

© 2002, Victor O. Schinnerer & Company, Inc. The information presented here is for risk management guidance. It is not legal advice nor should it be construed to be a determination on issues of coverage for specific claims.

ROLES AND RISK TRANSFER IN DESIGN-BUILD

As described in the next two sections, the design-build method can bring a great deal of additional risk to the design professional. The design professional should transfer some of this risk. This can be accomplished several ways:

- ✓ By requiring the contractor to indemnify the design professional
- ✓ By requiring the contractor to have proper general liability coverage, including contractual liability coverage
- ✓ By requiring that the contractors and its subcontractors purchase both performance and payment bonds

Design professionals must be careful not to advise contractors and subcontractors on insurance and bonding. Practicing outside the profession creates liability that may not be insured.