



Online Benchmarking Study

Engineering Firms in the Premier Firm Program

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

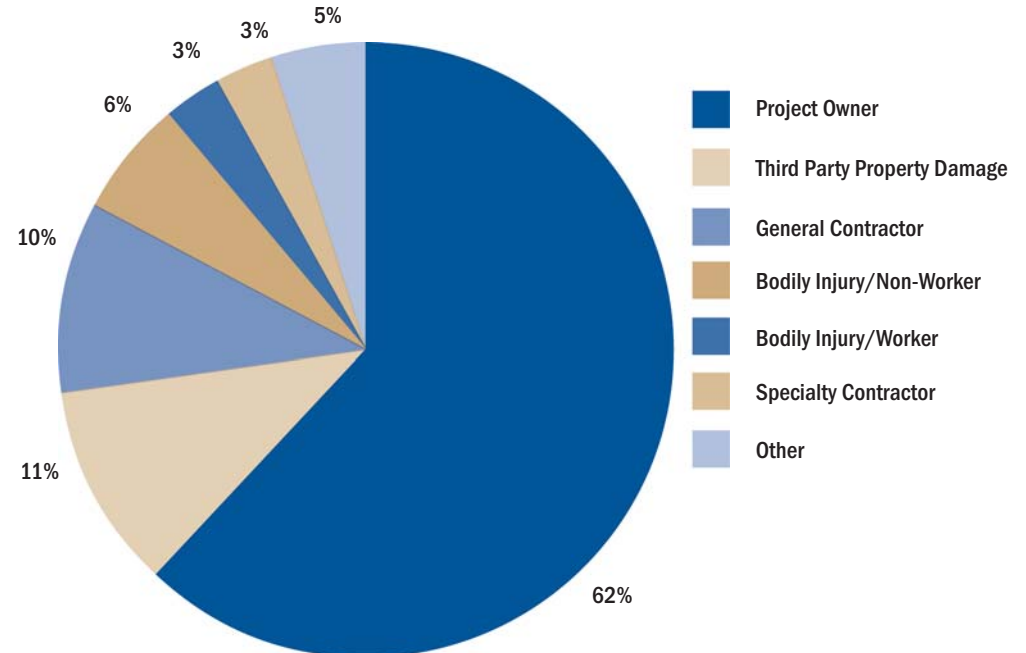
From 2003 through 2012, project owners filed the most claims against premier firm engineers. Roughly 62% of all claims against premier firm engineers were filed by project owners, with third parties filing the second most at 11% and general contractors third at 10%. Most claims against engineers are filed by project owners 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 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.

Claims filed by third parties for bodily injuries 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.

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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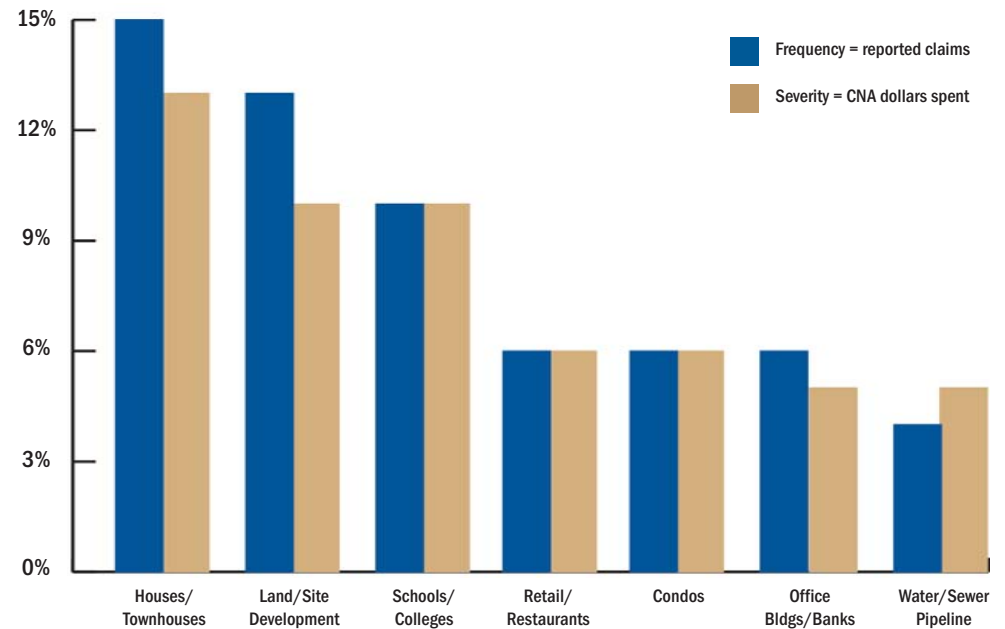
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From 2003 through 2012, houses/townhouses projects represented the highest claims count and dollars spent percentages filed against premier firm engineers (15%/13%). Land/site development projects ranked second with a claims count percentage of 13%, followed by schools/colleges at 10%.

The high claims count percentage for houses/townhouses projects is likely tied to the boom in the housing market in recent years. Land/site development projects, especially for civil engineers, and schools/colleges projects are often related to housing projects.

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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For premier firm engineers in the East, schools/colleges (12%/10%) and houses/townhouses projects (11%/11%) generated the highest claims count and dollars spent percentages. Land/site development projects (11%/7%) and retail/restaurants (8%/7%) projects were the other project types with high claims count and dollars spent percentages.

The biggest problem areas experienced by premier firm engineers in the East were plumbing/HVAC/fire protection systems (20%/23%) and site preparation (15%/11%).

States in East Region:

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

States in South Region:

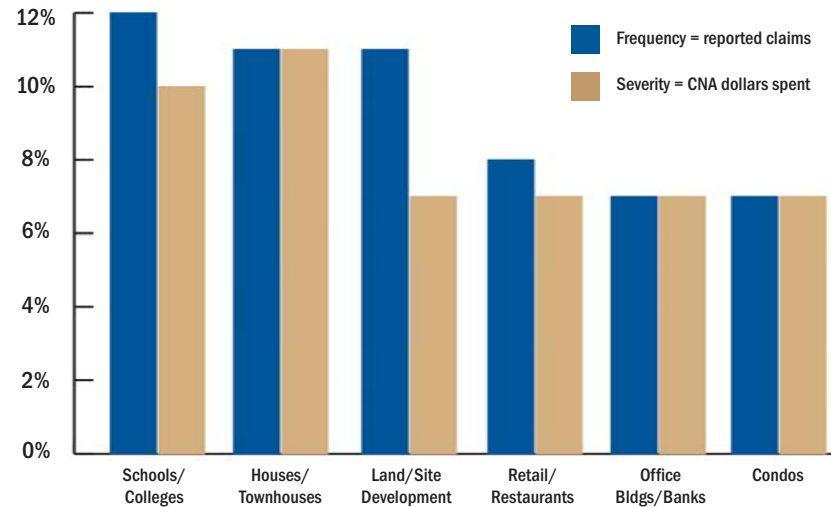
AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN, TX

For premier firm engineers in the South, land/site development projects generated the highest claims count and dollars spent percentages (15%/13%). Houses/townhouses (14%/9%) and schools/colleges projects (9%/10%) also had high claims count and dollars spent percentages. Schools/colleges and condo projects all had severity rates higher than their frequency rates. This was due to costly bodily injury and property damage claims.

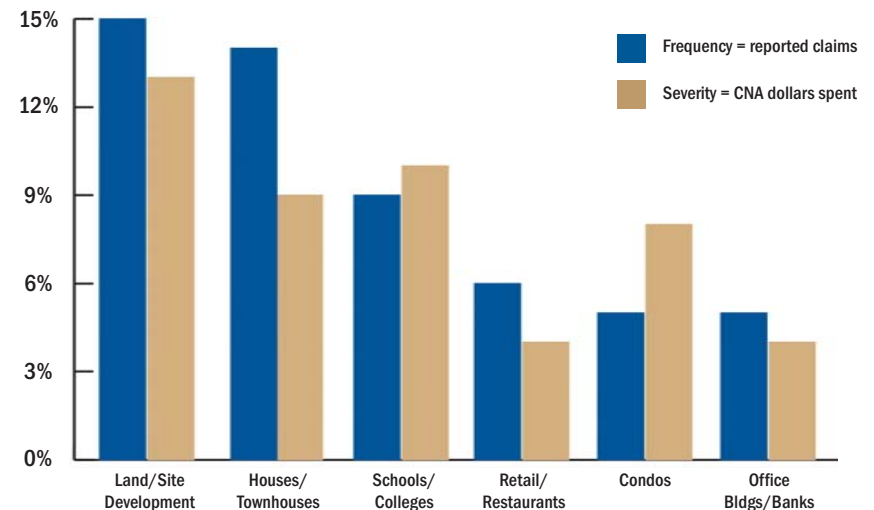
The problem areas that created the most severe and most frequent claims were site preparation (16%/14%) and plumbing/HVAC/fire protection systems (15%/17%). Building superstructure claims had a dollars spent percentage (13%) more than 1.5 times its claims count (8%).

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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Land/site development projects accounted for 17% of the claims count and 14% of the dollars spent against premier firm engineers in the Midwest, both the highest in each category. Houses/townhouses ranked second with 10% of the claims count. Water/sewer pipeline and healthcare facilities generated higher dollars spent percentages than claims count percentages.

Three of the biggest problem areas in terms of causing high claims count and severity rates for premier firm engineers in the Midwest were site improvements (17%/10%), plumbing/HVAC/fire protection systems (16%/11%), and site preparation (13%/10%).

States in Midwest Region:

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

States in West Region:

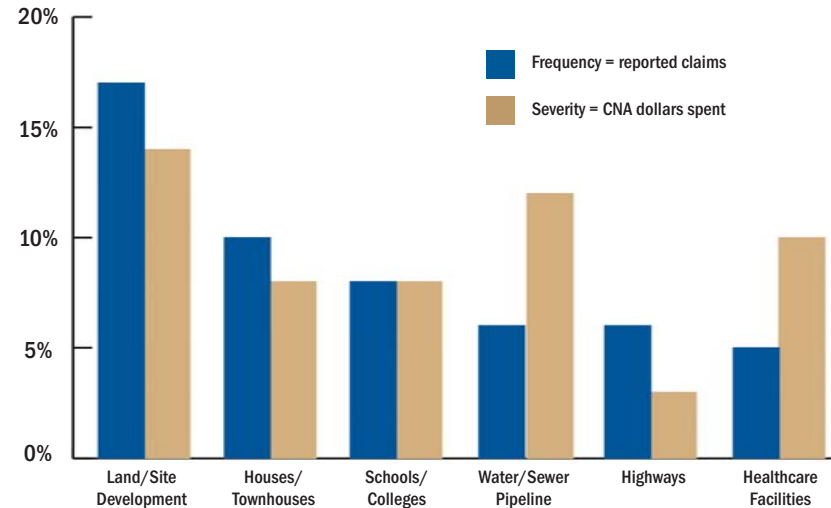
AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

Premier firm engineers in the West encountered the highest claims count (29%) and dollars spent (25%) percentages on houses/townhouses projects, which was more than double the next project type for each category. Land/site development (11%/9%) and schools/colleges (9%/11%) projects also had high percentage splits.

Site preparation (18%/20%), foundations/substructure (14%/21%), and site improvements (13%/11%) were the biggest problem areas for premier firm engineers in the West. These problem areas generated the highest claims count and dollars spent percentages.

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)

