

What To Know About Project-Specific Professional Liability

By **David Suchar, Leah Kippola-Friske and John Darda** (February 9, 2026)

On Nov. 17, the Maryland Transportation Authority issued a statement updating the budget and timeline for the reopening of the Francis Scott Key Bridge, which catastrophically collapsed in March 2024. The bridge repairs are now forecast to cost between \$4.3 billion and \$5.2 billion, and the bridge reopening has been delayed to 2030.[1]

Public attention has understandably focused on the cause of the collapse, emergency response and the rapidly escalating cost of reconstruction. Less visible, but increasingly significant for lawyers and risk professionals, is how insurance responds once a major infrastructure incident transitions into years of design decision-making, project delivery and rebuilding under intense public scrutiny.

That distinction matters because modern infrastructure project claims and disputes rarely present as a single, unified insurance claim. Instead, they develop in phases. On megaprojects, the incremental nature of how responsibility is assessed can collide, and sometimes clash, with the structure of project-specific professional liability insurance, materially affecting whether coverage responds at all.

The ongoing rebuild of the Francis Scott Key Bridge is an example of a construction megaproject that may call for project-specific professional liability insurance, and it's important for involved attorneys and risk professionals to become more familiar with the nuances of this specialized product, including its multiple claims provisions.

Investigations, Not Conclusions, Come First

On Nov. 18, the National Transportation Safety Board issued a statement saying a loose wire caused an electrical blackout aboard the ship, which resulted in loss of propulsion and steering ability.[2] It also determined that the workers on the bridge were not notified of the ship's emergency situation before the bridge was struck.[3]

Even if no professional liability claims are asserted directly against those involved in the construction, design or maintenance of the original structure, insurance considerations will play a major role in the rebuilding process. That process in the current risk management climate often involves consideration of project-specific insurance, and in particular, project-specific professional liability insurance, or PSPL.

What Makes Project-Specific Professional Liability Different

PSPL policies have become a dominant risk-transfer tool on large infrastructure projects. They offer coverage to design professionals, such as architects and engineers, for the life of a project. Unlike annual professional liability policies tied to a company's general practice and business operations, PSPL policies are written for the duration of a specific construction



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project, often including extended reporting periods aligned with the project's life cycle. They aim to address the gaps in other insurance by taking into account project-specific risks.

PSPL programs offer dedicated limits, centralized coverage for joint ventures and design teams, and greater certainty for owners seeking a single source of recovery. These features make PSPL policies particularly attractive for bridges, tunnels, airports, transit systems and other megaprojects.

At the same time, PSPL policies concentrate risk. Because professional liability exposure flows into a single policy tower, disputes over how claims are defined, aggregated and timed have outsize financial consequences. This concentration has made multiple-claims provisions — policy provisions that bundle several claims arising from the same, connected, or related events or causes into a single claim for insurance purposes — one of the most consequential, and contested, features of PSPL policies on megaprojects.

Multiple Claims Provisions and Incremental Exposure

Most PSPL policies include multiple-claims or related-acts provisions intended to address how a series of professional acts or omissions will be treated for coverage purposes. These provisions typically state that two or more claims arising out of a single breach of professional duty, or a series of related breaches, will be treated as a single claim.

In theory, this language is designed to consolidate related disputes into one coverage event. In practice, the incremental way disputes arise on megaprojects often tests the limits of that intent.

Design revisions may prompt one demand. Constructability issues may surface later. Delay or cost claims may follow as the project evolves. Each may stem from overlapping factual circumstances, but each may also be asserted at different times, by different parties, and under different contractual mechanisms.

On megaprojects, it is not unusual for dozens or even hundreds of demands to be asserted by the project's completion. Whether those demands are treated as a single claim or multiple claims under a PSPL policy often determines how many self-insured retentions, or SIRs, apply, and how much insurance can pay for defense and settlement of lawsuits arising out of the event.

Insured designers on megaprojects may understandably assume that various demands stemming from overlapping circumstances constitute a single claim subject to a single, but often substantial, SIR, ranging from \$500,000 up to \$10 million per claim. Such insureds are often shocked to learn that their PSPL insurer is taking the position that each demand letter they receive constitutes a separate claim, each subject to a separate SIR, which can balloon an insured's out-of-pocket expenses to many millions of dollars.

How Courts Have Approached Claim Aggregation

Courts addressing professional liability coverage disputes have taken materially different approaches to claim aggregation — some treating multiple demands or claims as a single claim subject to a single SIR and some treating disputes as triggering multiple SIRs, often based on differing policy language and factual context.

For example, in *Bay Cities Paving & Grading Inc. v. Lawyers' Mutual Insurance Co.*, decided in 1993, the California Supreme Court held that two errors arising from a single debt

collection effort were logically and causally related, and therefore constituted a single claim. The court emphasized the shared objective and factual nexus between the acts.

By contrast, in *Dormitory Authority of the State of New York v. Continental Casualty Co.*, decided in 2013, the U.S. District Court for the Southern District of New York concluded that separate design defects in the same building constituted separate claims, focusing on differences in timing, policy language and the absence of a provision aggregating a "series of related acts."

Other courts have emphasized causation, asking whether one act brought about another, while still others have focused on whether claims share a logical connection or common plan. The result is a patchwork of outcomes that can be difficult to predict — particularly on projects where responsibility is assessed gradually over many years.

Airports, Bridge and Transit Projects, and Phased Responsibility

The Key Bridge rebuild is not unique in the phased assessment of responsibility or consideration of insurance needs for reconstruction. Large aviation and transit projects across the country routinely involve phased assessments of professional and other responsibility for large losses and claims.

Major airport terminal projects, including recent airport expansions, have generated early disputes tied to design coordination and constructability, followed years later by claims involving building systems, sequencing or phased openings. Transit projects, including large subway and rail expansions, have similarly produced layered disputes as design assumptions are tested against field conditions.

In each context, whether later claims are aggregated with earlier ones — or treated as separate — can determine whether insurance responds meaningfully or whether project participants must pay millions, or tens of millions, of dollars in SIRs before insurance kicks in.

The Practical Consequences of Multiple or Numerous Retentions

On megaprojects, SIRs and policy premiums under PSPL policies are often substantial. When disputes are treated as multiple claims, each may trigger a separate retention, requiring insureds to fund defense costs and settlements before accessing coverage.

That dynamic has implications beyond insurance recovery. It can affect cash flow on projects already under public scrutiny as project participants are unexpectedly required to spend millions of dollars defending claims, reduce settlement leverage in underlying construction disputes, and complicate budgeting for public owners and agencies.

In some cases, project participants may find that their most expensive insurance product provides far less practical benefit than anticipated — not because coverage is unavailable in theory, but because the structure of the policy does not align with how responsibility is assessed in practice.

Addressing Issues at Procurement

The most effective way to manage these risks is at procurement, before disputes arise.

Owners, designers and other stakeholders should scrutinize multiple-claims provisions with

the same rigor applied to insurance policy limits, reporting periods and exclusions. Broad aggregation language that reflects the likelihood of phased assessments and related claims can be critical. Retention structures should be evaluated with an understanding that responsibility for claims on megaprojects is often evaluated incrementally, not all at once.

Just as importantly, the insurance strategy should align with a comprehensive investigation and dispute-management strategy. Early notice practices, consistent reporting and coordination among project participants can influence how future claims are characterized under a PSPL policy.

Insurance as a Core Megaproject Risk Issue

The Key Bridge collapse and subsequent rebuild underscore a broader reality. As infrastructure projects grow larger and more complex, and come with increased pressure for faster completion, professional liability insurance is a core component of project risk management.

When responsibility for large losses is assessed incrementally — as is increasingly the case on megaprojects — the structure of project-specific professional liability insurance can determine whether coverage fulfills its intended purpose or becomes a source of additional project stress.

Understanding that dynamic before disputes arise may be one of the most important risk-management steps project participants, and especially those on construction megaprojects, can take.

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[1] <https://www.nbcnews.com/news/us-news/maryland-doubles-cost-estimate-rebuilding-collapsed-baltimore-bridge-rcna244558>.

[2] <https://www.nts.gov/news/press-releases/Pages/NR20251118.aspx>.

[3] <https://www.nts.gov/investigations/Documents/Board%20Summary%20Contact%20of%20Containership%20Dali%20with%20Francis%20Scott%20Key%20Bridge.pdf>.