

Protecting Profitability: Managing Professional and Contractual Exposures

Thank you for viewing the AIA Trust Week webinar presented by Frank Musica, Professional Liability Risk Advisor, Victor Insurance. Please answer the following questions and submit your completed test to aiatrust@aia.org to receive 1.5 AIA learning units.

- 1. True or False? The only way to breach a contract for negligence is to be negligent in your performance of those services.
- 2. True or False? Once you are determined to be negligent in your performance, you are responsible to the party harmed by that negligence for the foreseeable costs, losses, and damages to that party.
- 3. True or False? The provisions in the "four corners" of your contract with a client establishes your obligations that could greatly exceed your normal legal obligations to correct actual harm to the client.
- 4. True or False? While most states have statutes of repose that cut off all claims, because the statutes usually refer to improvements to real property, an architect might be liable for years beyond the statute's limitation period for some of the services provided to a client.
- 5. True or False? Normally both the architect and the architect's client warrant to the contractor that the plans and specifications in the Contract Documents are adequate for the construction of the project.
- 6. True or False? A standard AIA contract includes a "force majeure" or "act of God" provision that allows the architect to escape liability for delay costs on a project due to unforeseen conditions.
- 7. True or False? Unless your contract states otherwise, if you redesign a project because bids came in over the budget for the cost of the Work, you cannot be held liable for costs to the client because of the extra time the redesign required.
- 8. True or False? Having your client agree to the standard waiver of consequential damages provision in AIA contracts protects you from third-party claims for losses that result indirectly from your intentional or negligent acts.
- 9. True or False? Clients bring most professional liability claims against architecture firms and are usually based on managerial deficiencies such as unmet expectations caused by poor communications and documentation.
- 10. True or False? Having a blanket limitation of the architect's liability in the contract is an absolute protection against major claims from clients, contractors, or facility users.

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