



Online Benchmarking Study

Architecture Firms in the Premier Firm Program

Annual billings between \$500,000 and \$5 million

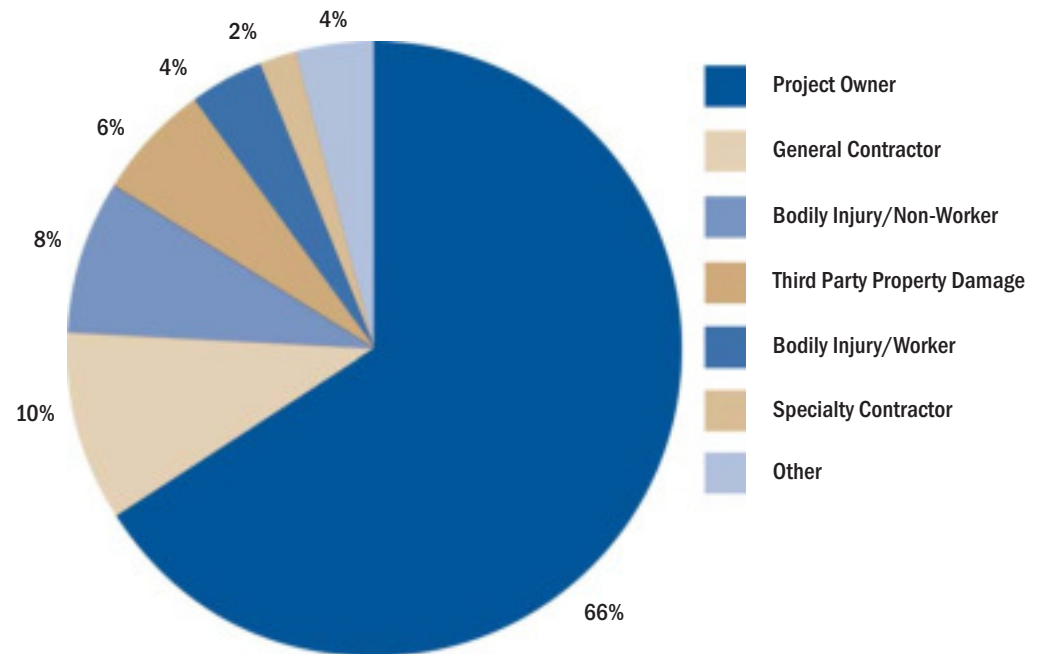
From 2003 through 2012, project owners filed the most claims against premier firm architects. Roughly 66% of all claims against premier firm architects were filed by project owners, with general contractors filing the second highest amount of claims at 10%. Most claims against architects are filed by project owners because of the contractual relationship between the architect and project owner. Project owners will sometimes file a claim against the architect in response to a claim filed against the project owner by the contractor.

Claims filed by the contractor may be linked to those states that have abandoned the economic loss doctrine. Abandonment of the doctrine allows contractors to sue architects directly, even though there is no contractual relationship between the two.

Claims filed by third parties for bodily injuries often are the result of the architect assuming some responsibility for construction site safety either through contract or behavior. Liability for third party bodily injury may also result from the architect's failure to design or specify proper safety aspects of the project, such as handrails or non-skid surfaces.

For more information about client selection, please refer to "Identifying, Managing and Assessing Project Risk" from *Concepts in Risk Management* at www.Schinnerer.com/risk-mgmt/Pages/Practice-management.aspx.

Claimant Identification by Frequency
(2003 - 2012)





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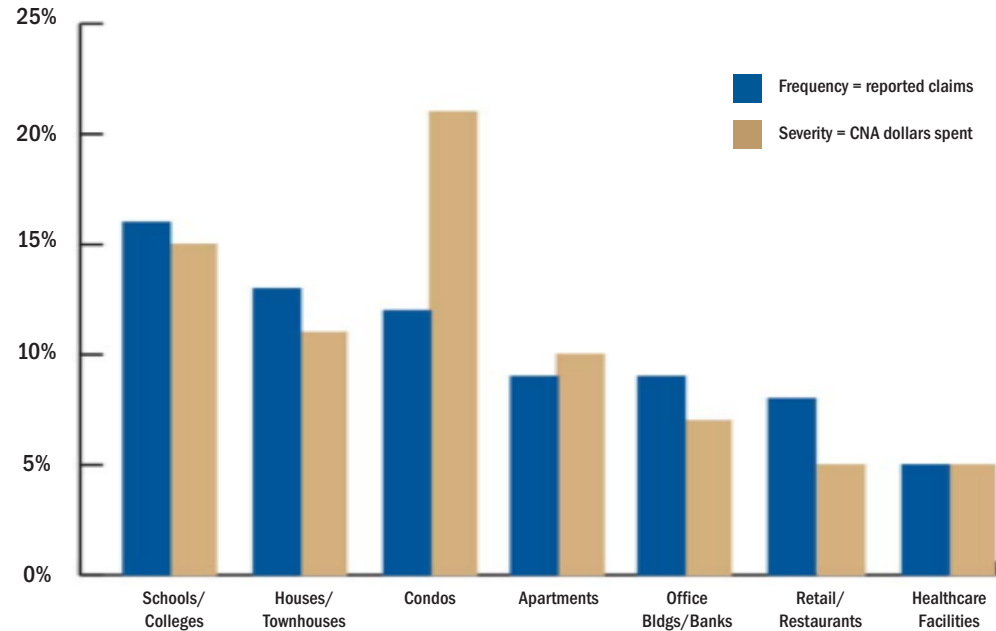
From 2003 through 2012, the highest percentage of claims filed against premier firm architects involved schools/colleges projects (16%), with houses/townhouses projects ranked second with a claims count percentage of 13%. Condo projects had the highest dollars spent percentage at 21%, with schools/colleges projects ranking second in terms of dollars spent at 15%.

The high frequency and severity rates for schools/colleges projects is likely related to the increase in school construction over the last few years. School construction is also tied to housing construction since new housing communities require new schools.

Condos and apartments were two project types in which premier firm architects experienced a higher dollars spent percentage than claims count percentage.

For more claims information, please visit Schinnerer's library of claims and case studies at www.Schinnerer.com/risk-mgmt/Pages/Claim-studies.aspx.

Project Type Claims by Frequency/Severity (2003 - 2012)





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Schools/colleges projects generated the highest claims count (17%) and second highest dollars spent percentages (18%) for premier firm architects in the East. Houses/townhouses and condos projects ranked second and third in claims count at 14% and 11%, respectively.

Despite 11% as a claims count percentage, condo projects were responsible for the highest dollars spent percentage (19%). Houses/townhouses and apartments ranked second and fourth, respectively, at 13% and 11%. The biggest problem areas for premier firm architects on all project types in the East were interior construction (27%/19%), plumbing/HVAC/fire protection (15%/15%), and building exterior closure (11%/14%).

States in East Region:

CT, DC, DE, MA, MD, ME, NH, NJ, NY PA, RI, VA, VT, WV

States in South Region:

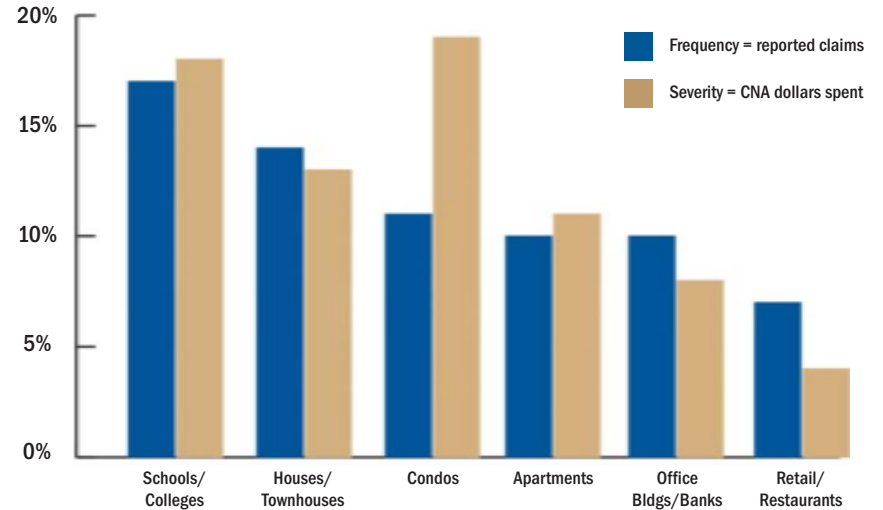
AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN, TX

Premier firm architects in the South encountered the highest claims count percentage (15%) on schools/colleges projects and second highest dollars spent percentage (12%). Condos (11%) ranked second, while office buildings/banks, houses/townhouses, and apartments (all at 9%) ranked third in terms of claims count percentages.

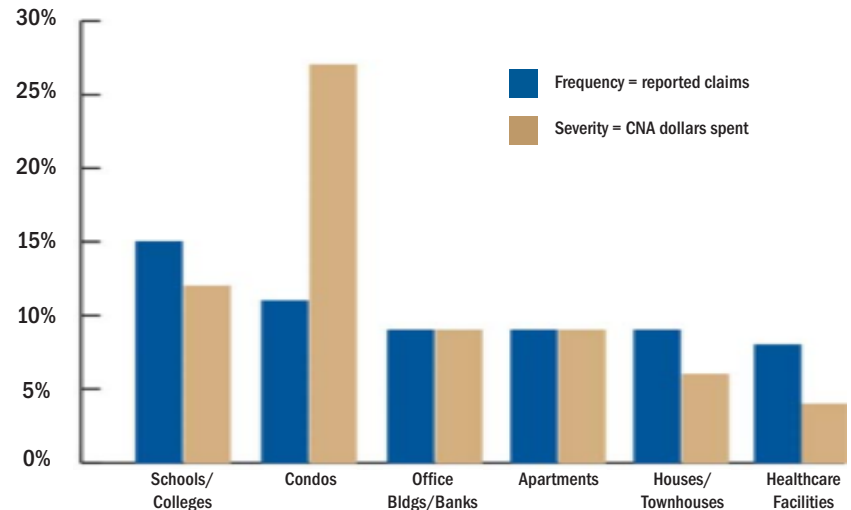
Condo projects, by far, were the worst project type for claims dollars spent percentage (27%), more than doubling the second highest project type. Interior construction (25%/23%), building superstructure (15%/18%), and plumbing/HVAC/fire protection (13%/12%) were three of the most severe problem areas for all project types for premier firm architects in the South.

For more claims information, please visit Schinnerer's library of claims and case studies at www.Schinnerer.com/risk-mgmt/Pages/Claim-studies.aspx.

Project Type Claims by Frequency/Severity – East Region (2003 - 2012)



Project Type Claims by Frequency/Severity – South Region (2003 - 2012)





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For premier firm architects in the Midwest, schools/colleges projects generated the highest claims count (16%) and second highest dollars spent (12%) percentages. Condo projects ranked second in claims count with 12% and first in dollars spent with 16%. Both condos and apartments projects had dollars spent percentages that were higher than their claims count percentages. Residential projects proved to be costly for Midwest premier firm architects.

Interior construction (21%/26%), plumbing/HVAC/fire protection systems (17%/16%), and building exterior closure (16%/19%) represented the biggest problem areas for premier firm architects in the Midwest.

States in Midwest Region:

IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI

States in West Region:

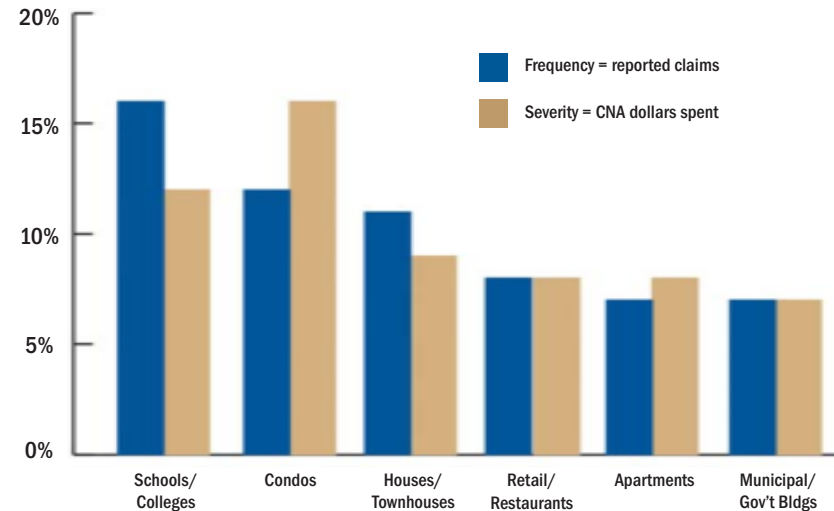
AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

Houses/townhouses (19%/14%) and condos (17%/21%) projects generated high claims count and dollars spent percentages for premier firm architects in the West. While schools/colleges projects were third in claims count (15%) and second in dollars spent (18%), this project type had the highest claims count percentage for premier firm architects nationally as well as in three of the four regions (East, South, and Midwest).

Four of the six worst project types in this region had higher dollars spent percentages than claims count percentages. Building superstructure (23%/30%) and interior construction (19%/15%) were two of the biggest problem areas for premier firm architects in the West.

For more claims information, please visit Schinnerer's library of claims and case studies at www.Schinnerer.com/risk-mgmt/Pages/Claim-studies.aspx.

Project Type Claims by Frequency/Severity – Midwest Region (2003 - 2012)



Project Type Claims by Frequency/Severity – West Region (2003 - 2012)

