

## An Overview of 2024 from the Board Chair and President and CEO

### OUR POLICY IS OUR WORD

As we reflect on the past year, we are reminded of our unwavering commitment to protecting architects across Ontario.

At Pro-Demnity, protecting and defending architects is not just our mission; it **is** our policy, as well as embedded within your professional liability insurance policy!

### INNOVATING COVERAGE UNIQUE TO ARCHITECTS

Our refreshed professional liability insurance policy continues to offer best-in-class, unmatched comprehensive coverage tailored to the unique challenges faced by architectural practices today. Recognizing that many architects were unaware of the requirements for ensuring Water Ingress coverage that have existed within the policy since at least 2010, we created a new Technical Requirements Schedule (TRS) that can easily be shared with your entire design team, making them aware of the requirements for coverage without having to read an entire insurance policy.

We also took the opportunity to add coverage for pre-cast concrete exterior walls and window wall systems, which were previously not eligible for Water Ingress coverage. The new TRS, which forms part of the professional liability insurance policy, is helping practice leaders educate their teams on risks associated with practice, reinforcing design principles which will provide water ingress coverage in the event of a claim. These updates are a testament to our continued dedication to being your trusted ally in risk management and professional protection. And we have done even more.

### RECOGNIZING ARCHITECTS FOR A RISK-AWARE MINDSET

In a year marked with progress and protection, value for money was also top of mind, as we focused on strengthening our protective measures and enhancing the services we provide to you. We know that rising professional liability insurance premiums are an issue for Ontario architects, adding to the long list of other rising costs facing you in the management of your practice. We balance this with the need to ensure we have enough money to pay claims that can sometimes take more than a decade to close. Although claims remain volatile from year to year, we have had more claims in 2024 close at costs above \$500,000 than at any time in this decade.

Upholding our high standard for fairness and equity, we undertook a principled review of the premium calculation model in 2024. Without changing the fundamental nature of our calculation – it is still your threeyear average reported fees and the limits you select to purchase that have the largest impacts on your premium – we have proactively updated the premium calculation model to reflect claims history as a factor, effective for renewals on and after April 1, 2025. We see this as another step on our path to synchronized premiums that reflect the relative risk of architectural practices as compared to the overall profession, and plan further changes over the coming five or six years as we gather better risk-related data.

## **ENHANCING RISK AWARENESS**

Our promise to protect architects extends beyond providing an excellent insurance policy. Through ARM/r (Architectural Risk Management Assessment Report), we have helped over 300 architects to identify and better understand potential risks in their business or design practices. In addition, hundreds of architects accessed our Risk Alliance team through “Speak with an Expert”, leveraging this resource to receive personalized risk guidance, helping them to better understand and mitigate potential risks with contracts, clients, and projects.

## **VALUED TEAM MEMBERS DRIVE CLIENT SUCCESS**

Our team is instrumental in contributing to the success of architects across Ontario. Their dedication, expertise, and unwavering support shine through in every interaction where we strive to provide the highest level of service and protection. It is through their hard work and commitment that we continue to uphold our promise of being your trusted ally. Likewise, our

Board of Directors' strategic vision and steadfastness have ensured our resolute focus on protecting architects and enhancing our services. The stewardship of the Board has been pivotal in guiding Pro-Demnity through another productive year. We are grateful for the dedication to the architectural community shown by both our hard-working employees and Directors.

## LOOKING AHEAD

Achieving continuous improvements in our services, products and efficiencies through ongoing strategic investments in digital platforms and technology will continue. Attaining new levels of excellence in client experience, risk education, communications, underwriting and claims handling is our sole intention as your unwavering partner in professional protection. Sincerely, Debra Krakow, Chair, Board of Directors DB

On behalf of the entire Pro-Demnity team, we thank you for your trust and partnership. We are proud to stand by your side, protecting your practice and supporting your success.

Sincerely,

**Debra Krakow, Chair, Board of Directors**

**Bruce H. Palmer, President and CEO**