

NSPE Position Statement No. 10-1747—Disclosure of Professional Liability Insurance

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In today's professional practice environment, both employers and engineering employees are concerned about professional liability, risk management, and loss prevention. Many firms carry and maintain professional liability insurance policies and/or use specific methods to transfer or mitigate professional liability risk exposure.

NSPE encourages individual employed engineers and their companies to work in harmony to minimize professional liability risk exposure consistent with good professional practice and sound business judgment.

It is the position of the National Society of Professional Engineers that, consistent with good professional practice and sound business judgment, engineer employers provide their employed engineers with appropriate written information describing the availability and extent of professional liability and other applicable insurance coverages. Additionally, employers are encouraged to provide their professional staff with information and training related to indemnification and defense issues, as well as limitation of liability contract provisions and other mechanisms that address professional liability exposures that may be incurred by their employees within the scope of their employment. The specific training and methods described above may include the provision of information in employee handbooks, employment agreements, and, equally important, as part of periodic continuing education programs that include risk management seminars and other loss prevention programs. While insurance coverage is not the only way to protect the firm and employees, it is NSPE's position that companies that do not carry professional liability insurance should disclose that fact in writing to their employed engineers.