

Client Paid Significantly Less Than Exposure in Professional Liability Matter

In this successful professional liability matter, a construction company's subcontractors sued the contractor for their fees. The contractor sued the developer/owner of the project and the architect, our client, for construction over runs in the amount of \$22 million. The developer then sued the contractor and the architect alleging that the hotel was not completed on time and that there are construction defects in the building and alleged damages of \$36 million. It also alleged that the architect owed the developer indemnification for the contractor's claims stating that the claims were design claims for which the architect owed contractual indemnification. Therefore, our client was looking at \$58 million in exposure. The developer demanded our client's \$10 million policy limit before the arbitration. In the end our client was ordered to pay less than \$50,000.

PROFESSIONALS

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