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New Claims Benchmark Report: Insights to Help Design Professionals Manage Risk

By Diane Mika

As trusted partners to architects and engineers, Berkley Design Professional is committed to providing data-driven insights that help firms make smarter decisions about project work and risk management. The newly released report, Claims Benchmark Data, draws on more than a decade of data reported to Berkley Design Professional (from April 2013 through June 2025) to illuminate trends across disciplines, client types, project categories and contract structures.

Unlike past reports where findings could potentially be distorted by a few high-dollar claims, our analysis now uses loss-cost metrics, combining frequency and severity relative to fees earned. This approach provides a more accurate and balanced view of risk, ensuring a discipline doesn't appear riskier or safer than it actually is and that trends are meaningful for all sizes of firms.

Key Takeaways by Discipline

Structural engineers continue to experience the highest average loss cost, followed closely by mechanical and geotechnical engineers. It's not surprising that "foundational" roles such as structural and geotechnical engineers face heightened scrutiny when issues arise, since claimants tend to look for errors that occurred from the ground up. Mechanical engineers face above-average exposure primarily due to the complexity of HVAC systems and client expectations for performance.

Architects show above-average claim frequency, often due to vicarious liability for subconsultants' work. The report notes that while only one-third of architectural claims involve subconsultants, these account for 45% of total claim dollars, underscoring the importance of managing subconsultant relationships, responsibilities and insurance requirements with care.

Interior designers, environmental engineers and electrical engineers remain lower-risk groups, consistent with prior years.



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Congratulate the 2026–2027 David W. Lakamp Architect Scholarship Recipients: Ingram Lucier and Lily Wang



Risk by Client and Project Type

When it comes to clients, contractors pose the greatest risk with both the highest claim frequency and the largest claim amounts, largely tied to the added exposure inherent in the design-build delivery method. Private owners also represent a higher-than-average exposure, while working for other design professionals, governments and developers falls within a more stable range.

In project categories, residential condominiums and mixed-use buildings continue to drive disproportionate losses. Condo projects, in particular, generate claims costing more than twice the overall average. Design professionals should approach these high-risk project types with extreme caution and strong contractual protections.

The Contract Factor

The type of agreement used on a project has a measurable impact on claim outcomes. Firms that rely on their own standard written contracts experience the best results, followed by those using negotiated industry-standard agreements.

In contrast, client-drafted contracts often introduce uninsurable terms and weak protections, and verbal agreements present the greatest risk, showing the highest frequency, severity and overall cost of claims. The message is clear: written, well-negotiated and signed contracts are essential to managing risk.

Putting the Data to Work

The Claims Benchmark reinforces what many Berkley Design Professional policyholders already know: Risk becomes more manageable when it's understood. By recognizing which project types, clients and contract terms carry higher exposure, design professionals can make informed business choices that improve their long-term claim outcomes.

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Claims Benchmark Data



Introduction

As industry thought leaders, our goal is to provide our brokers and policyholders with the latest data and insights. We aim to help our policyholders make informed decisions about project work and the associated risks for the most common disciplines, project types and client types.

The data in this report represents claims reported to Berkley Design Professional from April 2013 to June 2025.

It's important to note that this is Berkley Design Professional's experience—not industrywide—and it reflects our careful underwriting practices and rating policies. In addition, we have chosen to focus on the experience of firms with less than \$30 million in annual fees, as the volatility of claims from larger firms tends to mask any trends otherwise more apparent in small and mid-sized firms' experience.

Why This Claims Benchmark Is Different

In previous versions of our Claims Benchmark report, a single large claim had the potential to distort the overall picture—making one discipline appear disproportionately risky or, conversely, safer than it truly was. For example, if a single high-dollar claim occurred in a discipline with relatively few total claims, it could inflate the average claim amount and skew perceptions of risk.

To address this, we've refined our methodology to better reflect **overall trends** rather than **outliers**. Instead of relying solely on raw averages, we now incorporate **loss cost metrics**—which combine both frequency and severity relative to fees earned. This approach normalizes the data across disciplines and project types, giving a more accurate and balanced view of risk.

By doing so, we ensure that:

- Disciplines with fewer claims aren't unfairly penalized by one-off events.
- High-frequency, lower-severity claim patterns are appropriately recognized.
- The data better supports informed decision-making for underwriting, risk management, and client advisories.

Here is a brief explanation of the metrics shown:

Teal bars: Average Loss Cost
(combination of frequency and severity against fees)

Gold bars: Average Claim Amount
(claim dollars divided by claim count)

Blue bars: Average Claim Frequency
(claim count divided by fees)

The horizontal line in each chart represents the overall portfolio average of that metric

Claims Experience by Area of Practice

Structural Engineers in our portfolio experience the highest average loss cost, driven by both the most frequent claims and the largest average claim amounts. Mechanical Engineers also show elevated risk, with above-average claim frequency and claim amounts. Geotechnical Engineers round out the top tier, with claim amounts second only to Structural Engineers and a frequency near the portfolio average.

It is not surprising that Structural and Geotechnical Engineers are in the top three, as both groups are “foundational” to a project. When something goes wrong, project owners and other claimants tend to look for errors that occurred from the ground up.

Mechanical Engineers face above-average exposure, primarily due to the complexity of HVAC systems and client expectations for performance.

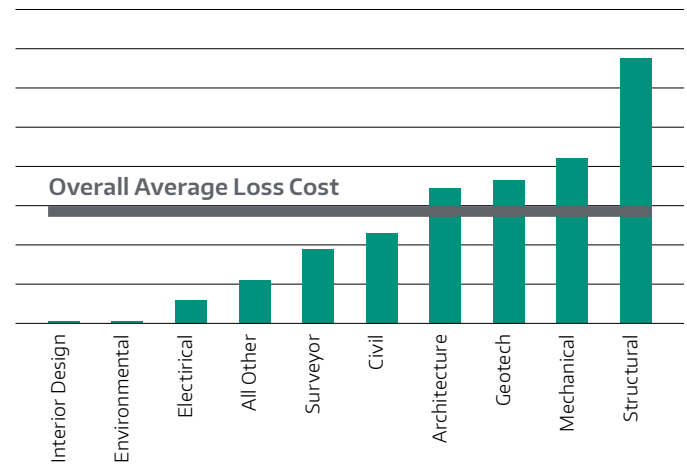
Notably, Architects, while slightly below the portfolio average in claim amount, experience higher-than-average claim frequency, driven by the increased risk due to the assumption of vicarious liability for the services of their subconsultants. (See Vicarious Liability for Architects on page 3 for more information.)

Interior Designers, Environmental Engineers and Electrical Engineers continue to perform well, consistent with historical data.



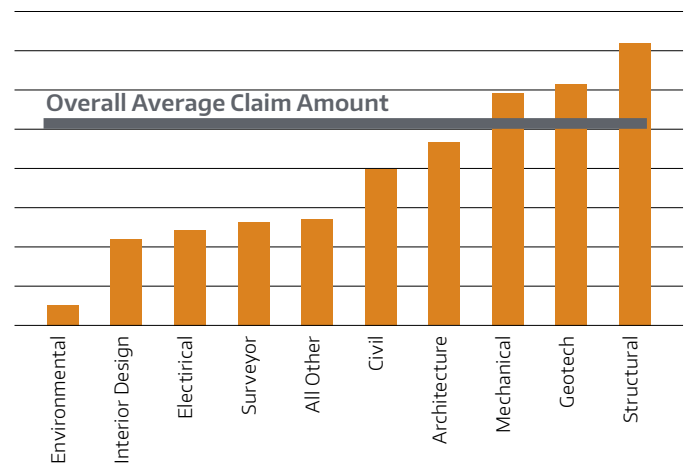
Average Loss Cost by Discipline

Firms with Annual Fees under \$30 million



Average Claim Amount by Discipline

Firms with Annual Fees under \$30 million



Average Claim Frequency by Discipline

Firms with Annual Fees under \$30 million

