

Current Global Insurance Market Conditions for Design and Construction Professional Liability – Q4 2020

Since the publication of our last global Design and Construction Professional Liability outlook, a few short months ago, the professional liability insurance market in most territories has continued to harden. A firming insurance market is challenging during the best of times but, with the recessionary effects of the global pandemic, insurers are refining their risk appetites on a much more frequent basis.

The market changes we are observing are driven by new underwriting guidelines and revised rating models. These include: increasing premiums, higher self-insured retentions, additional coverage exclusions, greater scrutiny of what underwriters consider acceptable risks, and an overall reduction in capacity regardless of the type of projects or the work of the insured firms.

Specific commentary is provided for a number of territories across the world in our **Current Global Insurance Market Conditions – Design and Construction Professional Liability Q4 2020** report, however, the overriding theme is a reduction in capacity for many single-project policies and additional restrictions insurers are now imposing on these policies.

Highlights from the full report include:



Some insurers have shifted underwriting authority offshore, thereby reducing the in-country underwriters' authority to bind certain risks (most notably in Canada) leading to appetite/capacity decisions being tied to the insurers' global experience rather than their territorial experience.



Also, when a single project policy is required for a territory outside the client's domicile, any quotation is coordinated by the insurers office in that particular territory, rather than the office of where the client is domiciled and well known to the underwriting team. This comes at a time when design-build delivery is increasingly favored by owners/employers/ principals, and contractors are now assuming risks which have historically fallen directly to designers.



Finally, insurers are now providing differential terms and conditions for single project policies depending on the proponent team and their claims experience, not just the methodology used on the project.

Please [click here](#) to access *Current Global Insurance Market Conditions – Design and Construction Professional Liability Q4 2020*.

If you'd like to discuss any of the issues raised in this article, please contact **Michael Earp**.