



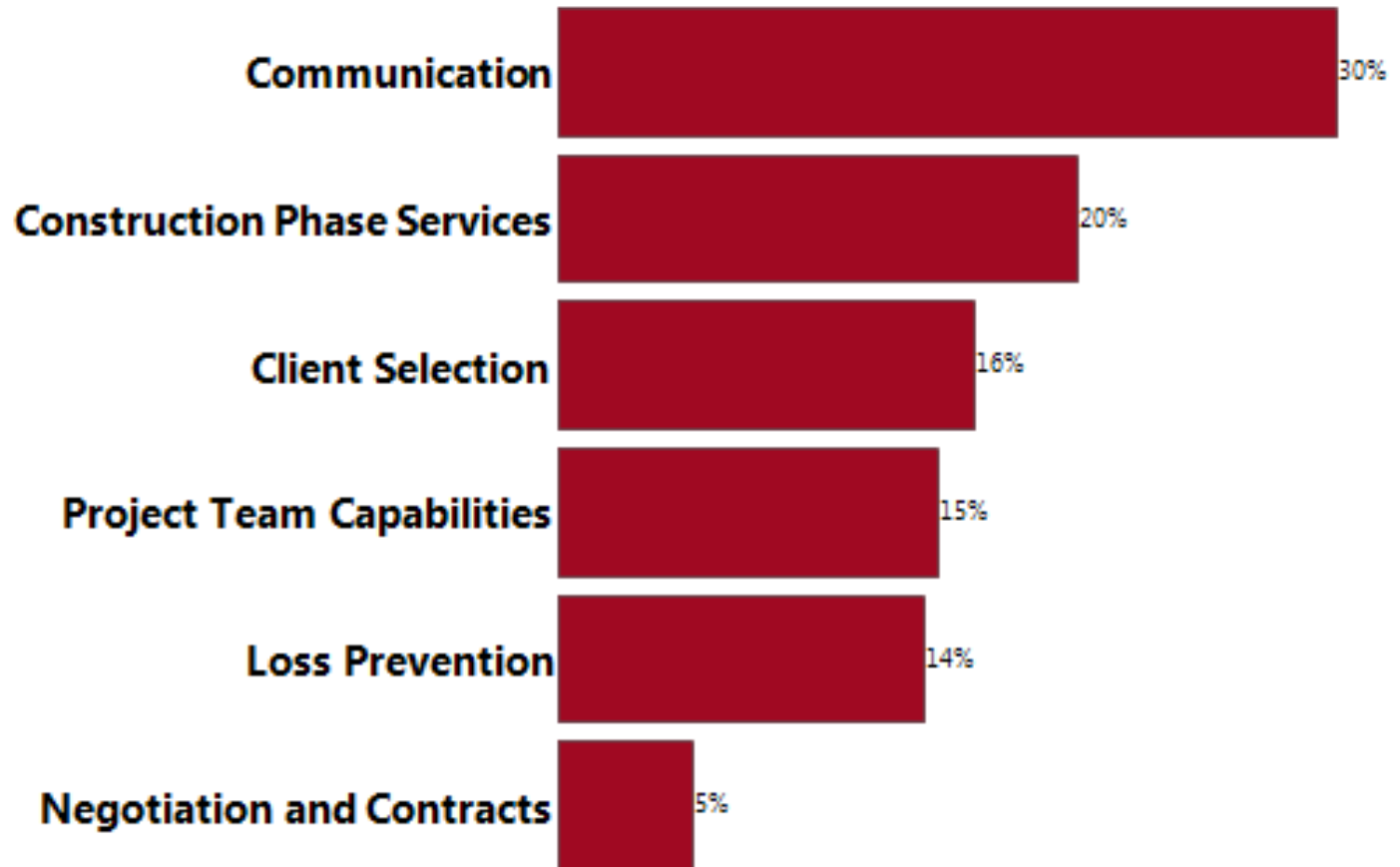
XL CATLIN

Risk Drivers

Stuckey Insured Day

May 18, 2016

Biggest news: New Risk Drivers appear

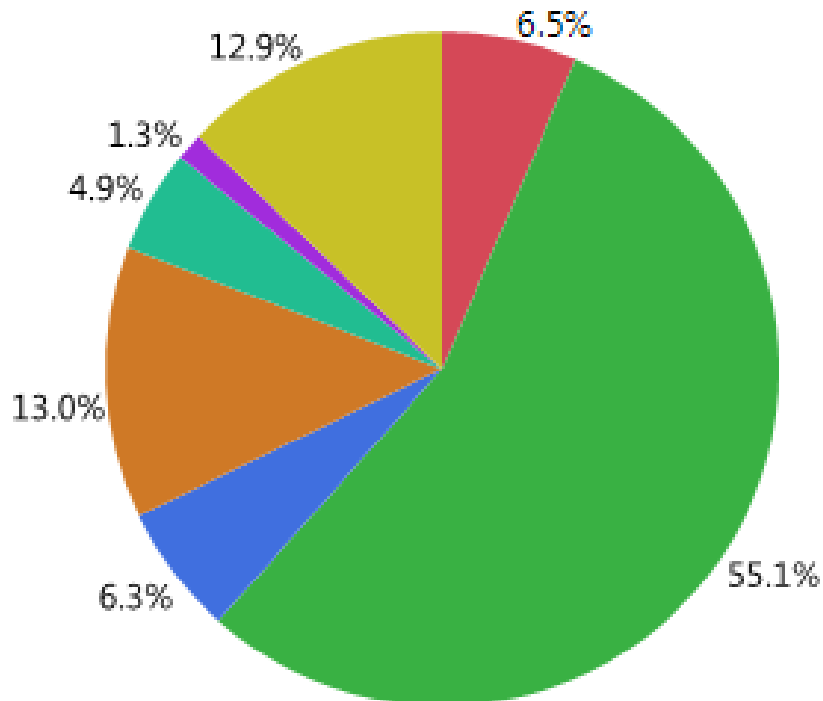


Surprising frequency vs. cost result



Risk Driver	Mean
Negotiation and Contracts	\$ 117,715
Project Team Capabilities	\$ 110,331
Client Selection	\$ 64,611
Construction Phase Services	\$ 60,815
Communication	\$ 58,561
Loss Prevention	\$ 47,186

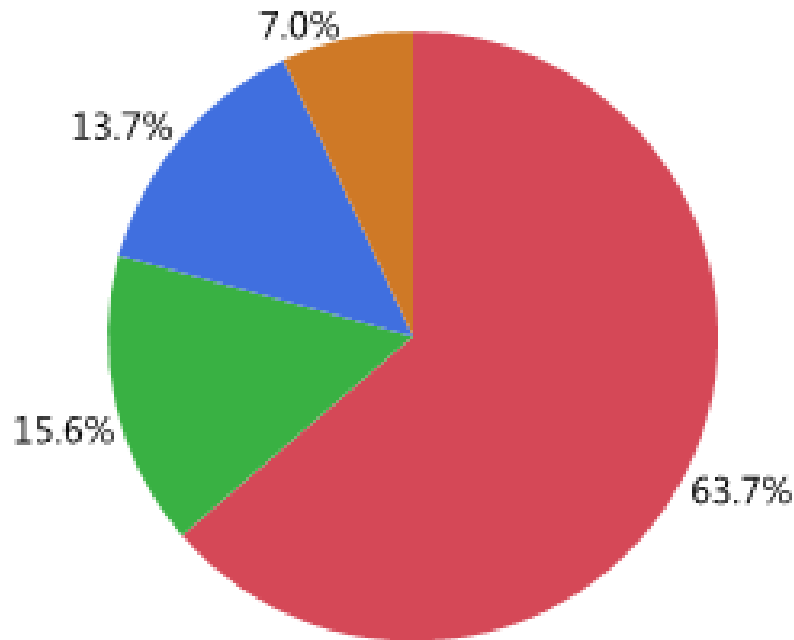
Communication specifics



Primary Specific Risk Driver

- Lack of proc to identify conflicts, omissions, errors
- Project issues & potential disp not handled correctly
- Scope of svcs not clearly/approp explained to client
- Lack of doc re changes in scope, budget, etc.
- Other
- Project staff not aware of their resp or expectations
- Regular progress reports re changes not approved

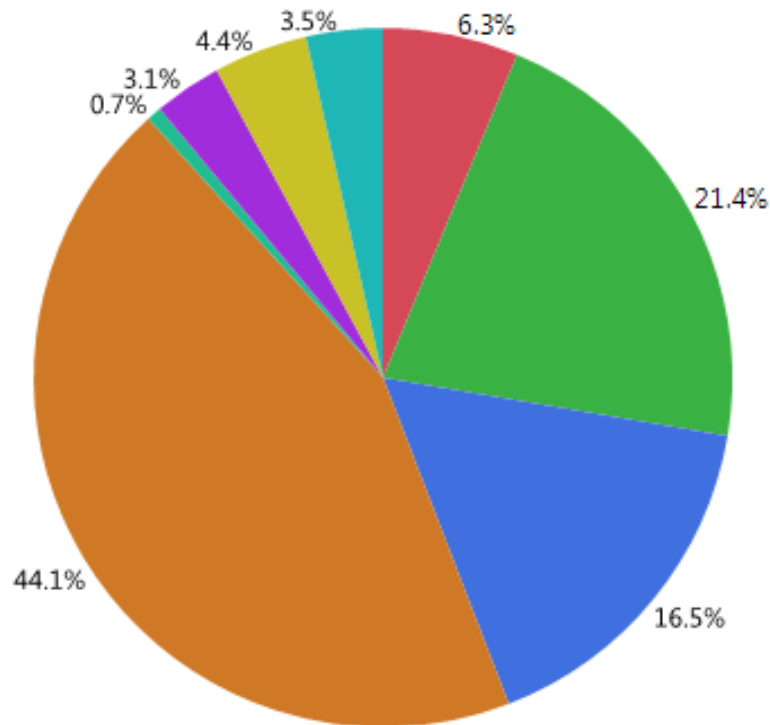
Construction Phase Services specifics



Primary Specific Risk Driver

- Inappropriate construction observation
- Inappropriate/inconsistent shop dwg/submittal rev proc
- Issue w/contractor: arguing, trading, gratuitous undertkg
- Other

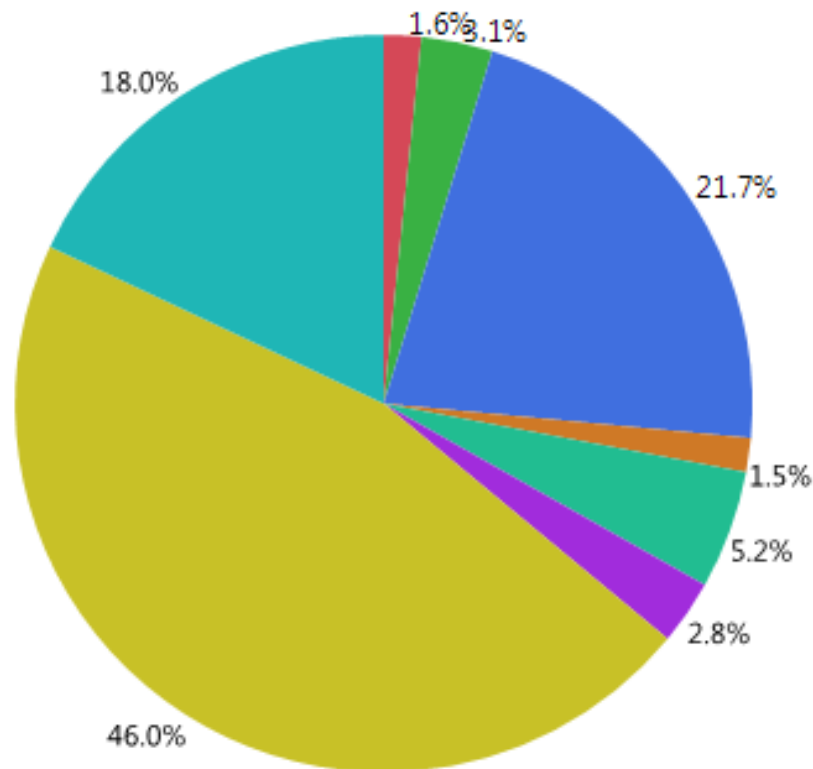
Client Selection Specifics



Primary Specific Risk Driver

- Client inexperienced in project/design issues
- Client in poor financial condition
- Client has history of claims & litigation
- Client behind or not paying design or contractor fees
- No formal review of client
- Other
- Contractor selection: QBS vs. fee shopping
- Client not receptive to ADR

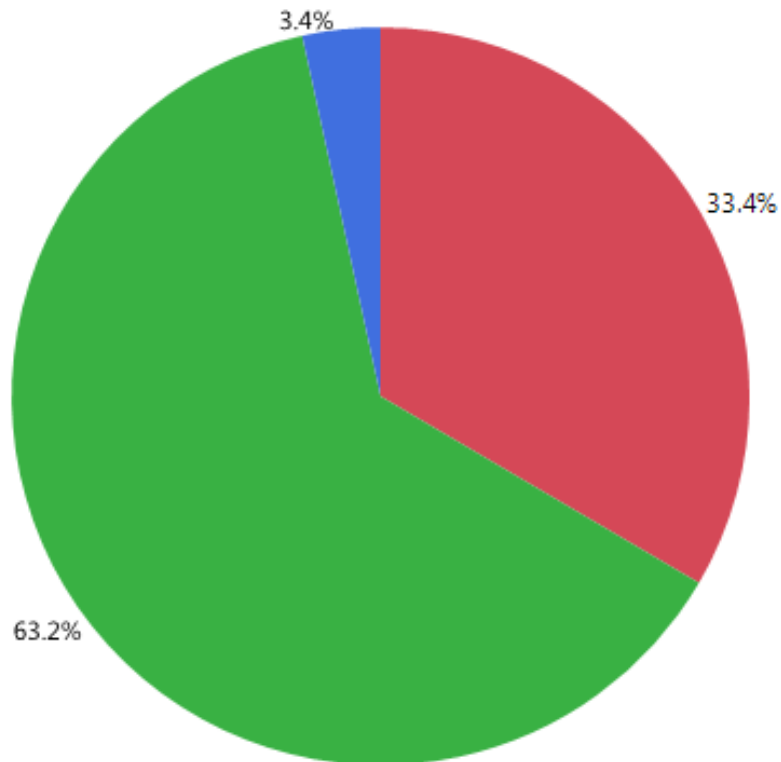
Project Team Capabilities specifics






Primary Specific Risk Driver

- Unqualified/deficient design staff assigned to project
- Inexperienced or deficient project manager
- Unqualified/deficient on-site staff assigned to project
- Other
- Design firm inexperienced in project type
- Territory of project outside of firm's normal "territory"
- Insufficient number of staff
- Back-up & replacement staff not qualified or absent

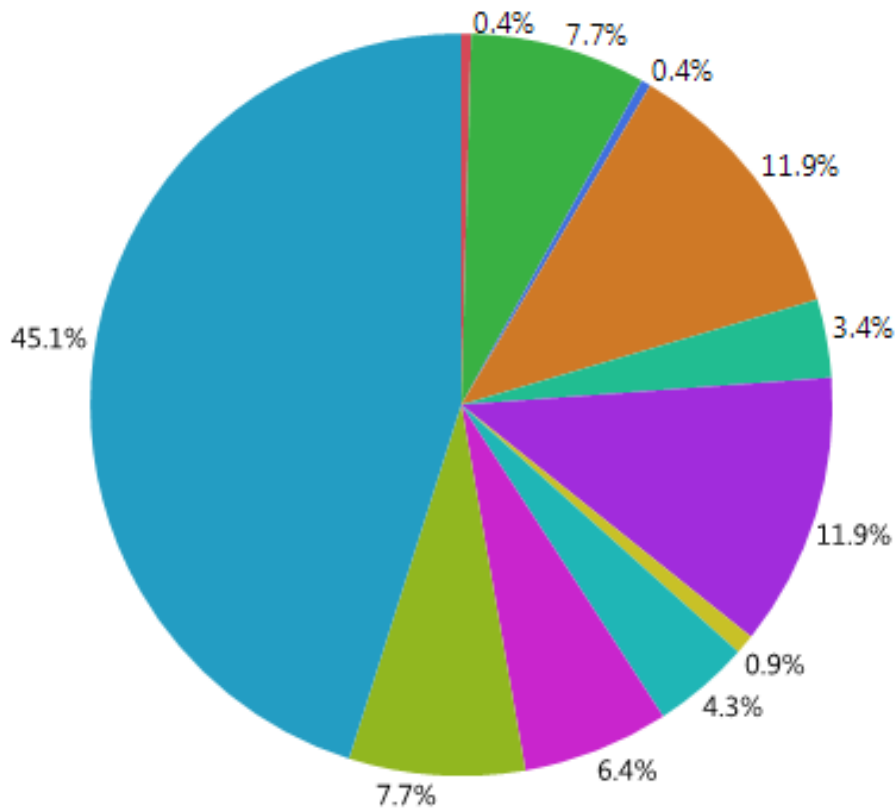
Loss Prevention specifics



Primary Specific Risk Driver

-  Lack of quality assurance/control proc to reduce error
-  Lack of early action plan to handle project upset/dispute
-  Other

Negotiation & Contract specifics



Primary Specific Risk Driver

- Unclear & inappropriate scope of services
- Didn't formally evaluate client, project & assoc risks
- Contract not in place before work began
- Construction phase svcs not in contract or employed
- Deal-breakers in cont: indemn, liq dam, warranties
- No Separate contingency fund set aside
- Contract not firm's std or not reviewed by lgl counsel
- Lack of med clause in client agmt & gen conditions
- Other
- Field personnel/staff didn't have/understand contract
- Client authored agmts not reviewed by sr. mgmt.

Bodily Injury Claims

