



## PRODUCTS

### *AEIC Professional Liability Program*

As an industry-owned insurance program, AEIC has become the premier specialty market, serving the architects and engineers professional liability marketplace. As industry pioneers, we solidified our influence in the marketplace by reinventing the professional liability product to meet the special needs of design firms. With our liability offerings, the Insuring Agreements, Definitions and Conditions have been rewritten to conform to the practice of architects and engineers, as it exists now, not in the past. Exclusions, often a source of confrontation between a design firm and its insurer, have been virtually eliminated. Owned by shareholder/insureds, AEIC relies on its shareholder input in all aspects of its management including the drafting of policy language relevant to the practice of shareholders.

AEIC has taken an unprecedented step by modifying the definition of a claim. The modification provides that all errors and omissions arising from professional services rendered for a single project and under a single contract be treated as one claim. This approach prevents multiple deductibles being applied for multiple errors on a single project.

The policy form encourages pre-claim reporting to assure the best in loss avoidance advice. Any architectural or engineering firm that has been through a claim understands negotiation at an early stage could have resulted in an avoidance of serious inconvenience and financial loss. For AEIC members, AEIC can be brought to bear in the process.

### *Coverage Highlights*

- AEIC is the only carrier able to offer 3-year policies to firms of all sizes
- Limits of liability up to \$10M
- Limits available on a per claim and aggregate basis
- Excess limits for self-insured programs
- Project-specific coverage
- Joint venture coverage
- Design-build and construction management coverage

- Contractor's pollution liability coverage
- Equity interest coverage up to 50 percent participation
- Broad definition of professional services
- Incident reporting
- Free pre-claims service
- Insured participation in the selection of legal counsel
- Available in all 50 states and Canada
- Worldwide coverage

### ***Participation Guidelines***

- All design disciplines: Architects, Civil, Structural and Mechanical/Electrical Engineers, Land Surveyors, Landscape Architects, Interior Design, Geotechnical and Environmental Engineers
- Design-build, construction management and project management delivery are eligible to participate
- Annual billings exceeding \$1M
- Deductibles starting at \$10,000
- Above-average loss experience
- Limited exposure to residential design (single or multi-family)
- Participating firms are required to purchase 1 share of stock in AEIC (\$140/share), with no risk of additional assessments

### ***AEIC Executive Liability Program (optional coverage)***

AEIC has designed a series of liability coverages designed to complement the Professional Liability coverage. The following coverages are offered as a sub-limit to the Professional Liability limit:

#### ***Employment Practices Liability***

Nowhere is the spread of our society's appetite for litigation more rampant than in the area of wrongful dismissal, unwelcome sexual advances, discrimination or violation of any of a multitude of federal, state or municipal regulations affecting the rights of persons and employees. Claims in this area, if frivolous, are expensive to defend, if grounded in reality are often matters of hearsay evidence. As a result, the outcome is uncertain. AEIC's Employment Practices Liability coverage can bring peace of mind. The firm is protected from the havoc that can be wrought by its own employees.

#### ***Pension Trust Employee Benefit Plan***

Although A/E's are typically insured for theft and fraud, normally missing is protection for negligent acts or errors in the administration of benefit plans for employees. This protection gives management the assurances, that in the event of employee claims for loss of benefits due to mismanagement, or error resulting in erosion of insurance benefits or pension, the company is protected.

## **Directors and Officers**

More than the peace of mind associated with protecting architects and engineers from shareholder actions, the inclusion of Directors and Officers coverage in the Executive Liability protection affords the design firm the opportunity to add to its Board outside directors, who would otherwise be unwilling to serve without D&O coverage in place. This coverage provides a firm access to those, within its community, who can provide insight and assist in promoting the firm's business interests.

# **SERVICES**

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To ensure policy change requests are handled professionally and expeditiously, agents and their insureds have direct access to underwriters. All policy administration is provided by AELC, Inc., whose experienced staff has serviced AEIC members since its founding. In addition, contract reviews services are provided quickly and without cost by legal counsel and design professionals.

AEIC recognizes the value to both the Company and the Insured in taking a proactive position in dealing with loss prevention. AEIC's manager, AELC, Inc., oversees a Risk Review Program that involves sending an AELC consultant into the insured's office to assist in improving the firm's operations, from both a technical and managerial perspective. The Risk Review program is a critical component in maintaining a loss ratio well below industry average, supporting AEIC's competitive pricing. As an added benefit, underwriters are equipped with detailed knowledge of AEIC's insureds, allowing coverage to be tailored on a risk-by-risk basis.

Claims are handled by AELC, Inc. Specializing in professional and executive liability, AELC's staff is experienced with diverse skills and training drawn from the fields of design, adjusting and insurance.

AEIC insureds incur no charges against their deductible when accessing AELC services or staff. Claim efforts are centered on the avoidance of litigation. Should litigation be unpreventable, AEIC ensures its insured's voice is heard in the selection of counsel.

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