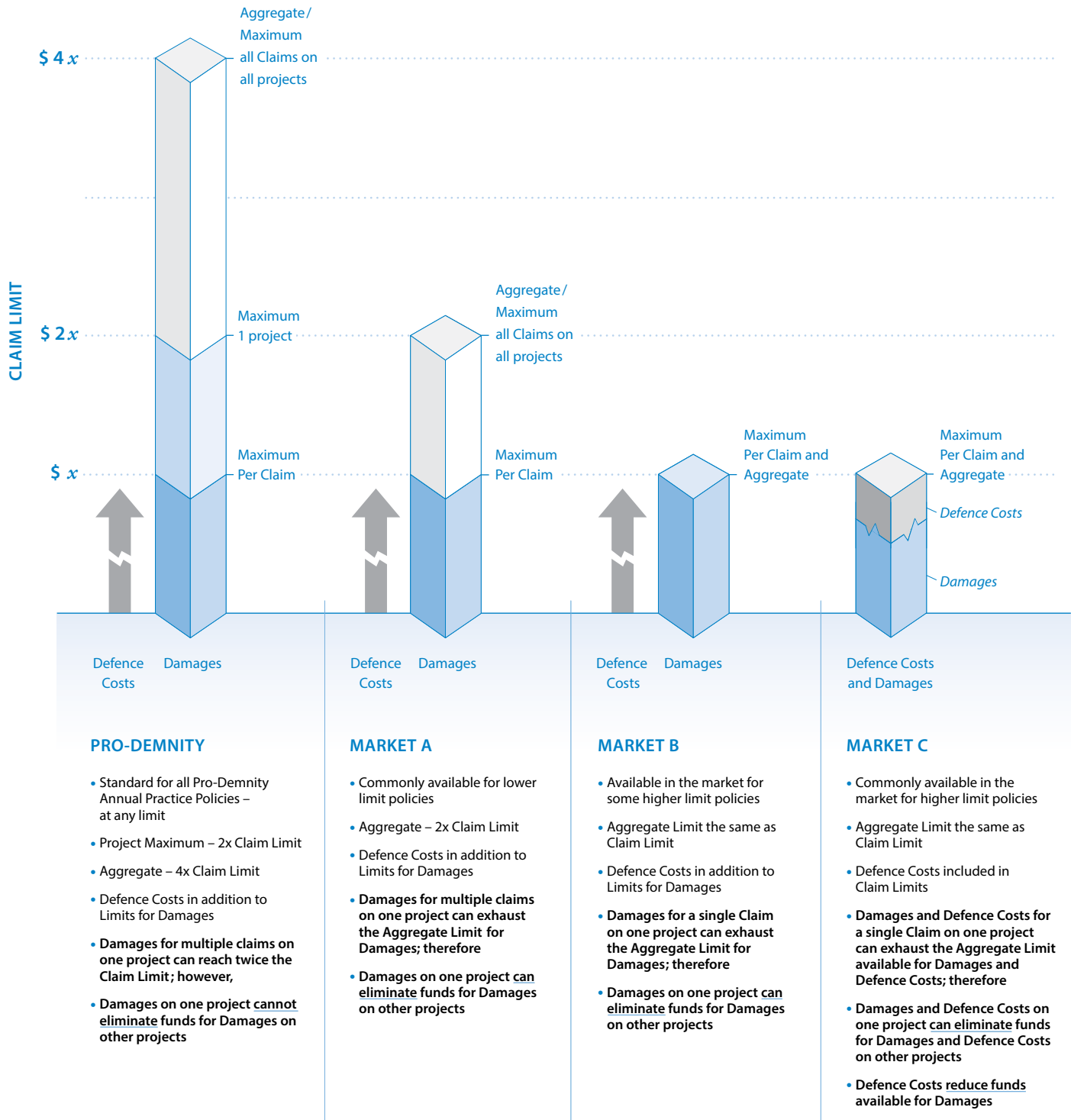# Differences in Aggregates and Defence Costs can be critical to architects and the public.

The following four examples all offer limits of "$ x " per Claim:

CLAIM LIMIT

$ 4 x — Aggregate / Maximum all Claims on all projects

$ 2 x — Maximum 1 project

$ x — Maximum Per Claim

Aggregate / Maximum all Claims on all projects

Maximum Per Claim

Maximum Per Claim and Aggregate

Maximum Per Claim and Aggregate

Defence Costs

Damages

Defence Costs / Damages — PRO-DEMNITY

Defence Costs / Damages — MARKET A

Defence Costs / Damages — MARKET B

Defence Costs and Damages — MARKET C

PRO-DEMNITY

- Standard for all Pro-Demnity Annual Practice Policies – at any limit
- Project Maximum – 2x Claim Limit
- Aggregate – 4x Claim Limit
- Defence Costs in addition to Limits for Damages
- **Damages for multiple claims on one project can reach twice the Claim Limit; however,**
- **Damages on one project <u>cannot eliminate</u> funds for Damages on other projects**

MARKET A

- Commonly available for lower limit policies
- Aggregate – 2x Claim Limit
- Defence Costs in addition to Limits for Damages
- **Damages for multiple claims on one project can exhaust the Aggregate Limit for Damages; therefore**
- **Damages on one project <u>can eliminate</u> funds for Damages on other projects**

MARKET B

- Available in the market for some higher limit policies
- Aggregate Limit the same as Claim Limit
- Defence Costs in addition to Limits for Damages
- **Damages for a single Claim on one project can exhaust the Aggregate Limit for Damages; therefore**
- **Damages on one project <u>can eliminate</u> funds for Damages on other projects**

MARKET C

- Commonly available in the market for higher limit policies
- Aggregate Limit the same as Claim Limit
- Defence Costs included in Claim Limits
- **Damages and Defence Costs for a single Claim on one project can exhaust the Aggregate Limit available for Damages and Defence Costs; therefore**
- **Damages and Defence Costs on one project <u>can eliminate</u> funds for Damages and Defence Costs on other projects**
- **Defence Costs <u>reduce funds</u> available for Damages**

NOTE: Examples are simplified to illustrate the impact of Aggregates and Defence Costs on several available Claim Limit structures. These are not exhaustive. Other Claim Limit structures may be available. Arrows do not address possible limits on Defence Costs that may apply.