

Understanding the dynamics of risk in the design industry



XL
XL CATLIN

RD2

Risk Drivers 2.0

XL Catlin's Design Professional Insurance



Proprietary Research

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claims
have non-technical factors that contribute to technical errors

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Technical vs. non-technical



NON-TECHNICAL → **TECHNICAL**

*Breakdown in
project or practice
management
processes*

*Error and/ or
omission of a
technical nature*

CONTRIBUTES TO → **RESULTS IN**

Loss Prevention File or Claim

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6 Top non-technical Risk Drivers

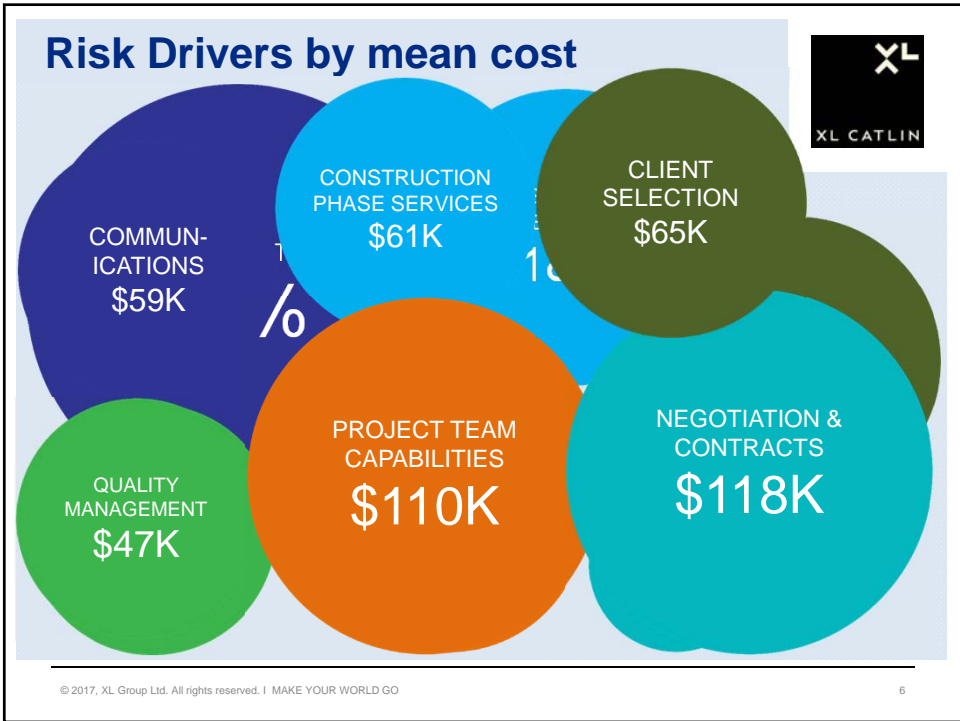
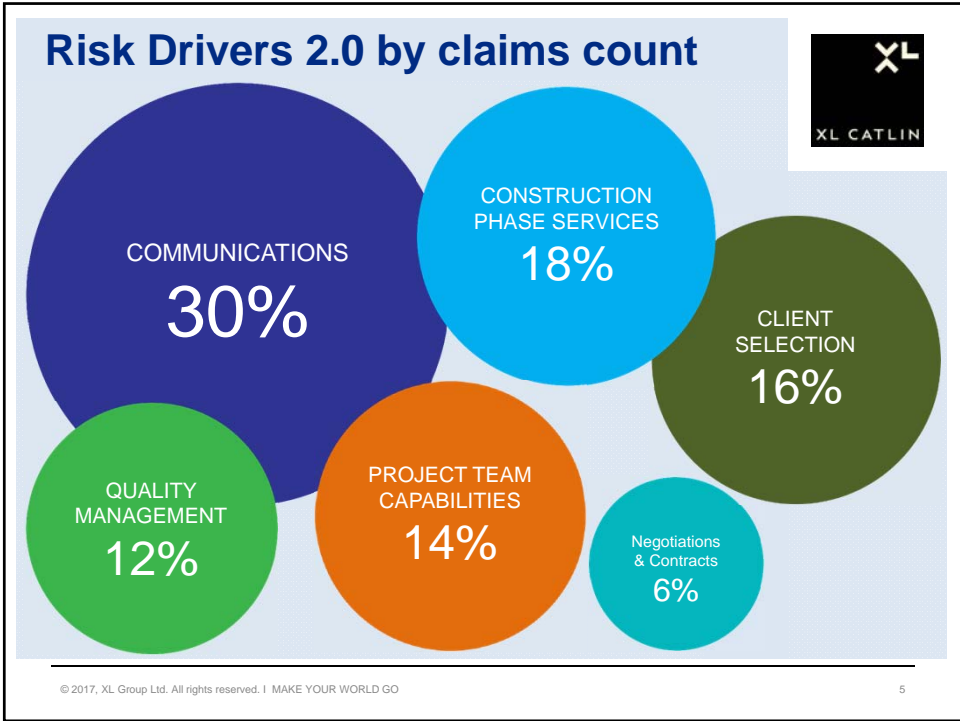


1. Client Selection
2. Construction Phase Services
3. Project Team Capabilities
4. Communication
5. Negotiations & Contracts
6. Quality Management



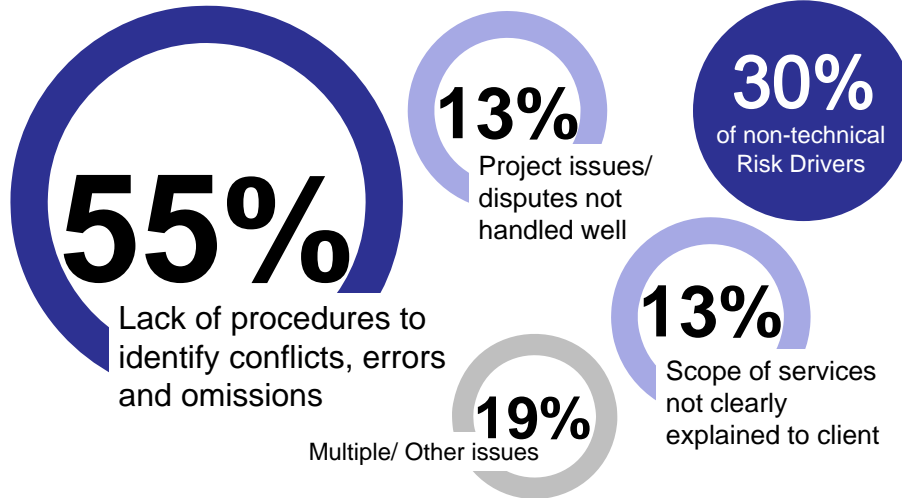
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Risk Drivers (No. 1 by claims count)

Communications

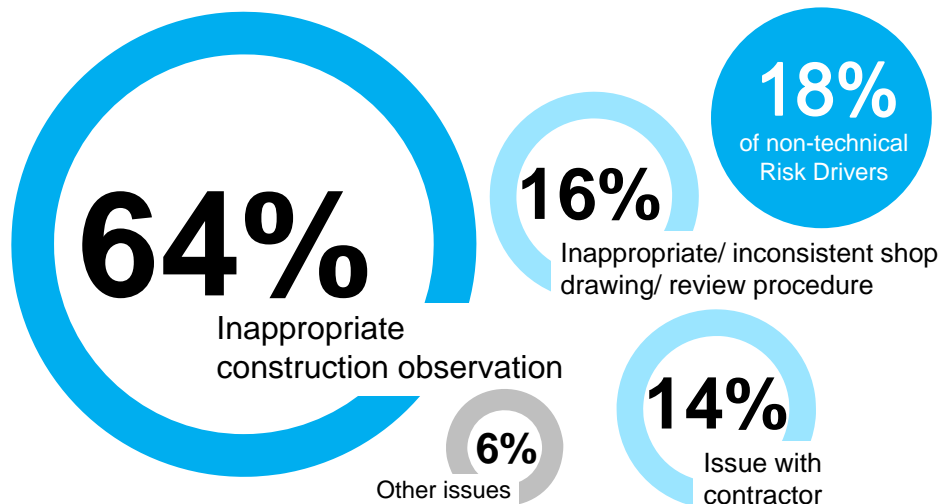


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Risk Drivers (No. 2 by claims count)

Construction Phase Services

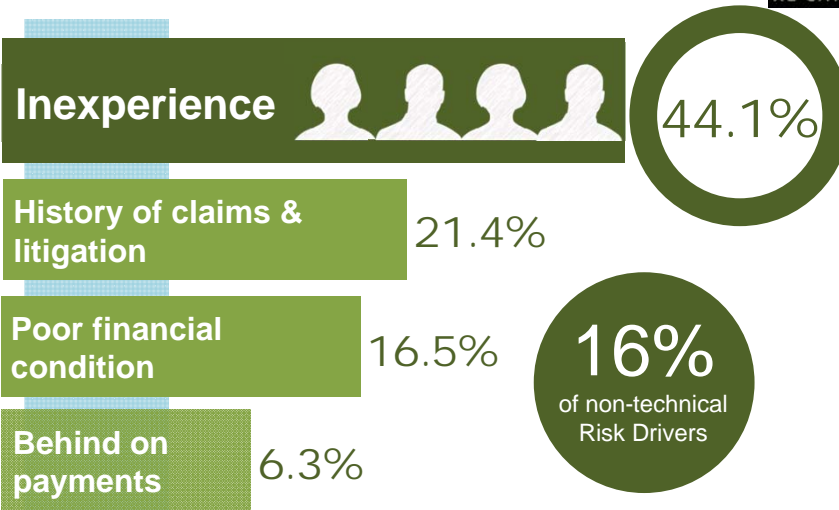


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Risk Drivers (No. 3 by claims count)

Client Selection

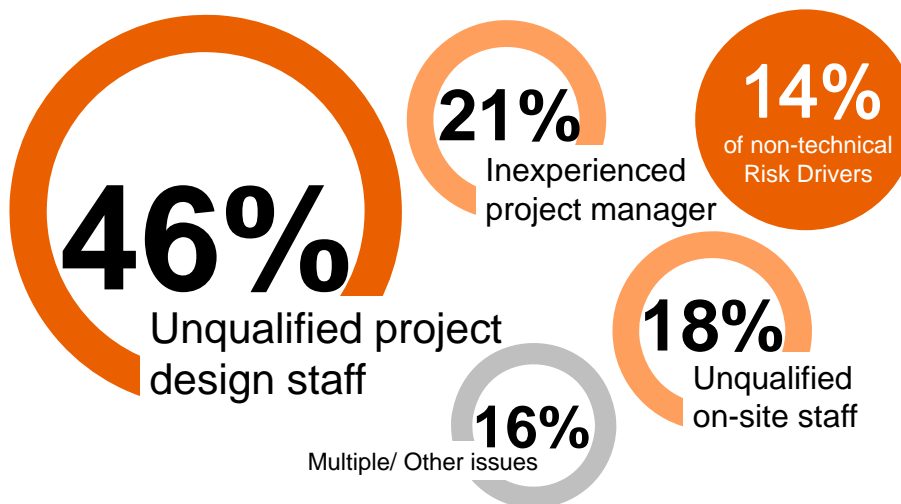


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Risk Drivers (No. 4 by claims count)

Project Team Capabilities



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Risk Drivers (No. 5 by claims count)

Quality Management



Lack of QA/QC procedures to reduce errors

63%

No proactive plan to handle project issues/ disputes

33%

Other

4%

12%

of non-technical Risk Drivers

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Risk Drivers (No. 6 by claims count)

Negotiations & Contracts



45%

Unclear/ inappropriate scope of services

6%

of non-technical Risk Drivers

Contract not in-place before work began

12%

Didn't formally evaluate client & project risks

12%

Multiple/ Other

31%

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