

*If you use a contract provision which references an Insurance Addendum listing coverages you intend to provide, you might start with this as a model. In consultation with your professional liability specialists, you should develop specific wording to correspond to the coverages you intend to carry and that are available in your locale.*

### Addendum

To Contract Between {Design Professional} and {Client}, dated \_\_\_\_\_.

#### SCHEDULE OF INSURANCE

In accordance with the same terms of this Agreement, the Design Professional shall attempt to obtain and maintain the insurance policies with coverages and limits as indicated hereon:

- Professional Liability Project Policy** with limits of \$\_\_\_\_\_ per claim and \$\_\_\_\_\_ project aggregate. This policy shall remain in force for the period of design and construction (estimated to be \_\_\_ years, \_\_\_ months) but not beyond {date} and shall include a discovery period of years, \_\_\_ months, to commence upon substantial completion of the project.
- Commercial General Liability Insurance** with limits of \$\_\_\_\_\_ per occurrence and \$\_\_\_\_\_ aggregate. This policy shall be written or endorsed to include the following provisions:
- {Client} shall be named as an additional insured.
  - Waiver of Subrogation.
  - Severability of Interest (Separation of Insureds.)
  - Cross Liability Endorsement.
  - Other:
- Workers Compensation Insurance** as required by statute, including **Employers Liability**, with limits of:
- \$\_\_\_\_\_ each accident.
  - \$\_\_\_\_\_ disease - policy limit.
  - \$\_\_\_\_\_ disease - each employee.
- Automobile Liability Insurance** with limits of \$\_\_\_\_\_ per occurrence, combined single limits.
- Non-Owned Automobile Liability Insurance**, including coverage for hired and leased vehicles, with limits of \$\_\_\_\_\_ per occurrence.

The above indicated coverages shall be subject to all of the terms, exclusions and conditions of the policies. Certificates of insurance shall be provided to {Client} upon execution of the Agreement and prior to the commencement of services by {Design Professional}.



SampleProject Insurance Premium Allocation Worksheet

Discipline	(A) Fees (%)	(B) Relativity	(C) (A) x (B)	(D) Items (C) ÷ Sum of (C)	(E) Total Premium	(F) Allocated Premium (D) x (E)
Architects		1.00				
Structurals		2.00				
Mechanicals		.80				
Electricals		.80				
Civil (Other)		.90				
Civil (WWP)		1.00				
Survey		.40				
Landscape/Int. Design		.25				
			Sum:			



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Exhibit B

**Project Insurance Premium Allocation Worksheet**

**Example: Policy Premium - \$85,000**

Discipline	(A) Fees (%)	(B) Relativity	(C) (A) x (B)	(D) Items (C) ÷ Sum of (C)	(E) Total Premium	(F) Allocated Premium (D) x (E)
Architects	40	1.00	40	.298	\$85,000	\$25,330
Structurals	30	2.00	60	.448	\$85,000	\$38,080
Mechanicals	20	.80	16	.119	\$85,000	\$10,115
Electricals		.80				
Civil (Other)	20	.90	18	.135	\$85,000	\$11,475
Civil (WWP)		1.00				
Survey		.40				
Landscape/Int. Design		.25				
			Sum: <u>134</u>			



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Exhibit B

**Participants:**

- Poole Professional, Wortley/Poole Professional, or Project Specific representative
- Insurer Regional Claims Representative (Optional)
- Prime Design Professional/first Named Insured
- Policy Members/Named Insureds
- When applicable: Owner, Owner's representative, other brokers

**Purpose:**

1. For Insurer Regional Claims Representative
  - a) Familiarize themselves with the project in general and the members of the design team in particular;
  - b) Emphasize prompt reporting of claims as “claim” is defined in the policy and advise means by which claims are to be reported to the insurer’s servicing office;
  - c) Review the availability of insurer’s claims loss prevention/early dispute resolution program;
  - d) Review insurer’s claims handling procedures and methodologies;
  - e) Point out deductible obligation under the policy.
2. For Poole Professional, Wortley/Poole Professional, or Project Specific representative
  - a) Review policy features, including:
    - Differences from practice policies (right to settle, definition of claim)
    - Claims made policy form
    - Joint defense of Named Insureds
    - Defense within limits
    - Disputes among members
  - b) Review policy declarations, including:
    - Policy limit and its application to the project
    - Policy period and extended reporting period
    - Amount of deductible and its application to the project
    - First Named Insured and Named Insureds
  - c) List of responsibilities of First Named Insured
    - Premium payments (if not covered by Owner)
    - Deductible payments
    - Claims notification to insurer



**Purpose (continued)**

- d) Discuss or review contributions by other Named Insureds
  - Premium payments
  - Deductible
- e) Advise project insurance members that project policy and its fees can be excluded from practice policy;
- f) Discuss anniversary date and possible results;
- g) Discuss substantial completion and extended discovery;
- h) Describe agency services provided to members;
- i) Letter of Agreement - secure signatures or advise that one is forthcoming.



## Agreement Checklist

Each Named Insured should submit to the Prime Named Insured a signed Letter of Agreement, or in the least complete this checklist, confirming their understanding of how the project policy works. These letters provide fiduciary protection to the First Named Insured. Such letters should be received no later than thirty days after a policy has been bound.

The following points should be considered for incorporation into the Letters of Agreement:

Name of project: \_\_\_\_\_  
Policy Number: \_\_\_\_\_

- a. There is a limit of \_\_\_\_\_ which applies to this job only and applies over the length of the job plus extended reporting.
- b. Costs of defense will reduce the policy limit.
- c. There is a \_\_\_\_\_ deductible applying to each claim.
- d. The limit of coverage applies inclusively to all Named Insureds. All consultants as shown below will be insured for this job and named in the policy.
- e. Insureds will not have to sue each other to prove cause of loss. The policy will defend everyone jointly.
- f. Extended reporting is for \_\_\_ months after substantial completion and can only be changed if the Company agrees and an additional premium is paid. It may not be possible to change the extended reporting near the end of the policy.
- g. The First Named Insured, \_\_\_\_\_, is responsible for premium payments. Failure to pay will result in cancellation applicable to all Insureds. The premium allocation method is \_\_\_\_\_.
- h. The First Named Insured, \_\_\_\_\_, is responsible for deductible payments. The deductible allocation method is \_\_\_\_\_.

Named Insured Signature \_\_\_\_\_  
Print Name \_\_\_\_\_ Date \_\_\_\_\_



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