

# Early Warning System

XL Group  
Insurance




## Do you know the warning signs of a potential claim?

In order to know when to activate our Early Warning System, you must recognize some of the first signs of trouble on a project. Some are apparent, others much more subtle. Recognizing and reacting to the danger signs are your first and best lines of defense. Here are some of the more common early warning signs:

- Costs or billings are significantly over budget.
- You perceive finger pointing and passing of responsibility.
- There are signs of a communications breakdown, a curt attitude or your phone calls aren't returned.
- You receive combative correspondence from your client.
- The work has stopped.
- Your client has retained another professional for the same job.
- Your client doesn't invite you to a meeting you would typically attend.
- Your client is slow to pay or isn't paying.
- Your staff members hear reports that differ from what your client is telling you.
- A risk manager appears on the project.
- An expert is retained to review your services.

## Reduce the surprise, occurrence and cost of claims

Our experienced staff dedicated to design professionals believes that the process of learning how to recognize and manage the risk of claims can actually help improve business practices and your bottom line. From loss prevention education incentives to our Early Warning System and expert claim services, innovations of the Design Professional unit of XL Group have set the standard for value in professional liability insurance.

 **An industry first, our Early Warning System puts a claim consultant to work on a problem at the early stages. In most cases, an actual claim and the inherent costs can be averted.**

## Here's how it works

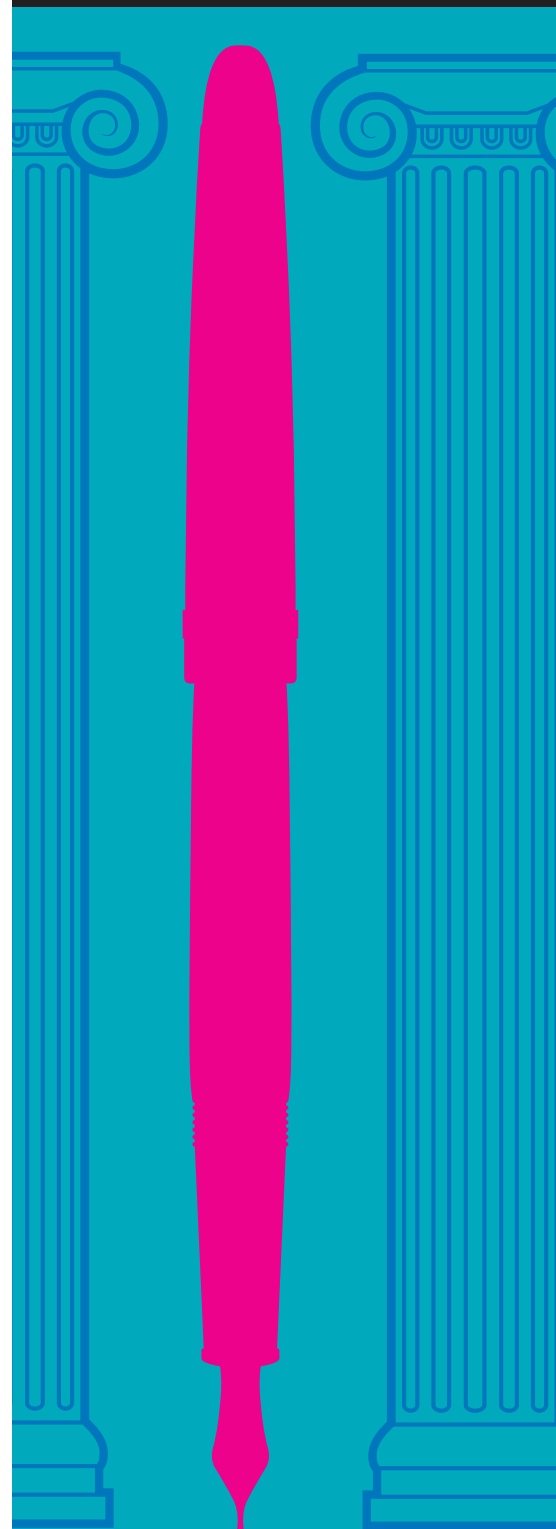
If a problem arises, let us know. Our experienced claim consultants go to work to resolve the issue as quickly and cost effectively as possible. We establish a "loss prevention" file that does not negatively impact your deductible, liability limit or premium unless the problem or dispute becomes a formal demand against you. Solving a pre-claim problem is much less expensive and faster than resolving a claim.

To initiate the Early Warning System, all you need to do is provide your agent with the name of your firm, a contact person and phone number. As soon as possible, send us any documents related to suits or demand letters you receive. If your situation hasn't reached that stage, just put in writing the facts and circumstances of the dispute and send it to us with a copy of the client agreement, any correspondence to or from the client and relevant billing statements.

## When a problem arises...

Our unique Early Warning System can put an experienced claim consultant to work on a problem or dispute long before it reaches the claim stage. With the Early Warning System, we've helped many of our insureds avoid costly and relationship-damaging claims. But, the first step is yours. Remember, we're ready to help you right away and, in most cases, there's no impact on your deductible or claim limits unless an actual claim is filed.

Design Professional



## FIRST: Notify your agent as soon as possible, and stay calm.

To get started, your agent will need the name of your firm, along with a contact person and a phone number.

Forward to your agent, as soon as possible, any suit documents or demand letters you receive. If the situation hasn't reached this stage, write a description of the facts and circumstances of the dispute, and send it along with a copy of the client agreement and any correspondence to or from the client (including pertinent billing statements).

You and the members of your firm have the most knowledge about the situation, so we'll ask you to stay involved. Your participation will allow us to better analyze the liability and damage issues presented in the dispute or claim.

Remember, before resolution we will be asking for your express consent. We will provide you with the information and advice you need to make an informed business decision, and work closely with you to bring the matter to final resolution.

## What your claim consultant will do

When you report problems at the onset, we immediately put our resources to work for you.

First, a claim consultant will be assigned to work with you from beginning to end. He or she not only understands your business, but is also highly skilled in the resolution of professional liability claims. You'll receive a level of personal concern and attention that will assure you things are well in hand during this difficult time.

Because every claim is different, it's hard to know how yours will be specifically handled. In general, though, your claim consultant will work with you to analyze the situation, define the issues, provide strategic advice and take appropriate actions that may include:

- Undertaking an investigation
- Reviewing contractual duties of the parties
- Consulting with and retaining experts
- Gathering and reviewing file materials
- Interviewing key personnel
- Analyzing legal responsibilities
- Exploring appropriate dispute resolution options
- Retaining legal counsel and assistance in analyzing legal responsibility
- Obtaining reports
- Working to maintain a good level of cooperation and communication with all parties

The practices of architecture and engineering have always been inherently risky with exposure to disputes and claims. Your agent and the design professional specialists of XL Group are committed to delivering a tangible difference that will help you build a well-managed, more profitable firm. Rely on us to not only provide the right insurance coverage, but also to respond to your call at the first sign of trouble and help you train your staff on the causes of problems and what can be done to avoid them.

For more information please call your XL Group agent or broker with any questions and to learn how to keep your risks in check.



- **Do** gather all relevant documentation.
- **Do** notify your employees of the situation and ask them not to discuss the matter outside the firm.
- **Do** assign a person to respond to potential media inquiries.
- **Do** remember, we are going to need access to your key employees regarding the matter.
- **Do** take photographs of site conditions, as appropriate.
- **Do** keep the lines of communication open with all parties to help protect and preserve important relationships. But avoid making statements against interest and admissions of fact or liability.
- **Do** document facts while the details are fresh in your mind.
- **Do** accept all letters and suit papers without comment.

- **Don't** assume or accept that you are at fault until we have had an opportunity to investigate and analyze the issues. **(Very important!)**
- **Don't** place blame on others or criticize sub-consultants and other team members.
- **Don't** sign or accept releases from any parties.
- **Don't** expose yourself to unsafe conditions.

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