



# Claims Benchmark Data



## Introduction

As industry thought leaders, our goal is to provide our brokers and policyholders with the latest data and insights. We aim to help our policyholders make informed decisions about project work and the associated risks for the most common disciplines, project types and client types.

The data in this report represents claims reported to Berkley Design Professional from April 2013 to June 2025.

It's important to note that this is Berkley Design Professional's experience—not industrywide—and it reflects our careful underwriting practices and rating policies. In addition, we have chosen to focus on the experience of firms with less than \$30 million in annual fees, as the volatility of claims from larger firms tends to mask any trends otherwise more apparent in small and mid-sized firms' experience.

## Why This Claims Benchmark Is Different

In previous versions of our Claims Benchmark report, a single large claim had the potential to distort the overall picture—making one discipline appear disproportionately risky or, conversely, safer than it truly was. For example, if a single high-dollar claim occurred in a discipline with relatively few total claims, it could inflate the average claim amount and skew perceptions of risk.

To address this, we've refined our methodology to better reflect **overall trends** rather than **outliers**. Instead of relying solely on raw averages, we now incorporate **loss cost metrics**—which combine both frequency and severity relative to fees earned. This approach normalizes the data across disciplines and project types, giving a more accurate and balanced view of risk.

By doing so, we ensure that:

- Disciplines with fewer claims aren't unfairly penalized by one-off events.
- High-frequency, lower-severity claim patterns are appropriately recognized.
- The data better supports informed decision-making for underwriting, risk management, and client advisories.

Here is a brief explanation of the metrics shown:

**Teal bars: Average Loss Cost**  
(combination of frequency and severity against fees)

**Gold bars: Average Claim Amount**  
(claim dollars divided by claim count)

**Blue bars: Average Claim Frequency**  
(claim count divided by fees)

The horizontal line in each chart represents the overall portfolio average of that metric

## Claims Experience by Area of Practice

Structural Engineers in our portfolio experience the highest average loss cost, driven by both the most frequent claims and the largest average claim amounts. Mechanical Engineers also show elevated risk, with above-average claim frequency and claim amounts. Geotechnical Engineers round out the top tier, with claim amounts second only to Structural Engineers and a frequency near the portfolio average.

It is not surprising that Structural and Geotechnical Engineers are in the top three, as both groups are “foundational” to a project. When something goes wrong, project owners and other 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.

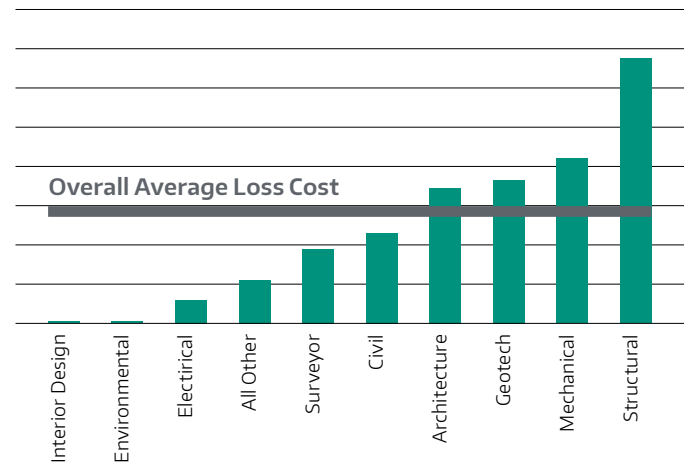
Notably, Architects, while slightly below the portfolio average in claim amount, experience higher-than-average claim frequency, driven by the increased risk due to the assumption of vicarious liability for the services of their subconsultants. (See Vicarious Liability for Architects on page 3 for more information.)

Interior Designers, Environmental Engineers and Electrical Engineers continue to perform well, consistent with historical data.



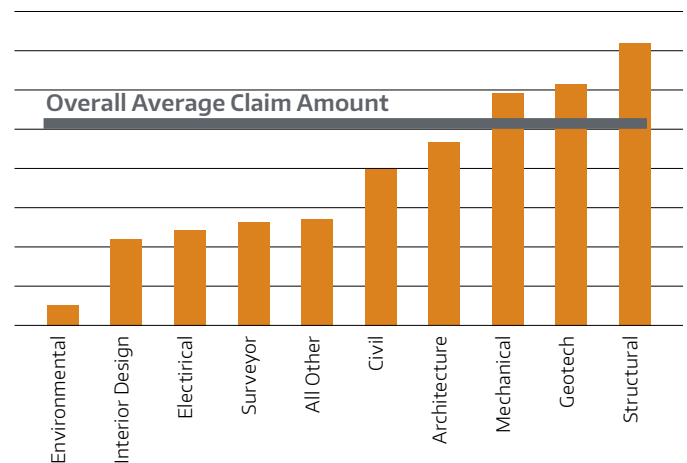
### Average Loss Cost by Discipline

Firms with Annual Fees under \$30 million



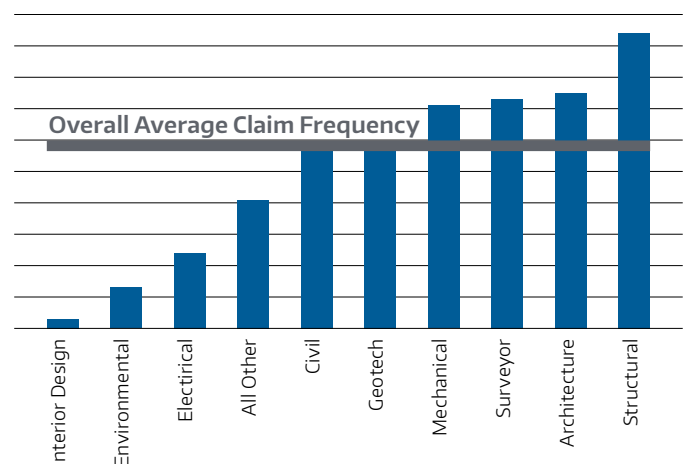
### Average Claim Amount by Discipline

Firms with Annual Fees under \$30 million



### Average Claim Frequency by Discipline

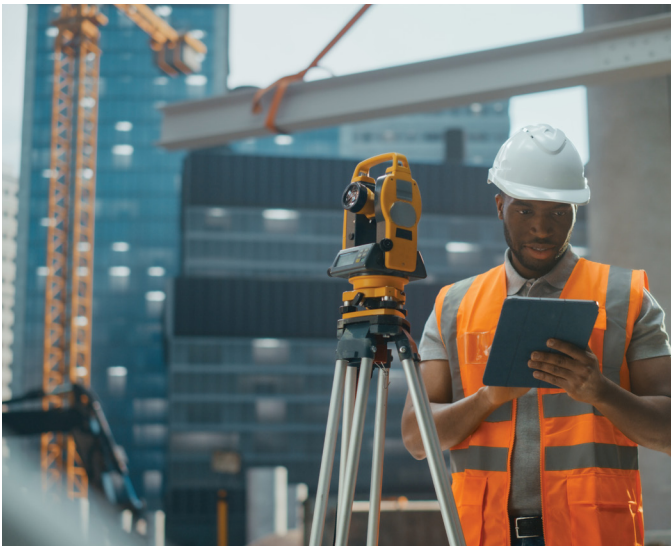
Firms with Annual Fees under \$30 million



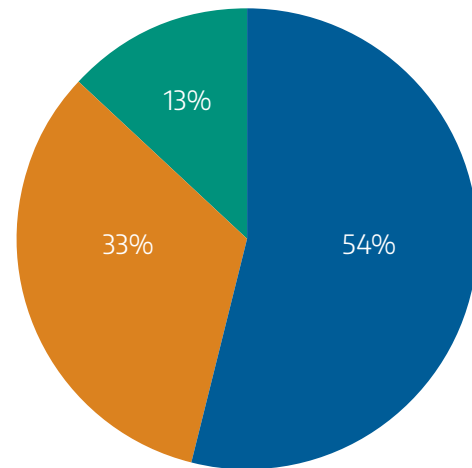
## Vicarious Liability for Architects

When examining claims involving architects, a little over half stem solely from the architect's own services. About one-third involve a combination of the architect's services and those of their subconsultants. Just over 10% are purely vicarious—meaning the claim arises entirely from the subconsultants' work.

While combination claims represent only one-third of the total claim count, they account for 45% of total claim dollars, underscoring the importance of managing subconsultant relationships, responsibilities and insurance requirements carefully, as shared liability can result in disproportionately high claim costs.

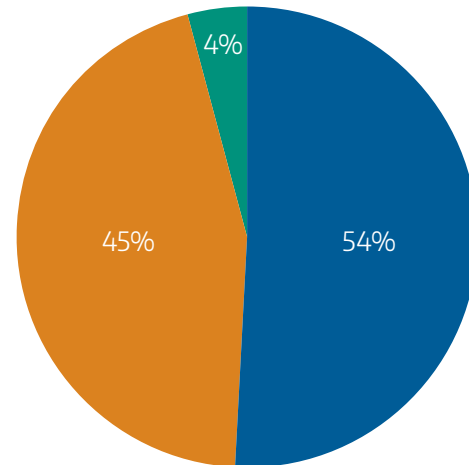


Percent of Claim Count



- Insured's Services Only
- Combination of Insured's and Subconsultants Services
- Subconsultants Services Only – 100% Pass Through

Percent of Claim Dollars



- Insured's Services Only
- Combination of Insured's and Subconsultants Services
- Subconsultants Services Only – 100% Pass Through



## Claims Experience by Client Type

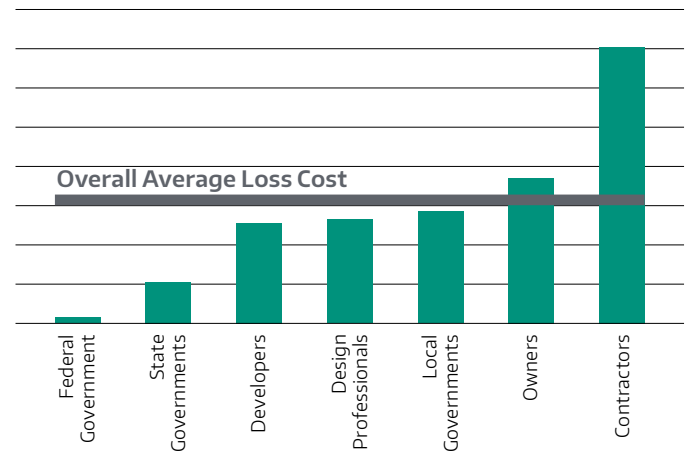
Contractors represent the riskiest client type, with both the highest claim frequency and the highest average claim amounts. This elevated exposure is largely tied to the design-build project delivery method, which carries inherently greater risk for design professionals.

Owners follow as the next most costly client group, primarily due to a higher likelihood of claims being filed.

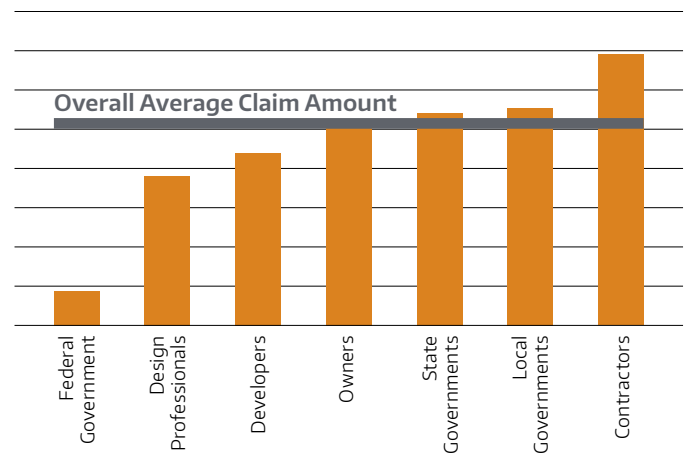
Design Professional, Government, Developer and other types of clients are within a more reasonable range of outcomes.



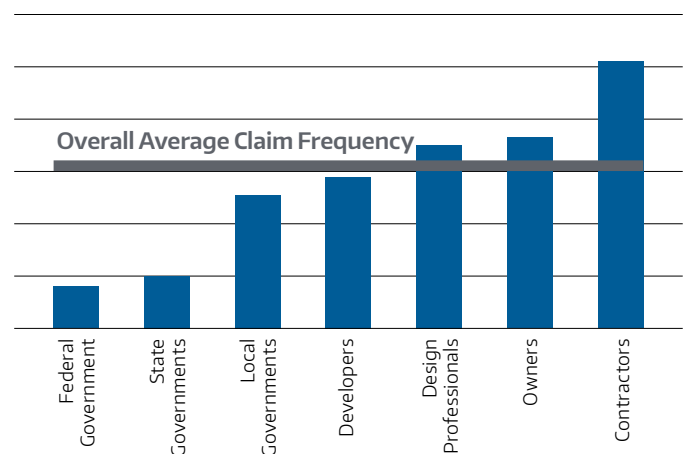
### Average Loss Cost by Client Type Firms with Annual Fees under \$30 million



### Average Claim Amount by Client Type Firms with Annual Fees under \$30 million



### Average Claim Frequency by Client Type Firms with Annual Fees under \$30 million



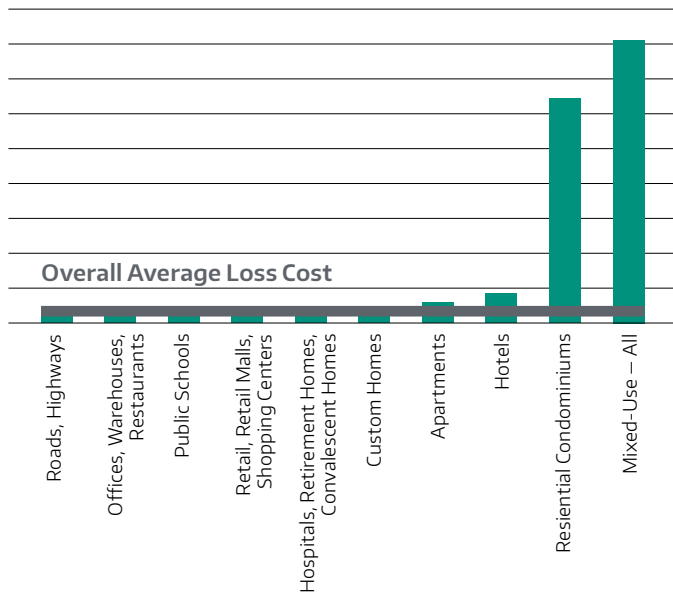
## Claims Experience by Project Type (Top Ten in Claim Dollars)

Among the top ten project types by incurred claim dollars, Residential Condos and Mixed-Use Buildings are, by far, the worst-performing project types. While these project types represent a small portion of our portfolio, their loss costs are disproportionately high.

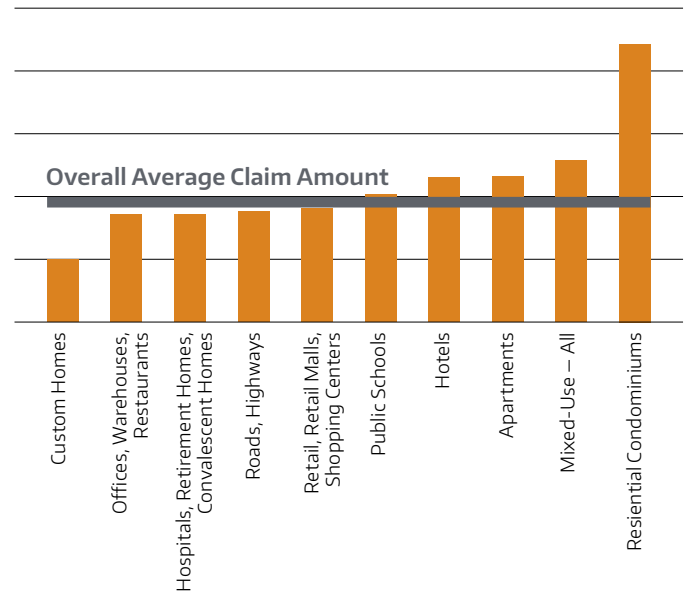
Mixed-use projects are driven mainly by a high frequency of reported claims, with the average claim amount just slightly above the overall average. Residential Condo claims, however, are more than twice the average in terms of claim costs and their frequency ranks second only to Mixed-Use.

Design professionals should be very cautious when participating in these project types.

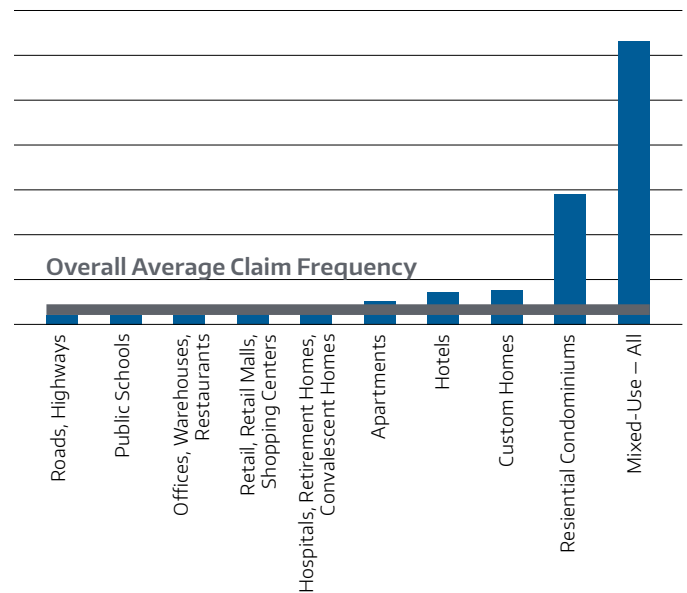
### Average Loss Cost by Project Type Firms with Annual Fees under \$30 million



### Average Claim Amount by Project Type Firms with Annual Fees under \$30 million



### Average Claim Frequency by Project Type Firms with Annual Fees under \$30 million



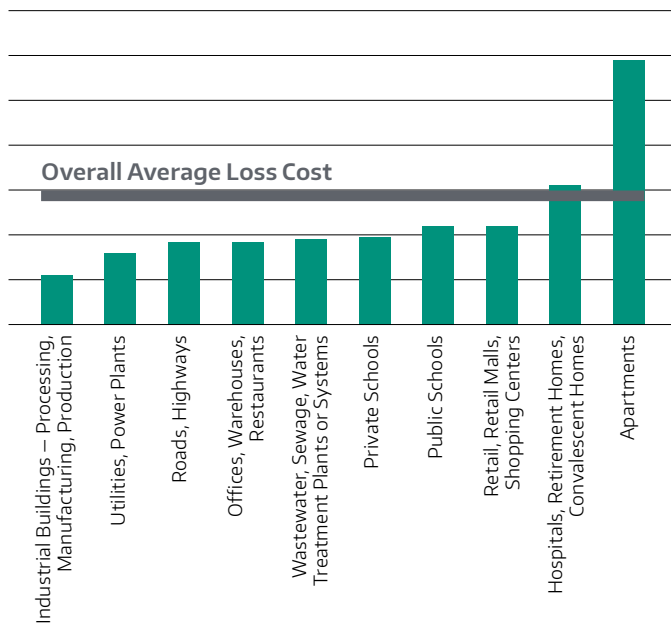
## Claims Experience by Project Type (Top Ten in Reported Fees)

This section highlights the experience on the 10 most frequent project types undertaken by our policyholders.

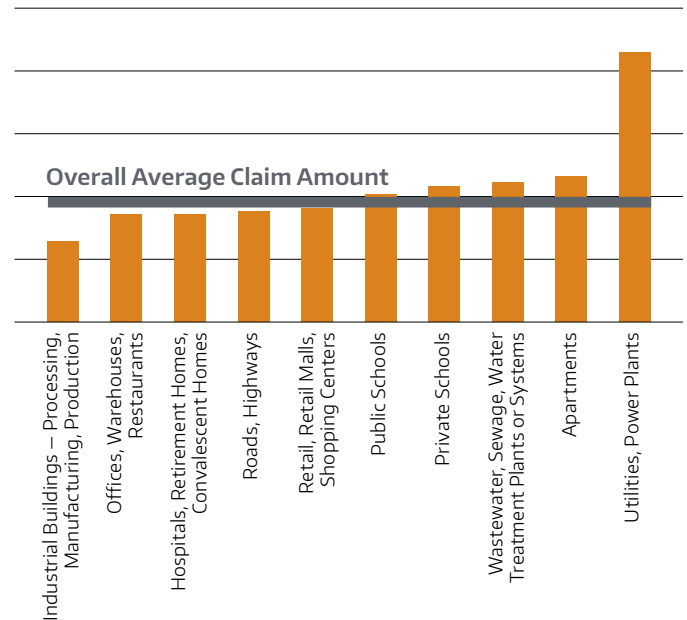
Among these, Apartments show the highest loss cost, driven primarily by elevated claim frequency and coupled with claim severity that ranks second only to Utilities.

The Utilities category continues to reflect the impact of a few unusually large claims, which stand out within this otherwise lower-risk project type.

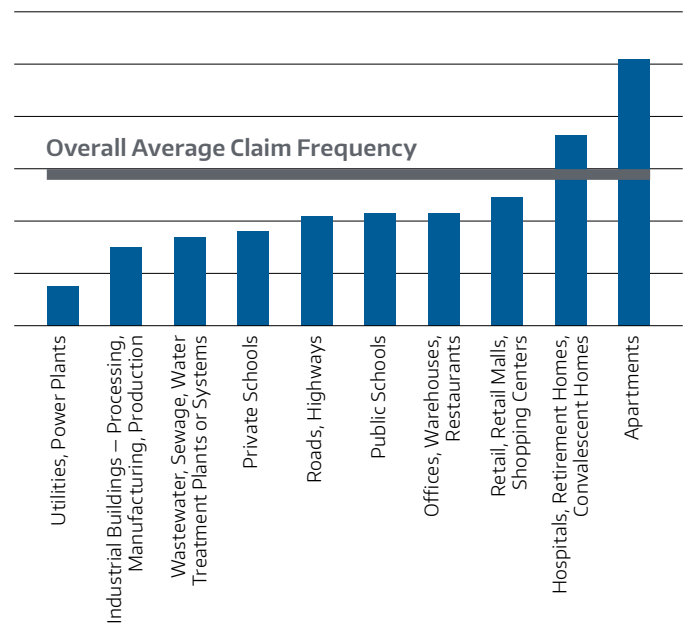
### Average Loss Cost by Project Type Firms with Annual Fees under \$30 million



### Average Claim Amount by Project Type Firms with Annual Fees under \$30 million



### Average Claim Frequency by Project Type Firms with Annual Fees under \$30 million



## Claims Experience by Contract Type (Beware the Verbal Agreement!)

Claims outcomes vary significantly depending on the type of contract used on the project.

Our data shows that firms using their own standard form of agreement experience significantly better outcomes. Whenever possible, design professionals should prioritize using a properly written agreement that reflects their own terms. These agreements offer the strongest defense in the event of a claim and help ensure fair allocation of risk.

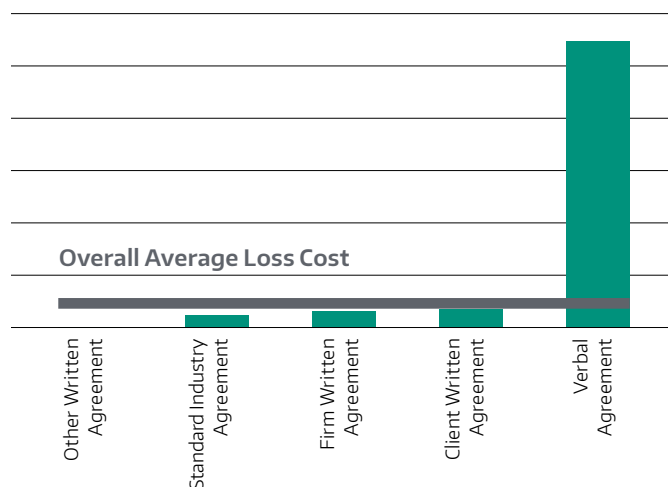
Industry standard agreements can also be very effective when terms and conditions are carefully negotiated and tailored to the particular project.

In contrast, defending claims on a project with a client-generated agreement can be a challenge. Such agreements often lack key protections, omit client responsibilities and include uninsurable or burdensome requirements.

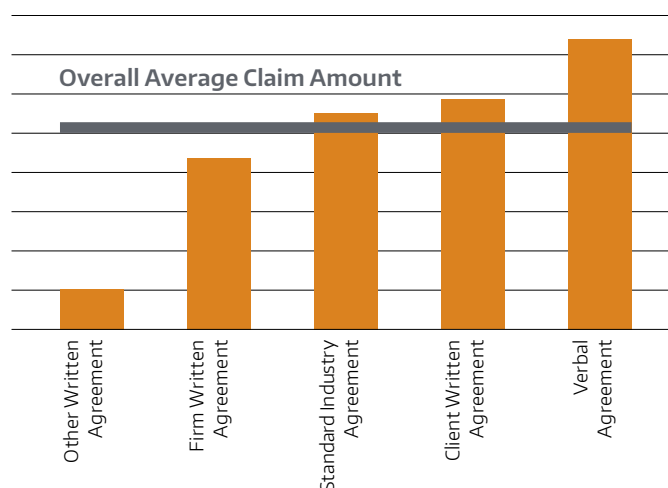
Verbal agreements pose the greatest risk, with the highest frequency, severity and overall cost of claims. Bottom line: written agreements should be used on every project.

**For more information on professional services agreements, see our Risk Management Risk Resources on our website: <https://www.berkleydp.com/risk-management/risk-resources/>**

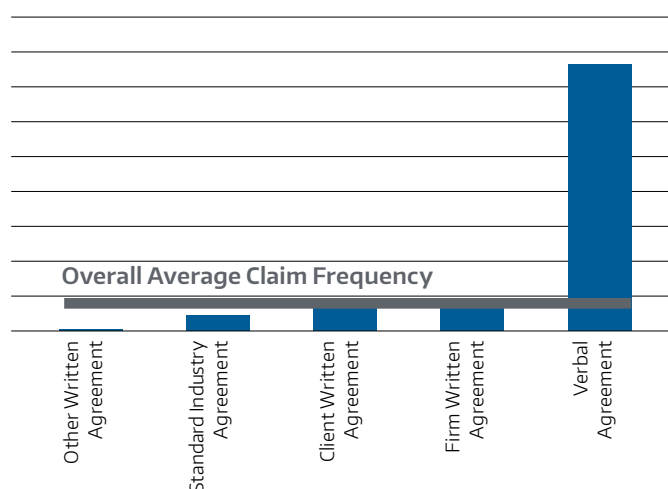
### Average Loss Cost by Contract Type Firms with Annual Fees under \$30 million



### Average Claim Amount by Contract Type Firms with Annual Fees under \$30 million



### Average Claim Frequency by Contract Type Firms with Annual Fees under \$30 million



## In Conclusion

This Claims Benchmark analysis highlights the significance of understanding how discipline, client type, project type and contract structure impact claims outcomes. Structural, Mechanical and Geotechnical Engineers continue to face the highest loss costs, driven by both frequency and severity, reflecting the foundational nature of their work. Architects also show elevated claim frequency, largely due to vicarious liability from subconsultants. Contractor clients and design-build delivery methods present the greatest risk, while Residential Condos and Mixed-Use Buildings stand out as the most problematic project types in terms of incurred claim dollars.

The data also reinforces the critical role of contract quality. Firms using their own standard agreements or well-negotiated industry forms experience significantly better claim outcomes than those relying on verbal or poorly structured client-generated contracts. These insights can help guide strategic decisions around risk management, client selection, project participation and contract negotiation to help design professionals mitigate exposure and improve claims performance.

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Practice management recommendations should be carefully reviewed and adapted for the particular project requirements, firm standards and protocols established by the design professional.

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Berkley Design Professional is a trusted provider of professional liability insurance for architects and engineers. Our experienced underwriters draw on their deep industry expertise and underwriting authority to respond quickly to opportunities, deliver comprehensive coverage, and help brokers and policyholders navigate complex risks with confidence.

Brokers value our collaborative approach, specialized knowledge, and exceptional service. Policyholders benefit from our award-winning risk management resources, dedicated in-house claims professionals who advocate on their behalf, and the peace of mind that comes from working with a financially sound insurance provider committed to protecting their reputation, projects, and long-term success.

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855.534.7285 | [berkleydp.com](https://berkleydp.com)

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