

Architects



VANTAGE
PROFESSIONAL RISKS

Architecture is one of the older established professions and, as such, architects are regarded as a “traditional” profession. Like all those involved in the building industry, architects have been affected by legislation and increased contractual requirements from their clients which has only increased the potential for claims to be brought under their PI policy.

As a result of the increased exposures faced it is imperative that the areas of work are correctly understood, fully considering the processes that the practice has in place, including the appointment of any sub contracted consultants within the practice so that the professional indemnity insurance can be placed correctly to cover these appointments.

In addition it is becoming more common for clients to insist on collateral warranties or duty of care agreements especially if there is no direct contract between the client and the architectural practice, for example in a design and build contract. Some contracts may form a consortium or define the architect as the contractor which are very different risks to that of standard architect.

PI insurers generally take the view that they will accept claims arising from sensibly worded agreements but this may in some cases need to be endorsed into the wording for cover to apply. Others will address by setting out clearly the limits beyond which cover will not apply. It is also important to fully understand how the policy responds to the warranties or contracts in place, some contracts can extend the liability of the practice beyond the limitations of a standard policy which if not picked up can leave the company exposed.



As PI is written on a “claims made” basis, so in the event of a claim or circumstance it is the policy that is in force at the time the claim arises which would respond and not the policy in force at the time the error, omission or breach occurred. It is important to consider previous contracts or warranties when reviewing the cover in place. Especially if there has been a change of Insurers or the Insurer has changed their wording in previous year to ensure that the scope of the cover in place responds to the contracts previously signed.

It is clear that PI for architects is a specialist class of insurance which if not understood and then placed incorrectly can leave your business exposed to potentially crippling costs if the policy does not respond due to a gap in cover.

For further information, contact one of the **Vantage Professional Risks** team members on 020 7655 8020 or pi@vantageinsurance.co.uk

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