



Professional
Indemnity
Architects



TOKIO MARINE
HCC

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Architects

We target the SME sector of the architect profession. Architects are professionals trained in the art and science of building design, producing initial concepts and developing those concepts into images and plans of buildings that can be constructed by others.

The overall aesthetic appearance of a building is the responsibility of the architect, although the design of a building involves far more than its appearance. Buildings must be functional, safe, economical, and must suit the needs of the people who use them, be they houses, shops, schools or offices.

Architects provide professional services to individuals and organisations planning a construction project and can be involved in all phases of the project. There are, therefore, many ways in which an architect may be liable in negligence, especially if they assume responsibility as team leader or project manager.

The Royal Institute of British Architects (RIBA) exists to further the cause of architecture in politics and culture, and operates in the UK and internationally. It was awarded its Royal Charter in 1837 and now has upwards of 44,000 members. Only persons registered in the Register of Architects may use the designation 'architect' (except landscape architects and naval architects), and the title is legally protected. Architects are covetous of the title, the reason being the minimum seven years training and study to gain official recognition.

The Architects Registration Board (ARB) is essentially the governing body, in that it is responsible for protecting consumers and upholding the reputation of the profession. Under the Architects Act 1997 the ARB is responsible for professional conduct and disciplinary procedures. The ARB deals with complaints against architects, maintains the Register of Architects and investigates and prosecutes individuals who unlawfully call themselves an architect. Professional indemnity insurance became mandatory for all qualified architects in 1997.

The sector also includes architectural technicians and draughtsmen. These are consultants who may not be qualified as architects but provide design services.

Architecture is a word that encompasses many different areas of work. Architects can discuss the objectives, requirements and budget of a client, conduct feasibility and environmental impact studies, select sites for construction, specify the requirements that the engineer's structural design must meet, and draw plans, specifications and contracts for the construction.

Final construction plans that show the building's appearance and details for its construction are ultimately completed. Accompanying these plans are drawings of the structural system; air conditioning, heating and ventilating systems; electrical systems; communications systems; plumbing; and possibly, landscape plans. The construction plans also specify the building materials.

Why Tokio Marine HCC

- Direct access to a team of expert underwriters
- Located in London, Birmingham, Bristol and Manchester
- Understanding of clients' needs and cover requirements
- Speed and quality of service
- Policy documentation production within minutes of order

Tokio Marine HCC's insurance companies are highly rated:



Town Planning / Feasibility Studies

What is it?

The role of the architect in planning is often closely related to feasibility work. Virtually all construction projects will require some form of planning permission, should it be a single-storey extension to a house or a new football stadium. The architect will play a role in either obtaining the planning permission or advising on the likely planning restrictions or requirements. There are professionals who specialise purely in planning issues and are members of the Royal Institute of Town Planners. They are not architects and are usually involved in larger construction projects where there are more contentious planning issues that require their specialist advice.

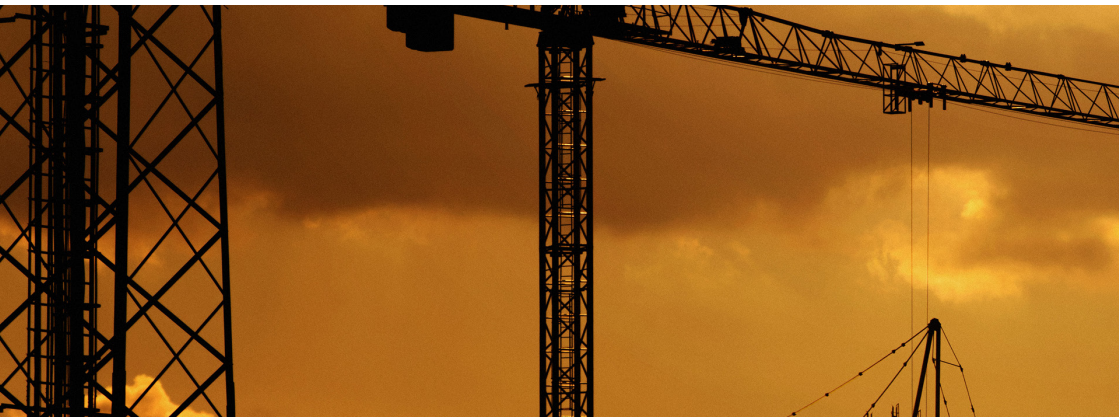
Town planning involves design and consultancy work in connection with the outdoor environment, identifying where homes, transport links and community facilities should be located, but at the same time balancing the need for new development against conservation of wildlife, green areas and historic buildings and places.

Feasibility studies involve assessing the viability and practicality of a proposed new development, primarily in terms of financial projections, appropriateness of site and possible difficulties in obtaining planning permission.

Types of claim

The very nature of town planning work means that planners are particularly familiar with local authorities, and are therefore well placed to assist clients in obtaining planning permission for building work, or becoming involved when a client requires advice regarding planning appeals. Although claims are very few in number, it is in these areas where they are particularly likely. Planning consents are subject to time limits and are frequently given with certain restrictions or requirements. If obtaining funding, for example, delays a project, consent may have to be renewed which could be expensive. Alternatively an architect involved in obtaining planning permission that does not meet the client's requirements may face a claim.

Liability for feasibility studies is usually only likely once a development reaches the physical building stage. If costs were to escalate above those indicated as likely by the feasibility study, the architect's client could exceed their budget and therefore claim that they would not have proceeded with the project if the study had been more accurate. As an aside, if a feasibility study indicated that a project was not commercially viable, the architect may have difficulty obtaining their fees for the work.



Architectural Consultancy

What is it?

Work could include structural refurbishment and renovation of existing buildings. Value engineering or value management could be undertaken where advice is given to reduce the running costs of a development whilst maintaining equivalent performance, and to assess the likely lifetime running costs of a development. (Despite being referred to as 'engineering', there is often overlap in the work undertaken by construction professionals, and engineers, architects and surveyors are all able to perform this work.)

Types of claim

Architectural Consultancy is the basis of most construction projects and so architectural consultants can be involved in the project from early planning stages through to full practical completion. As such, should anything go wrong at any point in the project, regardless of who is at fault, the architectural consultants are at high risk of being pulled in to a claim as part of a multi-party legal action even if they are completely without fault.

Due to changes brought about to the Construction (Design and Management) Regulations in 2015, architectural consultants will often be appointed as the Principal Designer on projects which means they will have significantly more input in outlining the health and safety requirements on projects.

Defective design, inadequate supervision, cost overruns and incorrect certification of the value and quality of work undertaken by the contractor are some of the main areas where claims arise.


Interior Design

What is it?

Architects are commissioned by clients wishing their offices, shops or other premises to convey certain qualities such as style, professionalism, power and serenity by the visual redesign and alteration of the existing layout, achieved through light, acoustics, furnishings and ornaments. Another term for interior design is 'space planning'.

Types of claim

Claims can result when the client is displeased with what can be a radically different appearance to what they envisaged. It is therefore important for architects to be good communicators, being able to explain their ideas and vision to their clients.

A photograph of a construction crane against a sunset sky. The crane is silhouetted against the bright orange and yellow light of the setting sun. The sky is filled with soft, glowing clouds. The crane's lattice structure is clearly visible against the bright background.

At Tokio Marine HCC, we have a wealth of relevant claims-handling experience which is vital to facilitate the swift and fair resolution of the type of disputes that arise in this sector.

Architectural Work / Non-Structural Refurbishment

What is it?

Work of this nature often involves the aesthetic restoration and repair of old buildings, as distinct from interior design.

Types of claim

Claims can arise when the finished work is not in accordance with the former appearance.

As the work does not involve load-bearing elements of construction, there is a much lesser likelihood of sizeable claims.

Where the work involves distinctive, architecturally challenging designs, as is often the case with churches and cathedrals, any claim is likely to be more significant due to complexity and perhaps cost of materials.

Work on listed buildings is another potential area of concern.

Survey and Valuation

What is it?

Architects may be asked to give a report of the general condition of a building, or even a more-specific survey and valuation. As value and condition are both areas for disagreement, architects should be wary of giving advice in this area, and advise their client to seek advice from a chartered surveyor.

Types of claim

The problem with survey and valuation work for lending purposes is where the architect or surveyor values at one figure, the bank or other lending institution advances money to the purchaser based on the valuation, the purchaser defaults on the loan, and once the property (which is collateral for the loan) is repossessed by the lender, they find it is worth less than the valuation. The lender sells the property at a sum lower than the value of the loan minus any repayments from the purchaser, and then seeks recompense from the valuer for any shortfall. The recent property crash has significantly contributed to claims against surveyors and architects.

Claims Examples

Architects play a central role in a construction project, often from initial planning to practical completion on site. Ultimate clients often tend to direct enquiries to the architect due to their perception of the architect as having all-round knowledge of the general construction process. Therefore, architects can easily be drawn into multi-party legal actions even when their own work is beyond reproach.

Defective design, inadequate supervision, cost overruns and incorrect certification of the value and quality of work undertaken by the contractor are some of the main areas where claims arise.



Negligent design industrial new-build:

Design failure in respect of industrial distribution warehouse. Building incapable of housing refrigeration plant due to incorrect design of internal load-bearing roof. **Settled £75,000.**

Negligent design commercial new-build:

Incorrect design of fuel tanks in respect of new petrol station development led to failure of standard industry health and safety check. **Alterations cost £18,500.**

Negligent design on residential new-build:

Architect signed practical completion certificate on a residential new-build job. Dozens of snagging problems then arose which the contractors failed to resolve. **Settled £5,000.**

Failure to seek planning permission:

Architect instructed to plan and design office development. Although planning permission requested and received from local authority, there was a failure to seek permission for the correct area. **Settled £9,000.**

When clients change their mind and alter their initial requirements, the other parties to the contract should be alerted to take such changes into account. A requirement for different and heavier tiling could, for example, mean the engineer needs to design a different scheme of reinforcement.

When acting as project manager or project coordinator, the architect must exercise strong control over the other members of the project. Projects that fail to meet the deadline or go over budget can adversely affect an architect's PI record.

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Inadequate supervision: Architects instructed to produce specification and supervise the renovation works to a church roof. After contractor went bankrupt roof failed after heavy rain and it subsequently transpired that work carried out by contractor was inadequate. Claimant alleged proper supervision by architect would have avoided problem. **Settled £100,000.**

Negligent site layout: Architects instructed to design a residential development comprising of ten properties. Dimensions for the site were provided by surveyors but were incorrectly translated by architects and the development encroached on to land owned by local authority. Additional costs incurred in purchasing additional land. **Settled £10,000.**

Negligent survey report: Architect instructed by residential property developer to carry out a pre-purchase / exchange survey on a residential property. On the basis of the architect's report the property was purchased in part-exchange for one of their properties. A subsequent survey by prospective purchasers revealed serious cracks to structural wall. It was alleged architect should have warned of the problem in order to trigger further expert investigations. **Settled £20,000.**

Failure to adequately specify: Architects instructed to design a number of hotels. After completion of project one of the hotels suffered a fire which resulted in major damage. During repairs it was noticed that the fire-resistant material used in the property was inadequate. It was later alleged that the architect failed to specify material correctly. The error meant material in all hotels had to be replaced. **Settlement £500,000.**



**TOKIO MARINE
HCC**



Contact Us

London

Fitzwilliam House
10 St. Mary Axe
London
EC3A 8BF
+44 (0)20 7702 4700
mail@tmhcc.com

Birmingham

30 St. Paul's Square
Birmingham
B3 1QJ
+44 (0)121 345 8390
mail@tmhcc.com

Bristol

First Floor, Regent
House
27a Regent Street
Clifton
Bristol
BS8 4HR
+44 (0)117 372 7280
mail@tmhcc.com

Cardiff

Henstaff Court
Conference &
Business Centre
Cardiff CF72 8NG
mail@tmhcc.com

Manchester

Suite A, 6th Floor
Colwyn Chambers
19 York St
Manchester
M2 3BA
+44 (0)161 880 4723
mail@tmhcc.com

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