

NEW: Refreshed Policy Wordings

CLEAR, MODERNIZED PROFESSIONAL LIABILITY POLICY WORDINGS. SAME ROBUST COVERAGE FOR ARCHITECTURAL FIRMS.

Innovation and continuous improvement to our services and products are fundamental to Pro-Demnity's strategic plans over the next three to five years. We're building on our promise to provide an alliance for protection to Ontario's architectural firms, actively considering and responding to client as well as employee feedback. To this end, we've initiated a four-phase **underwriting project** that aims to address *policy wordings* (phase 1), the current *pricing model* (phase 2), introduce more *efficient processes* (phase 3) and *enhance technology* (phase 4) to improve the new application and renewal experiences for all Certificate of Practice holders.

Today, we're pleased to announce the upcoming modernization of the professional liability insurance policy wordings.

UPDATED POLICY WORDINGS

Improved clarity and harmonization are the key drivers in modernizing Pro-Demnity's professional liability insurance policy wordings. Your policy wordings are **a detailed explanation of your coverage**. They describe what is covered under your policy and any endorsements, exclusions, conditions, or limitations that apply. Starting **April 1, 2024, upon renewal**, we'll be introducing **a refreshed policy** that features clearer wordings, terms, and definitions.

Professional liability insurance coverage from Pro-Demnity, which is already robust and effective in protecting and defending architects remains fulsome and we continue to insure Ontario Architects for allegations of error, omission, or negligence in the usual and customary practice of the profession of architecture.

After a detailed review of our core product, we've clarified coverages and harmonized language to

make it easier for clients to understand their coverage, resulting in one seamless professional liability insurance policy for all architectural practices.

- **One policy only.** Whether you are purchasing mandatory or increased limits, you will receive the same Professional Liability Insurance policy. The wordings of Policy 1 (mandatory limits) and of Policy 4 (increased limits) have been harmonized, with coverage clarified, eliminating the need for two separate types of policies. This one policy will be known simply as the Professional Liability Insurance policy.
- **Standard endorsements and extensions are included within one Professional Liability Insurance policy.** Every existing Standard Endorsement and Extension are now integrated into the policy for ease of reference.
- **A new *Technical Requirements Schedule*** is part of the Policy. Technical requirements previously referenced in Endorsements and Extensions, have now been consolidated in a *Technical Requirements Schedule* for easier and quicker reference. The *Technical Requirements Schedule* may be updated from time to time as technical requirements change, without us needing to re-write our endorsements or policy wordings. Any updates to the *Technical Requirements Schedule* will always be communicated to you prior to coming in force.

Please note that a **new standard endorsement** specific to **Precast Concrete Panels/Cladding** is being added, further to a successfully completed pilot with a handful of architectural practices.

- **Easier to read.** The readability of the policy is improved with a friendlier overall tone to aid in understanding of insurance coverage.
- **April 1, 2024.** Refreshed policy will be introduced for renewals beginning April 1, 2024. This date is historically aligned with the start of the next policy year (Year 38).

- **Other products/policies are not impacted.** Retirement from Practice (currently known as Policy 2) and Spike up on Annual Practice Limits remain unchanged.

COVERAGES AND LIMITATIONS MADE MORE EXPLICIT

Coverage language is generally more overt in the refreshed policy wordings. Being explicit ensures that the interpretation of coverages or limitations is clear and accurately reflects our existing best practices. In making the protections easier for principals / architects to read and understand, we also endeavour to illuminate potential risk areas for architectural firms, which are exposures that Pro-Demnity seeks to reign in with respect to the broader risk of claims that may negatively impact our program of insurance for all Ontario firms.

WE DRAW YOUR ATTENTION TO THE FOLLOWING INSTANCES WHERE COVERAGE LANGUAGE IS MORE EXPLICIT IN THE REFRESHED POLICY:

1. **Addition of a new sub-limit in cases where Mandatory arbitration is required in a contract:** *“If You have agreed, in a contract for professional services, to a mandatory arbitration or other type of dispute resolution clause that removes or restricts Our ability to defend You, and there is a Claim made that relates to such contract, the maximum amount of all Damages and Claims Expenses that we will pay on Your behalf or reimburse to You shall not exceed \$50,000 for one Claim and \$100,000 for all Claim(s) reported during the Period Of Insurance”.*

This sub-limit will take effect for contracts signed on or after **July 1, 2024**. It is intended to encourage Certificate of Practice policyholders to pay particular attention to Dispute Resolution clauses in contracts which erode protections from Pro-Demnity that would otherwise be yours. *[How much We will pay: Our limit(s) of Liability and Your Deductible. Important Sub-Limits and Reductions to Limits of Liability. Item 6]*

2. **Standardization of the Claims Expense limit when there is excess insurance with another insurer:** The Claims Expense limit is capped at \$300K when a policyholder, “specifically arranged professional liability insurance that applies as excess to the insurance provided by...[Pro-Demnity].” The Claims Expense limit is now the same for policyholders of either mandatory limits or increased limits. *[How much We will pay: Our limit(s) of Liability and Your Deductible. Section C. Item 2.]*

3. **Clarification of “jurisdiction”:** we make it clear that where a project is located outside of Canada, Pro-Demnity only covers claims brought forward in Ontario *unless* we have explicitly agreed to cover them elsewhere, based on the information you provide in your application for professional liability insurance. This is consistent with our current practice and provides greater clarity than our current wording. *[What is Covered? Items 3. 4. 5.]*

4. **Clarification of coverage related to Fee Disputes:** claims arising out of a fee dispute are not covered. This reinforces our current practice and policy wording. *[Exclusions: What is Not Covered. Item 3]*

5. **Clarification of coverage related to Geotechnical engineering and Surveying Services.** The *performance or engagement of* geotechnical engineering services or services that constitute the practice of cadastral and professional surveying under the *Surveyors Act*, are not covered. This reinforces our current practice and policy wording *[Exclusions: What is Not Covered. Item 17]*. Further, the performance or engagement of professional services related to “pollution” are also excluded. *[Exclusions: What is Not Covered. Item 18]*

6. **Clarification of Liability of Others Assumed Under Contract.** Any liability of others **You** have assumed under contract or other agreement (whether written or oral), except that **We** will cover **You** for **Your** liability for **Insureds**, provided that **Your** liability would have already existed at law in the absence thereof. *[Exclusions: What is Not Covered. Item 6]*

7. **Clarification of Liability to Others Assumed Under Contract.** Any liability to others **You** have assumed under contract or other agreement (whether written or oral), except that **We** will cover **You** for **Your** liability for **Insureds**, provided that **Your** liability would

have already existed at law in the absence thereof. *[Exclusions: What is Not Covered. Item 7]*

8. **Clarification of coverage related to Communicable Disease Outbreak.** Claims related to public health emergencies are not covered or government regulation related to same is not covered. *[Exclusions: What is Not Covered. Item 19]*

9. **Clarification of coverage related to Strikes.** Claims related to labour strikes are not covered. *[Exclusions: What is Not Covered. Item 20b.]*

FURTHER UPDATES TO THE REFRESHED POLICY

You will note that reference to a Plan Credit is no longer part of the refreshed policy. Pro-Demnity is obligated to ensure the financial stability of the overall program of insurance for architectural practices in Ontario, secured through annual rate changes and appropriately calibrated pricing based on actual claims experience.

The refreshed policy wordings also contain some new sections to help aid in understanding as well as to align with current practices in the insurance sector:

- Key sections added at the start of the Professional Liability Insurance Policy: an Introduction, Our Obligations, Your Obligations, and Information You have given Us. Although our overall goal is to have an approachable tone, we have toughened our wording about both misrepresentation and non-payment.

- The addition of an explicit “Sanctions” clause, based on the wording in our reinsurance policy. This clause requires us to follow the sanctions rules of Canada, the USA, the EU, and the UK. *[Exclusions: What is Not Covered. Item 28]*

- An expanded and updated “Definitions” section.

RESOURCES AVAILABLE TO YOU

You are encouraged to read the:

- refreshed Professional Liability Insurance policy when you receive it at your next renewal (on or after April 1, 2024).
- [Technical Requirements Schedule](#) which forms part of your policy. Do share it with your team: architects, project leaders, interns and others in your firm, who can help you manage risk during the design phases of projects. Refer to the [Technical Requirement Schedule](#) frequently to ensure your designs comply with and qualify for ingress of precipitation coverage.
- [Frequently Asked Questions](#).

Your refreshed policy will come in force upon your next renewal on or after April 1, 2024.

For policy-related questions, the Underwriting team may be reached at 416-386-1770 x.3 or mail@prodemnity.com.

For guidance on specific risk situations that you may be facing, please contact our Risk Services team and book a meeting to [Speak with an Expert](#).

For general information visit www.prodemnity.com.

NEXT STEPS

You will hear from our Underwriting team as you typically do 60 days prior to renewal. Please review your renewal documentation and respond as soon as possible, and at least 30 days prior to your renewal date to ensure no interruption to your coverage.

Best-in-class coverage

Professional liability insurance is a valuable, integral component of your architectural firm's professional services, and we're pleased to provide you with best-in-class coverage featuring contemporary, clear wordings.

Your Pro-Demnity policy offers peace of mind, reliable protections, and coverages unique to the practice of architecture in Ontario. As your allies, we strive to provide you with professional service, innovative products and exceptional claims-handling while championing your wise, effective, and efficient management of risk.

We look forward to serving you soon and supporting your architectural practice in the months ahead and years to come.