



For the completion of your professional liability insurance application form Architects and engineers in private practice

These guidelines are designed specifically for use when completing the engineers in private practice application, the architects in private practice application, the engineers in private practice renewal application and the architects in private practice renewal application.

The form

Please ensure that you complete the application form for your particular requirement. There are seven types of application forms:

- Applications for engineers in private practice and architects in private practice (new business submissions)
- Renewal applications for engineers in private practice and architects in private practice is for the renewal of an existing policy
- Small firms application is for consultants in private practice where fees are less than \$500,000
- Single project, group or joint venture application is for insurance for a specific project
- Individual engineers and architects application is for personal coverage for individuals employed by other than consulting firms
- Design-build application is for construction firms who undertake design-build projects
- Project managers application is for consultants solely providing project management services on construction projects

All applications are available on our website at www.victorinsurance.ca.

The applicant (Q. 1)

The name or names you enter here will become the Named Insured(s) shown in the Declarations of the policy and will be the only entities for which coverage will be provided.

Predecessor firms (Q. 6 Private practice)

The policy may be extended to provide coverage for your liability arising from former or predecessor firms, provided these firms are no longer active. If you require this coverage, please indicate the name of the firm(s) and the date(s) they ceased to operate.

Personnel (Q. 7 Private practice)

For the purpose of this question, “other licensed professionals” includes licensed surveyors, landscape architects and geoscientists; “technical” includes technicians and technologists, draftsmen, field personnel and specification writers.

Limits and deductibles (Q. 11 Private practice) (Q. 4 Renewal)

The policy shows two limits. One is a per claim limit and the other is an aggregate limit which is the maximum amount payable by the Insurer in any one year. Policies with per claim limits of \$250,000 and \$500,000 have annual aggregate limits of twice these amounts respectively. For limits of \$1,000,000 or more, the per claim and annual aggregate limits are the same limits, up to \$15,000,000 are available.

The limit is the amount of insurance protection which the policy will afford. When deciding what limit is appropriate for your firm, it may be appropriate to consider:

- the nature of the services your firm provides and their relative importance to projects;
- the size and type of projects with which your firm is involved;
- insurance requirements placed upon your firm by current and prospective clients; and
- any legislated insurance requirements present in the jurisdictions in which you practice.

You are encouraged to discuss appropriate limits with your insurance broker.

The minimum deductible is \$2,000. Choosing a higher deductible will reduce the cost of insurance. It is important to keep in mind that, in most circumstances, the policy will provide “first dollar defence” coverage whereby the Insured will be required to pay the deductible only if the Insurer pays damages on a claim. The deductible does not apply to costs incurred by the Insurer for the investigation and defence of claims. The deductible should be an amount which your firm is financially capable of absorbing.

Fees (Q. 12 Private practice) (Q. 5 Renewal) (Q. 5 Small firm)

Gross fees include all fees received by the applicant in a 12-month period including those subsequently paid to subconsultants. However, they DO NOT INCLUDE amounts billed to your clients as “disbursements”, such as traveling, hotel costs, etc., or taxes. If the firm has received non-monetary compensation in lieu of fees, please provide details. You may report fees on the basis of calendar or fiscal year, but should be consistent in doing so on successive years’ applications.

Total construction value (Q. 13 Private practice) (Q. 6 Renewal)

Only show an approximate figure reflecting the amount of construction value for which you have rendered professional services during the course of the year.

Design-build (Q. 15, 16, 17, 18 Private practice) (Q. 3 (e) Renewal) (Q. 3 Small firm)

If the answer to any of these questions is in the affirmative, the applicant is requested to provide a full description of activities which are not of a traditional consulting nature.

Signature

It is essential that the application be signed and dated by an authorized representative of the applicant.

Useful tips

You can reduce the cost of your professional liability insurance coverage by providing the Insurer with additional information which you feel reduces your exposure to claims. If some of the gross fees you have reported were billed for a project which has been cancelled and will in no event be constructed, this should be indicated. You may also wish to send the Insurer copies of contracts with your clients wherein you were successful in limiting your liability.

Professional liability insurance covers your liability at law and excludes liability assumed contractually by the Insured beyond that imposed by law. If you are insured with the program, Victor provides a contract review service and encourages Insureds to submit contracts for comments whenever there is any doubt that the contract wording may jeopardize the Insured’s coverage.

Victor and the Insurers also provide a toll free helpline (1-800-267-6684) service to Insureds. This allows for prompt consideration of questions relating to contractual matters and early attention to situations in which an Insured is seeking advice regarding the handling of disputes or potential claims.

Program features

Pollution – The professional liability insurance policy does not contain an exclusion for claims arising from pollution risks. A supplementary Victor application for pollution liability must be submitted with your completed application.

Small firms

If your firm generates fee income of \$500,000 or less annually, you may qualify for Victor’s Small Firm Program which provides coverage at reduced premiums. Please contact your broker for details.

This document is provided for the purpose of assisting you in the preparation of an application for insurance. It does not constitute any form of insurance. Should you proceed to purchase coverage, the insurance policy will give actual terms, coverage, amounts, conditions and exclusions.