

# Wherever Your Next Adventure Takes You, Have Peace of Mind with a Run-Off Policy

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You've worked hard for many years. Started your own business. Weren't sure if you would make it, but you did. And, you fulfilled your dream of being the owner of a design professional firm. Congratulations!

Now the beach – or mountains or lake – summon you. It's time to relax and enjoy the fruits of your labor with family and friends. Put all the pressure and stress of owning a business behind you. You've earned it and deserve it. But there is one more thing that you have to take care of to protect your future – purchase a run-off policy from Berkley Design Professional.

We know, another insurance policy? I thought I was done with that process, you say. Unfortunately, not. You see, even though your firm has closed its doors, you could still be liable for claims alleging wrongful acts for the services provided prior to the closure.

To protect yourself, you should purchase a form of tail coverage. Tail coverage covers incidents (claims) that happened during the time your professional liability policy was active, but were not reported until after the policy expired.

Extended Reporting Periods (ERP) and Run-off policies are forms of tail coverage. ERP options are included in the standard policy form, meet minimum state requirements and provide coverage for a limited amount of time. In addition, the ERP is, as the name implies, an extension of your current policy. So, if there are any other claims currently reported on the policy, the amounts paid on those claims reduce the limits of liability available in the future.

Berkley Design Professional's Run-off policy, on the other hand, provides qualified policyholders with a 3-year renewable option at preferred rates. While coverage is limited to prior acts, on-going projects may be endorsed. Coverage applies not only for claims reported, but also for circumstances which is not the case with an ERP. In addition, a Run-off policy has its own term aggregate limit.

There are eligibility requirements given the broader coverage offered by the Run-off policy. For our Run-off policy, a design firm must be a Berkley Design Professional policyholder for two or more years, be in good standing and eligible for a renewal quote. The design firm policyholder must have completed all projects. Note that coverage is not available for firms that will not be renewed or have a significant number of ongoing projects.

So, as you prepare to sail off into the proverbial sunset, be sure to talk about Berkley Design Professional's Run-off policy option with your insurance broker so you can protect yourself and enjoy your hard-earned retirement.

### About the Author



Barbara Block is an assistant vice president, senior underwriter at Berkley Design Professional, a Berkley Company. She has nearly 35 years of experience in the A/E professional liability insurance industry, with 18 of those years as an underwriter. Barb has been with Berkley Design Professionals since 2013. Contact Barbara at [bblock@berkleydp.com](mailto:bblock@berkleydp.com)



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