

Allied Design Consultants, Inc. v. Pekin Ins. Co.: a Reminder for Professionals to Obtain the Proper Insurance Coverage

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In *Allied Design Consultants, Inc. v. Pekin Ins. Co.* the Illinois Fourth District Appellate Court recently affirmed a trial court's grant of summary judgment finding the allegations in multiple personal injury lawsuits fell under the professional services exclusion included in the plaintiff's insurance policy, and thus, the insurer was not required to defend the plaintiff in the lawsuit. 2024 IL App (4th) 4230738 (May 23, 2024).

The plaintiff, Allied Design Consultants ("Allied Design"), was a business faced with lawsuits filed following a carbon monoxide leak in a building addition to a middle school. Allied Design performed architectural services relating to the building addition and was to conduct a Health/Life Safety Survey. Defendant, Pekin Insurance Company ("Pekin Insurance"), issued Allied Design a business owners liability insurance policy and a commercial umbrella liability policy. Both policies contained exclusions for liability arising out of professional services, as defined by the policy.

The trial court found that the allegations in the underlying suits against Allied Design fell under the professional services exclusion in Allied Design's insurance policies with Pekin Insurance, and thus Pekin Insurance did not owe Allied Design a duty to defend the lawsuits. Allied Design appealed, arguing that the complaints in the underlying lawsuits contained allegations not involving professional services, and thus, Pekin Insurance owed a duty to defend. Allied Design further asserted that the court must examine the alleged acts of negligence separately to determine whether the character of the act at issue is a professional service or not. Pekin Insurance continued to assert that it did not owe a duty to defend Allied Design in the underlying lawsuits because the allegations fell under the professional services exclusions.

Nevertheless, the Appellate Court held that the underlying complaints lacked allegations of any work by Allied Design independent from providing professional services, and therefore, Pekin Insurance did not have a duty to defend Allied Design in the matter.

This case stresses the importance of obtaining the proper insurance coverage and serves as a reminder to professionals to be aware of the details of their policy including any exclusions that might apply.

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