005- 20,835 2004 - 19,371 2003 - 18,635		N/A
Premium in Millions	2005-35	2005-(25-35) 2004-(25-35) 2003-(25-35)		2005- proprietary 2004- proprietary 2003-proprietary		2005 - 33.7 2004 - 33.2 2003- 20.2	Proprietary	2005- 37.5 2004 - 42 2003 - 27.5		2005 - 82.4 2004 - 72.6 2003 - 36.8		2005- 350 2004 - 354 2003 - 303	2005 - 193 2004 - 188 2003 - 160	
Question 6.- Are you trying to gain, maintain or decrease market share in the next two years in specific regions, as to insureds with certain underwriting characteristics or premium size, or in certain market segments? Please explain.														
	Maintain/slightly gain market share	Gain in all regions, discipline and sizes	Increase book in most States not CA, TX, FL, AK HI) Not distressed accounts	We are trying to gain market share by serving all segments and disciplines. Minimal gain is anticipated in Hawaii, Puerto Rico, and Alaska	We hope to get market share within our focused target market.	Insight is looking to gain or maintain market share in the same segments in which we currently operate. We are not changing our underwriting approach to try and specifically target or avoid specific regions, firms, or market segments.	Lexington aims to grow market share in all regions, all disciplines, amid all market segments	Gain. We are looking to grow on a Nationwide basis. Target account size is middle market, large firm and national firms on a primary and excess basis	Gain through present growth	We are trying to gain market share in all regions for small and medium sized firms.	Gain. We will continue to add States to our approved list by additional state filings.	Gain	Gain. XL Insurance is looking to increase its market share across the board. Particular emphasis will be placed on the small firm program.	Zurich is looking to gain market share balanced across all sizes, regions, and areas of practice

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Question 7.- What have been your carrier's Best's Rating, financial category, and market share for the following years? (Please use year end results, but use July for the current year). 2005, 2004 2003 2002														
Best's Ratings	2006 A+	2006-A 2005-A 2004-A 2003 -	2006 - A 2005 - A- 2004 - A- 2003- A-	Lloyd's of London Beazley Insurance Company 2006 - A 2005- A 2005 - A- 2004 - A 2004-Not applicable 2003	2006 - A++ 2005 - A++ 2004 - A++ 2003- A++	2006 - A+ 2005 - A+ 2004 - A+ 2003 - A+	2006 - A+ 2005 - A+ 2004 - A+ 2003 - A+	2006-A 2005-A 2004-A 2003	2006 - A+ 2005- A+ 2004 - A+ 2003 - A+	2006 - A+ 2005 - A+ 2004 - A 2003 - A	2006 - A+ 2005 - A+ 2004 - A+ 2003 - A+	2006- A 2005 - A 2004 - A 2003 - A	2006- A+ 2005 - A+ 2004 - A+ 2003 - A+	2006 - A 2005 - A 2004 - A 2003 - A
Financial Category		2006- XIV 2005- XIV 2004- XIV 2003 -	2006 - foreign 2005 - foreign 2004 - foreign 2003- foreign	2006- XV 2006 - VII 2005 - XV 2005 - VII 2004- XV 2004 - Not applicable 2003	2006 - XV 2005 - XV 2004 - XV 2003 - XV	2006 - XV 2005 - XV 2004 - XV 2003 - XIV	2005 - XV 2004 - XV 2003 - XV 2002 - XV	2006-XV 2005-XV 2004-XV 2004-XV	2006 - XI 2005 - XI 2004 - X 2003 - X	2006 - XV 2005 - XV 2004 - XV 2003 - XV	2006 - XV 2005 - XV 2004 - XV 2003 - XV	2005 - XV 2004 - XV 2003 - XV 2002 - XV	2006- XV 2005 - XV 2004 - XV 2003 - XV 2002 - XV	2005 - 15 2004 - 15 2003 - 15 2002 - 15
Market Share			2006-carrier 2005-carrier 2004-carrier 2003-carrier	2006- 4th largest market - Unknown volume by premium volume 2005 - <1% 2005- Unknown 2004 - Unknown										
Question 8 - What was your combined ratio in the following years?														
2006 to date								Proprietary						
A/E book of business				0.9				Proprietary		Confidentia	Proprietary	Proprietary		Not available
Entire Company			Not available		87.7			Proprietary			Proprietary	Proprietary		94.8 through first six months of 2006
2005								Proprietary						
A/E book of business			Not available					Proprietary			Proprietary	Proprietary		Not available
Entire Company			105%* Note: Result impacted by Hurricanes		86.7			Proprietary		101.3	Proprietary	Proprietary		100.8
2004								Proprietary						
A/E book of business			Not available					Proprietary		Confidentia	Proprietary	Proprietary		Not available
Entire Company			0.89		89			Proprietary		107.7	Proprietary	Proprietary		102
2003								Proprietary						
A/E book of business			Not available					Proprietary		Confidentia	Proprietary	Proprietary		Not available
Entire Company			0.82		96			Proprietary		96.3	Proprietary	Proprietary		97.9
Question 9. - Do you have underwriting restrictions based on:														
Size of firm?	No	No	No	No	Yes	No	No	No	No	Yes	Yes	Yes	No	No
Location of firm?	No	No	Yes	No	Yes	Yes	No	No	No	Yes	Yes	No	No	No
Location of projects?	No	No	Yes	No	No	No	No	No	No	No	Yes	No	No	No
Type of practice?	No	No	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	No	No
Restrictions on condominiums?	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Specific job excess?	No	No	No	No	Yes	Yes	No	No	No	Yes	No	Yes	No	No
Other restrictions?	No	No	No	No	No	Yes	No	No	No	Yes	Yes	No	No	No
If yes, please explain		Condos continue to be a problem for the A/E Professional Liability markets.				We do not accept geotechnical engineers, part-time practices, or firms located outside of the United States			As directed by the circumstances	Structural, soil and environmental engineering.		Firms must complete a supplemental application		

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Question 9a. - Do you have coverage restrictions related to:

Asbestos?	No	No	Yes	Yes--date restriction for	No	No	No	No	No	No	No	No	asbestos products after 1990	No
Mold claims?	No	No	Yes	No	No	No	No	No	No	No	Yes	No	No	No
Silica claims	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No
Hazardous waste claims	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Other claims		No		No	No	No	Yes		No			No	No	No
If yes, please explain.							Policy forms have restrictions for usual uninsurable claims such as those caused by intentional acts.	See Exclusion Section of our policy	See policy text . Excludes non professional exposures		Claims are underwritten on a case by case basis.			

Question 9.b - Do you provide multi-year policies?

	Yes	No	No	Yes	No	No	No	No	No	Yes	No	Yes	Yes	Yes
If yes, state the length of the policies, and explain the general criteria you apply to such policies														
	Up to two years and for firms less than \$1,000,000 in annual fees			Two year terms available for firms with fees less than 1mm in billings and with excellent claim history. For firms with billings in excess of 1mm, it is on a case by case basis but claim history must be excellent and financial growth of less than 15% annually.						We offer a two-year policy to firms with billings under \$500,000 that meet our underwriting criteria. The underwriting criteria includes: positive claims experience, been in business for 12 months, uses written contracts, and does not work on adverse project types.		Three year policies are offered to firms in our Small Firms Program with revenues under \$250K. A two year	Firms in our small firm program may purchase multi year policies.	Up to five years for project specific policies only.

Question 10. - What limits of liability are available through your company?

Minimum	100,000	250,000	100,000	100,000	250,000	100,000	500,000	100,000	250,000	5,000,000	100,000	100,000	100,000	100000 per claim and aggregate
Maximum	15,000,000	5,000,000	5,000,000	20,000,000	5,000,000	3,000,000	15-25,000,000	25,000,000	5,000,000	5,000,000	5,000,000	25,000,000	10,000,000 with additional limits available on excess basis	30000000 per claim and aggregate
Are these annual aggregate limits?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Question 10 a.-What is the insurer's net retention on the A&E professional liability program?

	Varies	N/A		Confidential	1,000,000		Proprietary	Proprietary			Proprietary	10mm		Not available
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Question 11. - Does your professional liability policy provide the following:														
Full prior acts of coverage if there is no prior insurance	Yes	Yes/No underwrite with judgment	No but would consider a case by case basis.	Typically no-however, can be discussed on a case by case basis	No	No	No	No Risk dependant	No	No	No	No	Yes	No
Full prior acts of coverage when switching from another insurer?	Yes	Yes	No but would consider a case by case basis.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Coverage for acts of an insured in a predecessor firm?	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes- If a predecessor firm is named	Yes	Yes
Restricted coverage for prior through use of a retroactive date?	Yes	Yes/No underwrite with	Yes	Sometimes-varies depend	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If you have answered yes to question(s) (a), (b), (c) and/or (d) above, please explain.			The norm versus retro inception on uninsured firms and retro as expiry on previously insured firms.		We will provide prior acts that match the expiring policy		Usual Practice is to honor the retro date on current policy. If the policy or limit has not been carried before, we would restrict coverage for prior acts.	Underwriting considerations can be made based on merits of the account or on a project specific basis	11. b) Match prior acts of expiring policy 11. c) Match predecessor firms to the existing policy holder and insured provided they existed subsequent to retroactive date. 11. d) Retroactive date is utilized as these are	B) We typically provide full prior acts if a firm has had continuous PL coverage C) We typically list predecessor firms as named insureds D) A retro date equal to the inception date is used if a new insured	We will match the expiring carrier's retro date if continuity of coverage has been maintained.	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.	See Policy language re © We usually seek to match retroactive coverage date of prior insurance.
Question 12.- Do you consult or obtain feedback from user groups or professional societies prior to making policy and /or rate changes?														
If yes, please explain	Yes	Yes	Yes	Yes	N	Y	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes
	Law firms Brokerages	Yes, through our regional broker network.	Will contact insurance brokers for input.	We typically consult with brokerage groups and industry associations on policy changes when available			We regularly consult with the agencies that specialize in Architects & Engineers professional liability insurance prior to making policy or rate changes	We have our own user group comprised of a dozen of our long-term, loyal customers that meets twice a year. We also attend annual meetings of major professional societies and when possible serve their subcommittees	Consultants, Brokers, Attorneys, etc	We typically solicit feedback from our agents prior to making any major changes to our program.	No policy or rate changes are contemplated.	We are commended by the AIA and NSPE/PEPP and provide periodic updates to them regarding our programs and rates	XL Insurance consults with the Design Professional Risk Control Group (DPRCG) at least twice a year regarding policy issues and trends. Additionally, we seek the feedback from the Professional Liability Agents Networks (PLAN) on a continual basis regarding coverages and rate issues.	Yes reference policy changes

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Virginia	Surplus basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis, Surplus basis	Admitted basis	No coverage	Admitted basis	Admitted basis	Admitted basis
Washington	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis, Surplus basis	Admitted basis	No coverage	Admitted basis	Admitted basis	Admitted basis
Massachusetts	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Surplus basis	Admitted basis	No coverage	Admitted basis	Admitted basis	Admitted basis
Michigan	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis, Surplus basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis
Minnesota	Admitted basis	Surplus basis	Surplus basis	No coverage	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis, Surplus basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis
Mississippi	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis, Surplus basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis
Missouri	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis, Surplus basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis
Montana	Surplus basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis, Surplus basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis
West Virginia	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis, Surplus basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis
Wisconsin	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis, Surplus basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis	Admitted basis
Wyoming	Admitted basis	Admitted basis	Surplus basis	Admitted basis	Admitted basis	Admitted basis	Surplus basis	Surplus basis	Admitted basis, Surplus basis	Admitted basis	No coverage	Admitted basis	Admitted basis	Surplus basis
Virgin Islands	Admitted basis	No coverage	No coverage	No coverage	No coverage	No coverage	Surplus basis	Surplus basis	No coverage	No coverage	N/A	Admitted basis	No coverage	Admitted basis
Guam	No Coverage	No coverage	No coverage	No coverage	No coverage	No coverage	Surplus basis	Surplus basis	No coverage	No coverage	N/A	No coverage	No coverage	Admitted basis
Puerto Rico	Surplus basis	No coverage	No coverage	No coverage	No coverage	No coverage	Surplus basis	Surplus basis	No coverage	No coverage	N/A	Admitted basis	Admitted basis	Admitted basis
International/Other	Surplus basis		No coverage	No coverage	No coverage			Country specific		No coverage	We plan to offer coverage in the remainder of the states on an admitted basis with the exception of MA & RI pending approval of the various DOI's	No coverage	Yes. XL Insurance also offers insurance in all Canadian provinces on an admitted basis.	Admitted basis

DEDUCTIBLES

Question 14-Does your company have underwriting guidelines or restrictions on deductibles based on firm size?

Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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Does the deductible apply to damages only, or to a combination of defense costs and damages?

80/20 or 50/50 co-share of defense available within deductible	Combination	Normally first dollar defense cover is provided.	Typically the deductible applies to defense costs and damages. However first dollar defense coverage is available to qualifying firms.	We offer a single annual aggregate deductible in our standard policy. We can also offer First Dollar Defense.	Both options are available	Deductible applies to defense and damages	Both Based on firm size and deductible size, damage only options are available	Deductible applies to both damages/expense	We offer both a straight deductible that applies to claims expenses and damages as well as an option for first dollar defense which would only apply to damages.	Combination but we have 2 endorsements that can be added for Shared Expense and 1st Dollar Deductible.	Both are available	Deductibles apply to both damages and claim expenses. Insureds may be entitled to a refund of up to \$25,000 through XL Insurance's mediation credit program per guidelines.	Both options are available
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Question 14.a -Minimum amount?	2,500	2,500	2,000	2,500	2,500	2,500	10,000	2,500	2,500	0 deductible option	1,000	0	No	2,500 except 1,000 in Florida
Question 14.b - Maximum amount?										Varies based on firm, we currently don't have a deductible larger than \$250,000	50,000	Based on firm's size and ability to pay	None	None
Question 14.c - Do you offer stop-loss deductibles (i.e., a maximum deductible limit option for all claims in the aggregate)?	No	Depends on risk.	None	N/A	None	No, maximum	N/A							
	Yes	Yes	No	Yes	Yes	Yes	No, very rare exception	Yes	Yes	Yes	No	Yes	Yes	Yes
PREMIUMS														
Question 15. - What is your minimum premium for each of the following limits of liability:														
\$100,000?	1,250		1,000	1,500	N/A	1,400			N/A	N/A	1,000	1,250	1,100	2,500
\$250,000?	1,500		1,400	1,500	2,800	1,400		2,500	2,500	N/A	1,500	1,350	1,800	2,500
\$1,000,000?	2,500		1,900	3,000	4,600	1,400	25,000	4,000	4,000	1,800	2,500	1,850	Varies based on exposure	2,500
\$5,000,000?			None	Varies	not available	50,000			N/A--TBD	9,800	based on exposure	5,850	Varies based on exposure	2,500
Question 16. - How have your rates increased (or decreased) over the past five years?	2006 Flat to marginal increase over the 2004 past two years. 2003 2002	2006 - 0 2005 - 0 2004 - 0 2003-0 2002-0	2006 - to date-Slight increase 2005-Increase 2004-Increase 2003-Increase 2002-Increase	2006 - Flat 2005 - 5 2004 - 5 2003-15 2002-	2006- 0 2005- 3 2004 - 10 2003 - 10 2002	2006 Proprietary 2005 2004 2003 2002	2006 - 0 2005 - 0 2004 - 0 2003 - 0 2002-	2006 - +2% (YTD) 2005 - +3% 2004 - +11% 2003- N/A 2002- N/A	2006 - 0 2005 - 0 2004 - 0 2003-0 2002- not applicable	2006 - 0 2005 - 4 2004 - 15 2003 - 15 2002- 11				2006- Not available 2004 2003 2002
Question 17. - Are there particular exposures for A&E professionals that may lead to higher rate increases than in recent years?	No	Condominiums	We are seeing greater claim frequency and severity relative to bridge and school work (K-12). There is also an increase in medical inflation, which tend to drive claims cost where B1 is involved	Residential projects continue to be a difficult class.	We are carefully watching our loss experience on multi-family residential projects.	Condominiums	Claims Development	No		Our claims experience will be a key factor on what happens to rates.	We are not contemplating any rate increases	Condominiums		
How do you expect your rates to change?			Nothing expected at this time.											
Question 17. a) Next Year----2007?	Flat		Flat to slight increase			Proprietary	-5		Can't predict	0	0			Flat overall, but with individual risk differences
Question 17. b) The following year----2008?	Unknown	Flat	Unknown			Proprietary	0		Can't predict	0	Unknown		Unknown	
Question 18. - Do you offer any type of profit sharing, dividend return program or excess premium for your A/E program?	No	No	No	No	No	No	No	No	No	No	No	Yes-commitment Plus Profit Sharing	No	No
Would this type of program be of interest to your firm? If so explain how it might be implemented.	No	Not likely in the Spitzer era				No	No	No	No	No	No			No

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Question 19.-Do you offer other financial incentives (e.g., credits for education programs completed by an insured)? Please describe.														
No	Yes-premium credits	No	Yes The following are optional coverages which can be deleted from the policy:- * Mediation deductible credit= 5% premium credit * Technology Coverage (Insuring agreements C-F)=5% premium credit * Contractor's pollution liability= 3% premium credit Additional credits can be earned at renewal as follows: *Participation in loss Prevention Education Programs (to be jointly agreed upon by the insured and company)=5% at renewal /up to 10% subsequent renewal periods	We take education in our overall underwriting.	Yes, we provide premium credits for loss control education.	No	We provide credits for firm's involvement with Risk Management seminars and continuing education. Additional credits are available for successfully implemented Limitation of Liability contract provision. The policy provides a deductible credit for Mediation	Yes, in rating process debits/credits applied based on certain criteria	No standard credits for this. We do consider a firm's education program as well as their business and risk management practices when determining the premium.	Yes, credits are given insured using written contracts, insured, subs, and following other risk management procedures.	Risk Mitigation Credit VEP. Loss Prevention Credit	Yes. We offer significant credits for participation in XL Insurance's education programs (which often times also earns Professional Development Hours or AIA/CES Learning Units). Credits of up to 15% are earned for utilization of Limitation of Liability clauses in professional agreements . Mediation credits are available for up to \$25,000 of an insureds' deductible per program guidelines.	Yes, we can subsidize the cost of some continuing education programs	

Question 20. - Rank of 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	7	5	5	1	6	4	6	7	4	7	4	1	9	2
Location of projects	6	3	6	3	7	7	7	8	6	7	5	1	10	7
Type of practice	1	3	1	1	2	2	3	3	3	3	1	1	4	3
Type of projects	5	4	4	2	4	3	5	4	2	5	6	1	8	4
Annual billings	2	1	2	1	1	1	1	4	1	4	2	1	1	1
Claims history	3	2	3	1	3	5	2	2	1	2	2	1	2	5
Firm experience	4	6	3	4	5	6	4	5	5	6	7	1	3	6
Other (Please list)						Loss control education, use of industry standard contracts and membership in professional societies.		6 Risk Management/Loss Prevention programs	Annual billings, should probably be omitted because billings directly affect premium but don't allow you to discriminate between firms of similar size.					
			3	5 Risk Management attitude /programs								3-Retro cover	5 Loss prevention practices	
				6 Written contract usage and usage of limitation of liability language								8 -Risk Management	6 Business practices	
				7 Client types									7 Contracts utilized by firm	

PROJECT INSURANCE

Do you offer:														
Question 21. A) Project insurance on stand alone basis (regardless of whether the project policy's first named insured has practice policy)?														
Yes	No	Yes	No	No	No	Yes	Yes	No	No	No	No	No	No	No
Question 21. B) Project insurance only to your "practice policy insureds"?														
Yes	No	No	No	No	Yes	No	No	No	No	No	Yes	No	Yes	

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Question 21. C) Project specific excess or other supplemental additional limits to your "practice policy insureds" by endorsement?														
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Question 21. a) If yes to A, B and/or C above, how many policies did you write in your fiscal year?														
Proprietary		None	Less than 50			Proprietary	Proprietary					None		Not available
		Less than 15			185				Greater than 150		10	Numerous	Many	Not available
Question 21. b) If yes to A, B, and/or C above, what are your maximum limits?														
15mm	5mm	2mm	Generally 2-3 times the base limit	5mm		15-20mm	10mm					5mm		30mm
					5mm	3mm			5mm	5 mm	5mm		Varies based upon limits of underlying project coverage	10mm
Question 21. c) List any excluded class or business.														
Sports facilities		Condo project	None			None, but condo projects are generally not insured	Condominiums	Case by case basis				Stadiums, condominiums		
Condominiums							Stadiums							
Schools K-12										Underwritten on a case by case basis.				
Question 21. d) Do you provide supplemental limits of liability?														
		Don't know what you are asking	Supplemental limits of liability are often the same as Project Specific Excess		Yes	Yes, accidental death and Dismemberment		?	Yes, By endorsement to the practice policy on a per project basis.	No	Yes			Yes
Question 21. e) If yes, what are your maximum limits?														
			Generally 2-3 times the base limit		5mm	50,000 per employee			practice/specific additional limit per project.			Up to 5mm		30mm
CLAIMS PROCESS														
Question 22 - How does your company define a claim?														
A written demand against any Insured .	A demand for money or services, naming you and alleging a wrongful act or pollution incident.	Claims means demand for money or services.	Claim means a demand including the service of suit or institution of arbitration proceedings. Claim shall also mean a threat or initiation of a suit seeking injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction).	See policy form attached	Claim means a demand for money or professional services received by the Insured for damages.	Claim means any written demand received by an Insured seeking remedy and alleging liability or responsibility on the part of the Insured or persons for whose conduct the Insured is legally liable.	A demand for money or services, naming and insured and alleging a Wrongful Act or Pollution	See our policy text, where four separate definitions are provided.	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.	A demand for money or services.	Demand for money or services alleging a wrongful act.	CLAIM(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. The definition of CLAIM(S) shall include, but not necessarily be limited to lawsuits, petitions, arbitrations or other alternative dispute resolution requests filed against the INSURED.	Any demand received by you seeking "damages" or "professional services" and alleging liability or responsibility on your part. Definitions for "Damages" and "Professional Services" could be found in the attachment	

2006 PROFESSIONAL LIABILITY INSURANCE SURVEY OF CARRIERS - RESULTS

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Is "circumstance" reporting allowed?	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes. If during the policy the Insured becomes aware of a circumstance that may reasonably be expected to be the basis of a claim and if the Insured, during the policy period, provides the Company with a written notice...then any claim that is subsequently made against the Insured arising out of such circumstance will be deemed to have made	Yes	Yes	Yes, circumstances reporting is not only allowed but encouraged.	Yes
Is "circumstance" reporting required?	Yes	No	Yes	No		Yes	Encouraged	No	No but recommended	No	Yes	No. We encourage early reporting. We have found that it minimizes the time and money our clients spend.	No	No
Question 22 a. - Who supervises claims:														
Company adjusters?	Yes	Yes, but company specialists.	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	XL Insurance employs 30 company adjusters based in strategically located office throughout North America	Yes
Independent contractors?			Outside Attorneys	Yes	No		Yes	No	Yes	No		No	No	No
Question 22 b. - What assistance do you offer your insureds with potential claims?	Free Pre-Claims Assistance.	We will assist the policy holder and their agent to make sure that claims are reported correctly to the company's claims representatives, who will in turn help the insured with the identification and resolution of the claim situation.	Refer to attorneys	We offer inside and outside counsel assistance -varies depending on the nature of the circumstances	Company adjusters are available for guidance with potential claims	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 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.	Free Legal advice form Outside law from Donovan Hatem	Free pre-claims assistance and advice to mitigate situations prior to becoming a claim	Pre-claim assistance is offered by our claims administrators at no cost.	We offer Pre-Claim Assistance to all of our Insureds. In the event the Insured reports a circumstance, we will provide pre-claim counseling and assistance to the insured, including the retention of legal counsel and expert consultants, all at no cost to the Insured. Any cost incurred by us will not be applied to the deductible or to the policy limit.	Contract review and other risk management services	Free pre-claim assistance.	XL Insurance's pre-claim assistance is second to none in the industry. Our Early Warning System pairs the insured with a Claim adjuster to address issues before they turn into claims. The Claim adjusters - most of whom are attorneys - work with the insured to avoid potential claims. This often involves retaining counsel or an expert consultant at no cost to the insured.	We encourage insureds to report circumstances and we provide pre-claims assistance

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Question 22 c. - Does your pre-claims assistance include availability of panel counsel with A/E defense expertise?														
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No, if we hire panel counsel, it is chargeable against deductible	Yes, we hire panel counsel that has demonstrated experience in defending claims against design professionals.	Yes	Yes-rare when not used.	Yes, XL Insurance will retain counsel for an insured on a pre-claim matter when appropriate. This is done at no cost to the insured.	Yes
Question 23 - Do you have claims offices that manage claims?														
Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Question 23 a. - If yes, where are they located?														
City	New York	Hudson Insurance Group handles claims out of Nevada (West) & Connecticut (East).	New York City	London, Farmington, New York	Scottsdale	Liberty Corner	Boston	New York & Atlanta	White Plains and Concord	Edison, Atlanta, Chicago, Naperville, Walnut Creek, Orange.		C.N.A field offices are located in 20 cities in 18 states. Our claims staff handle only A/E claims so they know the professionals	Irvine, San Francisco, Dallas, Houston, Schaumburg, Bloomfield, Cape Canaveral, Toronto, Calgary, Montreal, Vancouver.	Chicago, New York, & Parsippany
State	NY	NV & CT	NY	UK, CT, NY	AZ	NJ	MA	NY	NY and CA	NJ, GA, IL, & CA		CA, CO, FL, GA, IL, KS, LA, MA, MD, MI, MN, NJ, NY, OH, PA, TN, TX, WA	CA, IL, NJ, PA, TX, FL, ON, AB, QC, BC	Illinois, New York, & New Jersey
Question 23 b. - What is the total number of your staff devoted exclusively to A/E professional liability claims?														
		2	0	7		7 adjusters		6	5 in NY and 3 in Concord	8			XL Insurance has a dedicated claim staff of over 50 including over 30 claim adjusters working directly	Not available
Question 23 c. - How are claims managed when you do not have local claims offices?														
		Claims people travel or assign to local specialist counsel.	Attorneys in New York City manage and appoint local attorneys as needed.	Same as last year's survey		capable of managing claims across the country. Local counsel is appointed when appropriate.		Experienced claims adjusters manage claims with consistent claims practices throughout the country. Local/regional A/E defense counsel is involved	utilized. They are overseen by Wilson, Eisen in White Plains, New York.	to that city.	nationwide. Local counsel is appointed as necessary.	Every state is assigned to nearby A/E claims specialists.		Claims are managed by the local claim offices throughout the U.S.

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Question 23 d. - Do you conduct any type of follow-up evaluation after the claim is closed out to determine the insureds' satisfaction with your claims handling process?														
No	Yes	No	No	No	No	Yes	Yes		No	No, as we have relied upon the professional associations and insurance brokers for feedback.	No	Yes	Yes. XL Insurance follows up on every resolved matter to determine the insured's satisfaction with our claim services.	No
Question 23 e. - Do you do independent surveys of insureds regarding their level of satisfaction with your services?														
Yes	No	No	No	No	No	No	Yes		No	No, but as have relied upon the professional associations and insurance brokers for feedback.	No	Yes	Yes. XL Insurance uses an independent survey tool to poll our insureds as their satisfaction with our claim services.	No
Question 24 - Does your policy cover claims brought outside the U.S., its territories, or Canada?														
Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No but can be endorsed	Yes	Yes	Yes	Yes	Yes
Question 24 a. - If yes, does insured have the right to select legal counsel?														
Yes, but subject to company approval	Yes	Yes	Yes	Yes	No		Yes	Yes	No	No	No	No. We are willing to consider use of appropriate counsel upon request.	No	No
Question 24 b. - If yes, do you pay on behalf or do you indemnify?														
Pay on behalf available	Pay on behalf	Pay on behalf	Pay on behalf	Pay on behalf	Pay on behalf		Indemnify	Pay on behalf	Pay on behalf	Pay on behalf		Pay on behalf	XL will pay on behalf of the insured except in those locales where such arrangements are prohibited by law.	Pay on behalf
LITIGATION AND SETTLEMENT														
Question 25. - Does your policy provide for payment of defense costs in addition to the limit of liability either in the standard form or by endorsement?														
No	No-unless requested by State	No	No	Yes	Yes	No	No	No	No	No	No	No	No	No
If by endorsement, please identify the conditions required for such endorsement?														
	N/A	No										Defense within the limit if requested by State DOI		

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Question 26. - Do you reserve the right to appoint defense counsel on all claims?	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Question 26. a - Do you accept alternate defense counsel when requested by insured?	Yes	Yes	Yes, would consider	Yes	Yes	Yes	Yes, rare exceptions where a particular law firm is denied	Yes	Yes but occasionally	Yes	Yes	Yes, As appropriate	Often. Requests are handled on a case by case basis	We consider it. Among other considerations, alternate defense counsel must meet our rate and reporting guidelines, qualification requirements, and have no conflicts of interest in representing us and the insured.
Question 27. - 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 that defense counsel deems necessary?	Yes	Yes--Hudson does.	No	Yes	Yes	Yes	Yes	Yes		Yes	Yes	No. Resolution plans are required within 90 days	No	Yes
Question 27 a. - 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 27. a) - If the insured elects to contest the claim rather than accept a settlement, do you then limit your subsequent liability for the claim to the amount that the claim could have been settled for?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Question 28 - 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?	Yes	No	Yes	Yes	No	No	Yes	No	Yes-claim administrators	No	No.	No-internal agency reviews	No	No. Zurich has an internal bill review group. Zurich does not release bills to any external parties to protect the privileged nature of communication between the Insured and counsel.
Question 30. - Does your firm provide risk management for your insureds?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If so, indicate what type of programs you offer (mark all that apply).														
Contract review	Yes	Yes		Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Publications	No			Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Seminars	No	Yes		Yes		Yes	Yes	Yes	No -occasionally	Yes	Yes	Yes	Yes	Yes
Other (list)						Yes			Yes	Yes				

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Please provide appropriate detail and quantification (e.g., number of risk management personnel employed, number of annual seminars provided, estimated number of contracts reviewed, number and types of publications offered, etc).														
						Risk management hotline	Extensive risk management materials are available on our website. All insureds who pay more than 100,000 annual premium are entitled to free seminars at a location they choose		All new policy holders receive (a). Contract reference guide (b). Ten commandments about loss prevention.	* We approximately 400 Contract Reviews per year. * Our Risk Management Newsletter, which is 8-10 pages in length, is distributed to our policyholders on a quarterly basis. * We participate in approximately 30 seminars per year. * We are a registered AIA/CES provider.	Seminars	We provide an in-house staff of 9 professionals to deliver hands-on risk management solutions including contract reviews, seminars, an on-line study course (VEP) and an extensive library of resources available online and through publications such as Guidelines for Improving Practice.	XL Insurance leads the industry in risk management solutions for design professionals. Last year, over 25,000 design professionals took part in our education programs that include case study workshops, self study risk management programs and XL Insurance's unique Risk Drivers Solution Sets. We employ three full time personnel dedicated to loss prevention and education development and delivery. Additionally, seminars and workshops are delivered by our underwriting staff, claims staff and our agents who must complete a certification process prior to presenting the courses.	We typically provide 48-hour turnaround for contract review newsletters. We provide a risk management guide. Seminars are available providing continuing education credits.
Question 31. - Provide estimated percentage of A/E claims driven by:														
Technical Errors:	Proprietary		Unknown	20				Proprietary		36%			30	N/A
(including contractual terms):	Proprietary		Unknown	80				Proprietary		25%			26	N/A
Poor communication	Proprietary		Unknown					Proprietary		20%			24	N/A
Poor documentation	Proprietary		Unknown					Proprietary		20%			5	N/A
Other (please specify)	Proprietary		Unknown					Proprietary					15	N/A
													Note: XL Insurance research finds that in over 70% of claims, non-technical issues either cause or significantly contribute to the severity of a claim.	
Question 32. - Provide estimated percentage of A/E claims related to the following:														
Commercial	Proprietary		Unknown	being evaluated Q4				Proprietary		24%			10	N/A
Single-family residential	Proprietary		Unknown	being evaluated Q4				Proprietary		22%			21	N/A
condos	Proprietary		Unknown	being evaluated Q4				Proprietary		5%			20	N/A
Schools and universities	Proprietary		Unknown	being evaluated Q4				Proprietary		11%			15	N/A
Industrial	Proprietary		Unknown	being evaluated Q4				Proprietary		6%			2	N/A
Health care	Proprietary		Unknown	being evaluated Q4				Proprietary		5%			5	N/A
Highway/heavy	Proprietary		Unknown	being evaluated Q4				Proprietary		5%			6	N/A
Utilities	Proprietary		Unknown	being evaluated Q4				Proprietary		6%			0.01	N/A
Master planning	Proprietary		Unknown	being evaluated Q4				Proprietary		4%			1	N/A
Surveys/studies	Proprietary		Unknown	being evaluated Q4				Proprietary		11%			N/A	N/A
Other (please specify)	Proprietary		Unknown					Proprietary		1%			7 shopping centers/stores & restaurants	
										100% Total			5 Government/municipal buildings;	
													4 Hotel/Motel	

