New Claims Benchmark Report: Insights to Help Design Professionals Manage Risk

This year's Claims Benchmark Data report highlights what over a decade of claims experience reveals about risk.

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As trusted partners to architects and engineers, Berkley Design Professional is committed to providing data-driven insights that help firms make smarter decisions about project work and risk management. The newly released report, Claims Benchmark Data, draws on more than a decade of data reported to Berkley Design Professional (from April 2013 through June 2025) to illuminate trends across disciplines, client types, project categories and contract structures.

Unlike past reports where findings could potentially be distorted by a few high-dollar claims, our analysis now uses loss-cost metrics, combining frequency and severity relative to fees earned. This approach provides a more accurate and balanced view of risk, ensuring a discipline doesn't appear riskier or safer than it actually is and that trends are meaningful for all sizes of firms.

Key Takeaways by Discipline

Structural engineers continue to experience the highest average loss cost, followed closely by mechanical and geotechnical engineers. It's not surprising that "foundational" roles such as structural and geotechnical engineers face heightened scrutiny when issues arise, since claimants tend to look for errors that occurred from the ground up. Mechanical engineers face above-average exposure primarily due to the complexity of HVAC systems and client expectations for performance.

Architects show above-average claim frequency, often due to vicarious liability for subconsultants' work. The report notes that while only one-third of architectural claims involve subconsultants, these account for 45% of total claim dollars, underscoring the importance of managing subconsultant relationships, responsibilities and insurance requirements with care.

Interior designers, environmental engineers and electrical engineers remain lower-risk groups, consistent with prior years.

Risk by Client and Project Type

When it comes to clients, contractors pose the greatest risk with both the highest claim frequency and the largest claim amounts, largely tied to the added exposure inherent in the design-build delivery method. Private owners also represent a higher-than-average exposure, while working for other design professionals, governments and developers falls within a more stable range.

In project categories, residential condominiums and mixed-use buildings continue to drive disproportionate losses. Condo projects, in particular, generate claims costing more than twice the overall average. Design professionals should approach these high-risk project types with extreme caution and strong contractual protections.

The Contract Factor

The type of agreement used on a project has a measurable impact on claim outcomes. Firms that rely on their own standard written contracts experience the best results, followed by those using negotiated industry-standard agreements.

In contrast, client-drafted contracts often introduce uninsurable terms and weak protections, and verbal agreements present the greatest risk, showing the highest frequency, severity and overall cost of claims. The message is clear: written, well-negotiated and signed contracts are essential to managing risk.

Putting the Data to Work

The Claims Benchmark reinforces what many Berkley Design Professional policyholders already know: Risk becomes more manageable when it's understood. By recognizing which project types, clients and contract terms carry higher exposure, design professionals can make informed business choices that improve their long-term claim outcomes.

I encourage you to read the full Claims Benchmark Data Report and share it with your clients.

About the Author

Diane brings 30 years of experience in the professional liability insurance industry, with a strong focus on risk management and loss prevention education for the design industry. Since joining Berkley Design Professional in 2014, she has led the development of the award-winning BDP Risk® Learning Management System and a comprehensive suite of risk management resources, including live workshops, on-demand courses, and curated learning plans to help architects and engineers improve business practices and mitigate risk.

Throughout her career, Diane has conducted in-depth claim studies to uncover the business practice breakdowns that lead to professional liability exposure. She translates these insights into practical, effective training programs that support better decision-making and risk awareness across project teams.

A frequent speaker at industry and association events, Diane also reviews contracts and is the editor of the BDP Contract Review Guide. She is the author of numerous articles, guides, and courses on topics such as communication, documentation, contracts, and scope management. Diane serves on the American Council of Engineering Companies (ACEC) Risk Management Committee and is an active member of ACEC California. She holds a Bachelor of Science degree in Organizational Behavior from the University of San Francisco and is based in Monterey, California. Contact Diane at dmika@berkleydp.com

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