



# Online Benchmarking Study

## Engineering Firms in the Large Firm Program

Annual billings over \$5 million

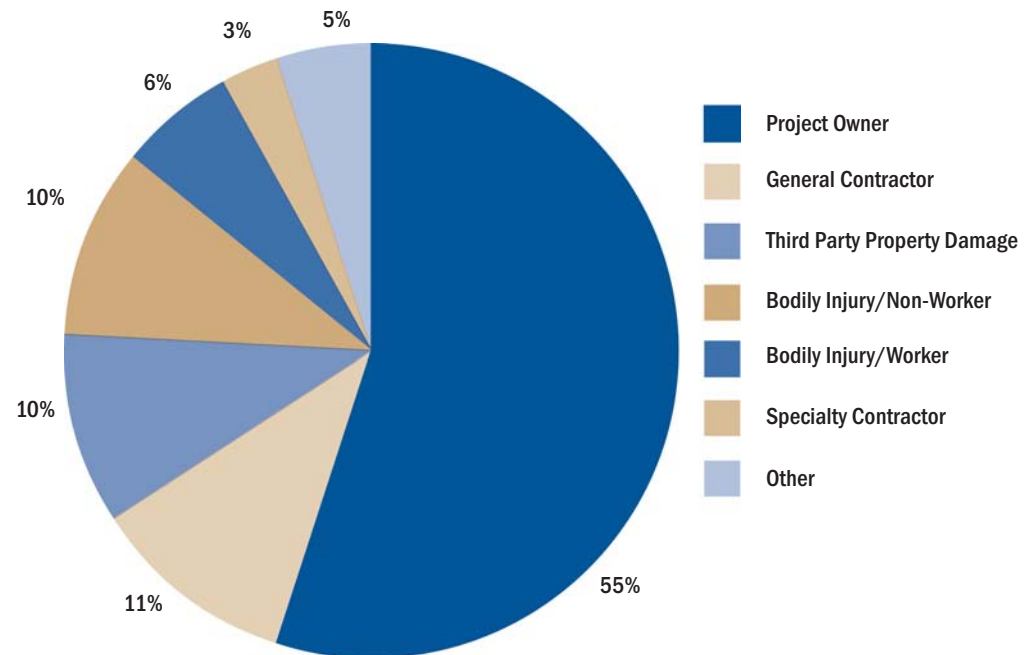
From 2003 through 2012, project owners filed the most claims against large firm engineers. Roughly 55% of all claims against large firm engineers were filed by project owners, with general contractors filing 11% of claims and third parties filing property damage claims and injury claims with the third and fourth highest rates at 10% each. Project owners file the most claims against engineers because of the contractual relationship between the engineer and project owner. Project owners will sometimes file a claim against the engineer in response to a claim filed against the project owner by the contractor.

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

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 engineers directly, even though there is no contractual relationship between the two.

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](http://www.Schinnerer.com/risk-mgmt/Pages/Practice-management.aspx).

Claimant Identification by Frequency  
(2003 - 2012)





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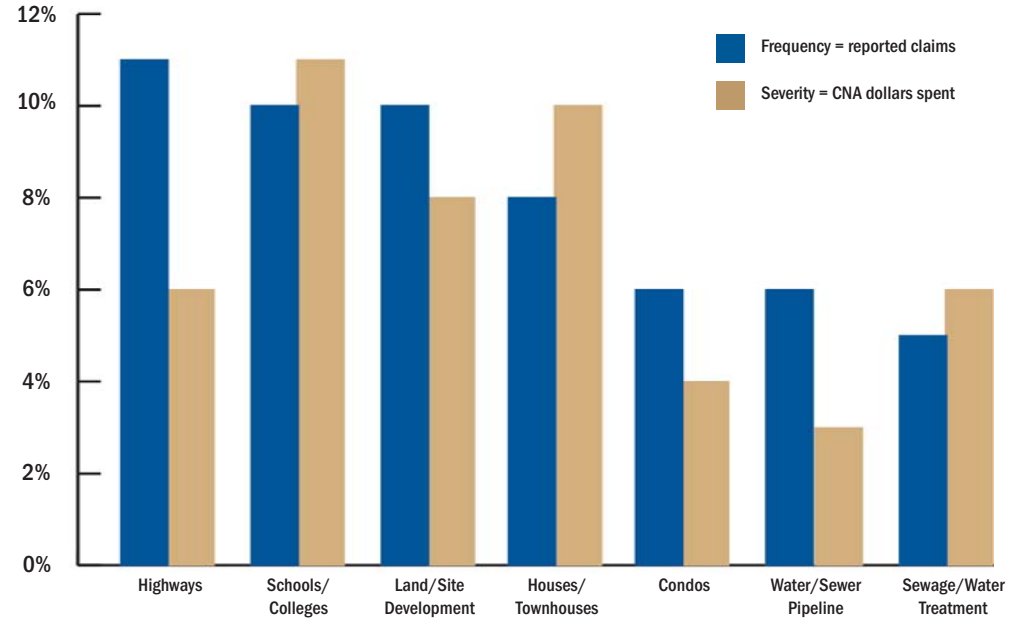
Annual billings over \$5 million

From 2003 through 2012, the highest percentage of claims filed against large firm engineers was on highways projects (11%). Schools/colleges and land/site development projects (10% each) had the second highest claims count, with schools/colleges having the highest dollar spent percentage (11%). Houses/townhouses, schools/colleges, and sewage/water treatment projects had higher dollars spent percentages than claims count percentages.

Large firm engineers encountered the highest severity rate on schools/colleges projects. The nature of this project type and the cost to remedy any harm were likely major factors in the relative severity of this project type when compared to other project types.

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

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





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For large firm engineers in the East, schools/colleges projects generated the highest claims count percentage (11%), with highways and land/site development projects tied for second (10% each).

Schools/colleges and bridges projects generated the highest dollars spent percentages, 10% and 9%, respectively. For these project types, delays and extras and property damage claims often drove up the severity of individual claims.

Site preparation (20%/22%) and plumbing/HVAC/fire protection systems (15%/15%) were the biggest problem areas encountered. These problem areas generated the most frequent and most severe claims.

### 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

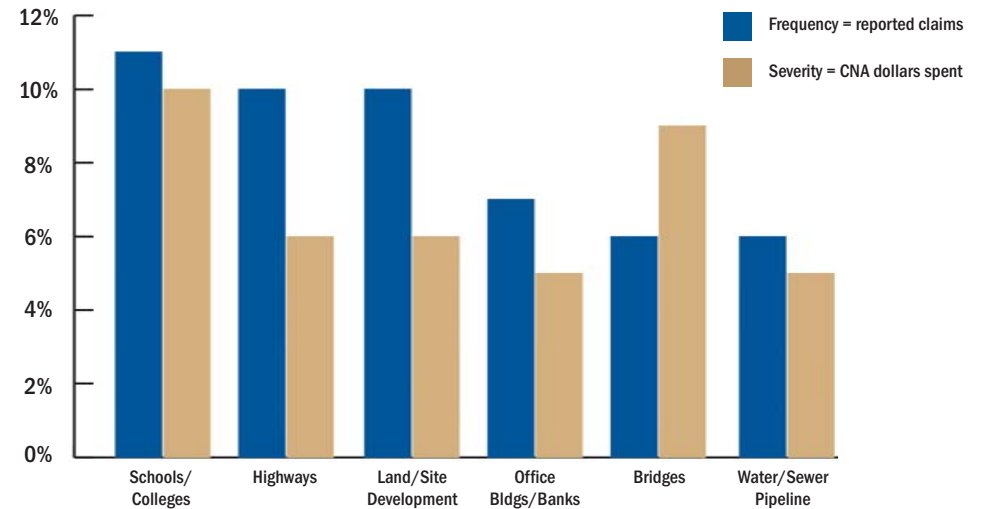
Highway projects generated the highest claims count (12%) and schools/colleges projects generated the highest dollars spent (15%) percentages for large firm engineers in the South. Houses/townhouses (10%) and land/site development (9%) projects also had high claims count percentages. Houses/townhouses, schools/colleges, and retail/restaurants projects accounted for dollars spent percentages greater than their claims count percentages.

The problem areas that created the most severe and most frequent claims were site preparation (16%/12%) and plumbing/HVAC/fire protection systems (12%/10%).

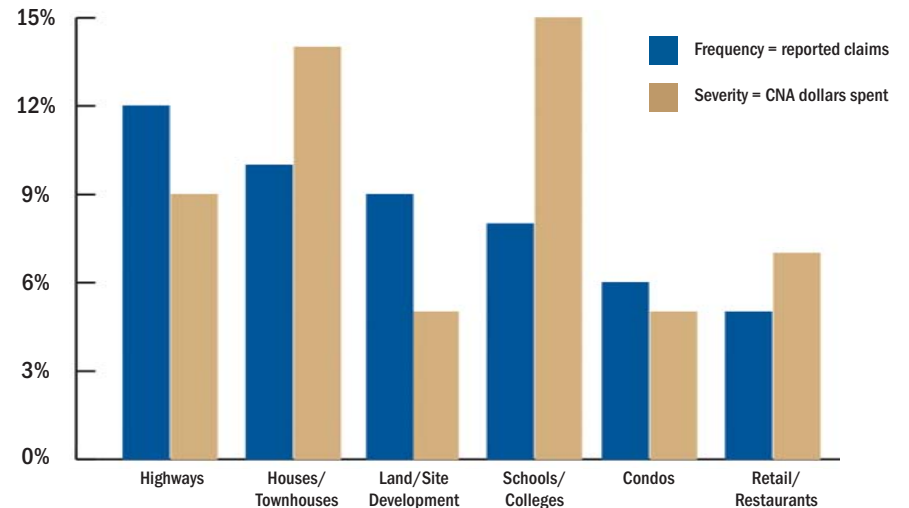
For more claims information, please visit Schinnerer's library of claims and case studies at [www.Schinnerer.com/risk-mgmt/Pages/Claim-studies.aspx](http://www.Schinnerer.com/risk-mgmt/Pages/Claim-studies.aspx).



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



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





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## Engineering Firms in the Large Firm Program

Annual billings over \$5 million

For large firm engineers in the Midwest, three project types had claims count percentages of at least 10%—land/site development (14%), highways (11%), and schools/colleges (10%).

Land/site development (15%), schools/colleges (10%), and manufacturing/industrial projects (10%) had the highest dollars spent percentages.

Some of the biggest problem areas in terms of causing high claims count and high dollars spent percentages were site improvements (15%/10%) and plumbing/HVAC/fire protection systems (12%/23%).

### States in Midwest Region:

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

### States in West Region:

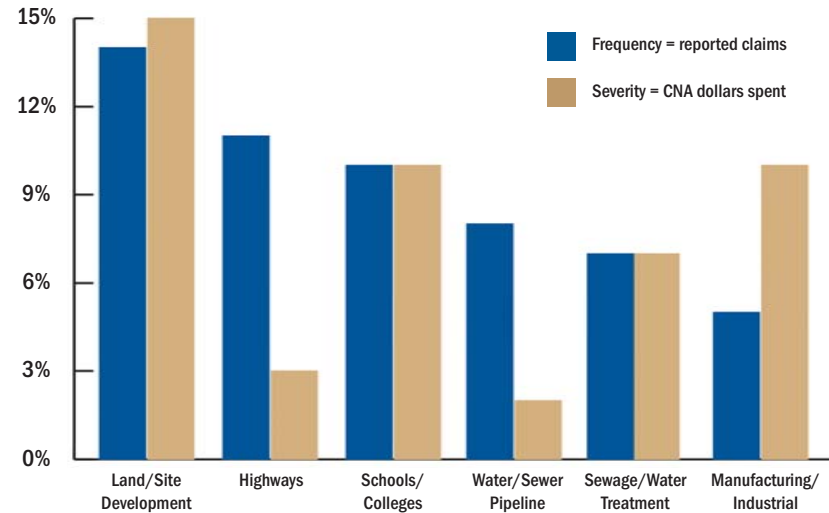
AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

Houses/townhouses had the highest claims count (19%) and dollars spent (22%) percentages for large firm engineers in the West. This claims count figure was almost twice that of the next project type, schools/colleges (10%). The high frequency of claims for houses/townhouses may have been due to the high level of residential construction in the West, particularly California. Houses/townhouses and land/site development projects both had a higher dollars spent percentage than claims count percentage.

Site preparation (19%/31%) and plumbing/HVAC/fire protection systems (14%/8%) were the biggest problem areas for large firm engineers 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](http://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)

