

CONTRACTUAL DEFENSE PROTECTION[®]

CHALLENGE

Your client wants you to agree to defend them against third party claims that result from your firm's negligence. However, your professional liability and your general liability insurance policies do not cover this exposure.

RISKS

- Exposing your firm to uninsurable defense expenses for third party claims.
- Potential negative impact on project profit margins.
- Lost business and income by walking away from otherwise good projects because of contractual concerns.

SOLUTION

Vanguard Specialty now provides an innovative solution to this challenge. The *Contractual Defense Protection[®]* Insurance Policy offered by Aspen Specialty Insurance Company addresses the exposure.

The policy works in tandem with your primary professional liability insurance policy by covering the gap created by the contractual liability exclusion.

BENEFITS

- There is no deductible under the policy.
- Costs incurred in defending a client against a third party claim covered on an 80-20 coinsurance basis.
- Aspen will be there every step of the way for advice and guidance as to the best way to fulfill your duty to defend obligation.

DESIGN PROFESSIONALS CONTRACTUAL DEFENSE PROTECTION©

HOW DOES IT WORK?

A third party has a claim against your client that may be related to your firm's negligence. Your client asks your firm to defend them pursuant to the indemnification agreement between you.

Your firm would tender such claim to your primary professional liability carrier. If that carrier rejects that claim based on the contractual liability exclusion, or because the client is not an insured on your professional liability policy, your firm would then notify Aspen under the Contractual Defense Protection© policy.

Aspen will work with your firm to select the appropriate defense counsel for your client per the terms of the duty to defend provision in the indemnification agreement, which will allow your firm to focus again on providing excellent design professional services.



The summary contained herein is for informational purposes only. Coverage may not be available in all jurisdictions and is subject to actual policy wording as issued. All products are underwritten by insurance company affiliates of Aspen Insurance Holdings Limited.

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