

## Parenting Advice That Can Save You Money on Professional Liability Insurance

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Parents often struggle with ways to get their children to develop good habits that will serve them well later in life. There is the age-old debate of the carrot versus the stick and which one, reward or negative consequences works best.

At Berkley Design Professional, we come down squarely in the carrot column! We believe that positive reinforcement is the way to encourage our policyholders to develop beneficial risk management habits.

Berkley Design Professional policyholders can earn up to 40% in credits on their annual professional liability insurance policy. Yes, we did say 40%. How, you ask? I would be happy to explain.

Policyholders that use a limitation of liability clause in their contracts for professional services can earn up to a 25% premium credit each policy year. More specifically, we look at the percentage of fees that a design firm has under contracts with limitation of liability clauses with the liability limited to \$250,000 or less and we take that percentage and cut it in half to arrive at the credit percentage—up to a maximum of 25% credit. For example, if a design firm has 40% of their fees derived from contracts that contain a limitation of liability clause limiting their liability to \$250,000, then that firm would earn a 20% premium credit. It is that simple!

In addition, policyholders can also earn a 15% rating credit for participating in a Berkley Design Professional risk management education session. This premium credit will be applied during the underwriting process and will be reflected in the premium quote. Plus, if you attend an education seminar given by another provider, you will still receive a 10% rating credit. How is that for being generous and rewarding risk-conscious design firms?

At Berkley Design Professional, we follow the carrot motivation and put our money where our mouth is by rewarding good risk management habits that not only protect design firms but also save them money. Now that's a recipe for success for developing good risk management habits that would make any parent proud!

## About the Author



Robert J. Connor is senior vice president, chief marketing officer, at Berkley Alliance Managers, a Berkley Company. Bob has more than 25 years of experience in the professional liability segment of the insurance industry. He has worked in a number of roles including underwriter, regional vice president, retail broker, wholesale broker and business development manager. These roles, responsibilities and experiences provide him with a unique perspective. Bob earned his Juris Doctorate from St. John's University School of Law and a Bachelor of Science degree in Economics Management from Ithaca College.

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