

## APPLICATION FOR PROFESSIONAL LIABILITY INSURANCE

Name of Holder of a Certificate of Practice

Address of Principal Office

Telephone of Principal Office

E-mail Address of Principal Office

Website Address of Principal Office

**Application Fee of \$270.00 (incl. PST) paid via pre-authorized bank payment as per the enclosed Payment Options Form.**

All sections of the application form **must be completed** (Please print).  
**Where sections do not apply use "Nil" or "Not required".**

1. Applicant: Name of Holder of Certificate of Practice (See Guidelines).

1.1 Full name of Principal to whom loss prevention material is to be addressed \_\_\_\_\_

Principal's e-mail address: \_\_\_\_\_

2. Name(s) of predecessor practice(s) of current practice for which coverage is required or practices in which a member(s) who is a sole proprietor or is a partner, officer, director, shareholder or employee of the holder requires coverage for professional services performed for a previous practice (See Guidelines).

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. If coverage is required for a practice management company, affiliated company, or a personal management company of the sole proprietor, or a partner, officer, director, shareholder or employee of the holder (See Guidelines), please provide name(s) of OAA member (In case of personal management company) and name(s) of the company(ies).

\_\_\_\_\_  
 \_\_\_\_\_

For affiliated company(ies), please complete the following:

Name of Company(ies)	Nature of Activity	Members who will personally supervise and direct activities of affiliated company(ies)	% fee income for services rendered to applicant	Fee income last 3 years			Anticipated fee income for next 12 months
				20____	20____	20____	
				\$	\$	\$	\$
				\$	\$	\$	\$
				\$	\$	\$	\$

4. Indicate number of:

Members of Association \_\_\_\_\_ Structural Professional Engineers \_\_\_\_\_ Technical \_\_\_\_\_

Intern Architects \_\_\_\_\_ Mechanical & Electrical Professional Engineers \_\_\_\_\_ Employees Other \_\_\_\_\_

5. Income (See Guidelines)

	Year 20____	Year 20____	Year 20____	Anticipated total gross fees for the next 12 months
<b>5.1</b> Total Gross Fees (As per annual financial statement).	\$	\$	\$	\$
<b>5.2</b> Fees for services performed by consultants retained by you. <b>DO NOT</b> include fees paid to other holders of Certificates of Practice insured by Pro-Demnity Insurance Company (See Guidelines)	\$	\$	\$	\$
<b>5.3</b> Reimbursable expenses ( Only if included in line 5.1).	\$	\$	\$	\$

6. **Applicable ONLY to holders that are a holder of a Certificate of Authorization and require coverage for the performance of in-house structural, mechanical and electrical professional engineering services in connection with a building. All fees MUST be included in the Total Gross Fees (line 5.1).**

**(Please provide a copy of the Certificate of Authorization for our files and complete the Engineering Addendum)**

	Year 20____	Year 20____	Year 20____	Anticipated fees for the next 12 months
<b>6.1</b> Fees for <b>in-house</b> mechanical and electrical professional engineering services. (These fees must be included in line 5.1)	\$	\$	\$	\$
<b>6.2</b> Fees for <b>in-house</b> structural professional engineering services. (These fees must be included in line 5.1)	\$	\$	\$	\$

7. Of the Total Gross Fees declared in line 5.1, indicate the amount derived from:

	Year 20____	Year 20____	Year 20____	Anticipated fees for the next 12 months
<b>7.1</b> Feasibility studies, mortgage assessments, expert witness, renderings or perspectives, and others as listed in the Guidelines, which are not included in lines 7.2 and 7.3	\$	\$	\$	\$
<b>7.2</b> Services provided to other holders of certificates of practice insured by Pro-Demnity Insurance Company, which are not included in lines 7.1 and 7.3.	\$	\$	\$	\$
<b>7.3</b> Additional services for interior design which are not included in lines 7.1 and 7.2	\$	\$	\$	\$

8. Does any portion of the Total Gross Fees included in line 5.1 consist of salary or fees where your services relate to the utilizing of the staff, equipment or premises of the entity paying the salary or fees?

Yes  No

If "Yes", explain arrangements:


9. Do/will you request proof of professional liability insurance from consultants retained by you?

Yes  No

If "Yes", do you request:

**9.1** an endorsement requiring 60 days prior written notice of cancellation or modification of coverage?  Yes  No

**9.2** proof of renewal coverage of the insurance obtained from the consultants?  Yes  No

10. Indicate where 25% or more of the professional services performed during the last fiscal year, or the anticipated percentage for the next 12 months in the case of a new practice arose or may arise out of one client relationship.

Yes      No

If "Yes", please explain:

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(Additional information may be required)

11. To the knowledge of the applicant, its predecessors in practice, or any of the partners, officers, directors, shareholders or employees, has any insurer in the past five years:

- a. declined any application for professional liability insurance?      Yes      No
- b. refused to renew any professional liability insurance?      Yes      No
- c. cancelled any professional liability insurance?      Yes      No

If "Yes", give full details in Question 13, or on a separate sheet.      Yes      No

12. Does the applicant, or any of its partners, officers, directors, shareholders or employees, or its practice management company, or affiliated company, or any personal management company(ies) of the sole proprietor applicant or any partner, officer, director, shareholder or employee of the applicant, have any knowledge or information of (See Guidelines):

- a. any alleged error, omission or negligent act which might reasonably give rise to a claim?      Yes      No
- b. any claim made or threatened to be made in the past five years?       Yes       No
- c. any unresolved job dispute or circumstance which might reasonably give rise to a claim?      Yes      No
- d. having been called upon to make payment or to forego any claim for fees as a result of any job dispute during the past five years?      Yes      No

If "Yes", give full details in Question 13, or on a separate sheet.

13. Provide full details where the answers to Questions 11 and/or 12 are shown as "Yes":

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(Use a separate sheet where necessary)

14. Have all matters answered "Yes" in Question 12 been reported to the previous insurer?  Yes  No

If "No", provide details:

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15. Applicable **ONLY** to holders with total gross fees in excess of \$250,001 as shown in line 5.1 above for the last financial year, or, if none, anticipated for the next 12 months.

**Deductible available** (See Guidelines for schedule of maximum deductibles and premium credits).

\$ 5,000  \$ 10,000  \$ 25,000   
 \$ 50,000  \$ 75,000  \$ 100,000

16. Please indicate limits required. Your attention is drawn to the change in Regulations to the Architects Act with respect to minimum mandatory claim limits. Please refer to chart.

**MANDATORY LIMITS OF LIABILITY (Effective January 1, 2016):**

Total Gross Fees (Line 5.1)	Minimum Claim Limit
\$0 - \$499,999	\$250,000
\$500,000 - \$999,999	\$500,000
\$1,000,000 and above	\$1,000,000

16.1 Indicate claim limit required:

\$250,000  \$500,000  \$1,000,000  
 \$2,000,000  \$5,000,000  Other \_\_\_\_\_

16.2 Do you require coverage for:

.1 Pollution coverage (**Other than the USA**)?  Yes  No  
 (Completion of a Pollution Addendum required)

.2 Other (Please specify): \_\_\_\_\_ Yes No  
 (If "Yes", additional information will be requested of you depending on the coverage required)

16.3 Indicate percentage of fees for last financial year, or anticipated percentage for the next 12 months in case of a new practice, and the number of projects relating to (Please indicate where 0% / "Nil"):

	% Fees	# of projects
.1 Office(s) situate in Ontario for projects:		
<input type="checkbox"/> In the U.S.A.		
<input type="checkbox"/> Other countries (Please specify): _____		
.2 Office(s) situate in other provinces of Canada		
.3 Office(s) situate outside of Canada, <b>other than the U.S.A.</b>		
.4 Office(s) situate in the U.S.A.		

(Additional information may be required)

**16.4** Is coverage required for:

**.1** Claims made and proceedings instituted in:

the U.S.A.?

Yes  No

other foreign jurisdiction?

Yes  No

(Completion of a Foreign Jurisdiction Questionnaire)

**.2** Office(s) situate in other provinces of Canada?

Yes No

**.3** Office(s) situate outside of Canada, **other than the U.S.A.?**

Yes No

**.4** Office(s) situate in the U.S.A.?

Yes No

**.5** Services "not usual or customary" for a holder of a Certificate of Practice?

Yes No

(Completion of an Offices outside of Ontario Addendum required)

**16.5** Total construction values : Last fiscal year \$ \_\_\_\_\_

Anticipated for next fiscal year \$ \_\_\_\_\_

**16.6** Indicate percentage of fees for last financial year derived from:

% fees

**.1** Residential (Single dwelling units)

\_\_\_\_\_

**.2** Residential (Multi dwelling units)

\_\_\_\_\_

**.3** Assembly

\_\_\_\_\_

**.4** Business & personal services

\_\_\_\_\_

**.5** Mercantile

\_\_\_\_\_

**.6** Industrial

\_\_\_\_\_

**.7** Institutional

\_\_\_\_\_

**.8** Other (Please describe): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ %

**.9** Has there been any significant change in these percentages over the last 3 years?

Yes  No

If "Yes", please explain: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**16.7** List the 5 largest projects over the last 5 years:

Name / Location of Projects	Type of Project	Number of Storeys	Total Fees \$	Total Construction Value \$	Your Portion of the total fees%
<b>.1</b>					
<b>.2</b>					
<b>.3</b>					
<b>.4</b>					
<b>.5</b>					

(Use a separate sheet where necessary)

17. Do you purchase annual practice excess insurance through the insurance industry (other than Pro-Demnity Insurance Company)? Yes  No

If "Yes", please specify:

Limits of Liability in excess of Pro-Demnity's Policy \$ \_\_\_\_\_

Name of Insurer: \_\_\_\_\_

Expiration date of Policy: \_\_\_\_\_

MM/DD/YYYY

### Declaration

I/We, \_\_\_\_\_, do hereby (jointly and severally)  
Print Name(s) of Applicant (Authorized Representative)

certify that the facts set out in this application together with any addendum hereto or other written materials submitted in connection herewith (collectively, the "Application") are true and correct in every particular to the best of my (our) knowledge and belief, and that all particulars which may have a bearing upon the assessment of the practice as a professional liability risk have been revealed. I/We understand that this Application shall form the basis of the contract.

I/We further (jointly and severally) agree that, if in the time between the submission of this Application and the date coverage **is effected**, I/We become aware of any information which would change the answers furnished in this Application, such information shall be revealed forthwith in writing to the President of Pro-Demnity Insurance Company.

**I/We HEREBY** consent on behalf of all individuals who are present or former officers, directors, employees and shareholders, to the collection, use and disclosure of personal information by Pro-Demnity for the purpose of communicating with you, underwriting, evaluating and rating risks, establishing premiums and deductibles, investigating or paying claims, risk-sharing with reinsurance and excess insurance companies and any other insurance matters, protecting against and preventing fraud, compiling statistics, undertaking any activity under current law and in complying with applicable law in accordance with the Personal Information Protection And Electronic Documents Act.

**Check this Box to Evidence your Signature for the Declaration**

\_\_\_\_\_  
**Signature for Applicant (Authorized Representative)**

\_\_\_\_\_  
**Date Application Completed**

## GUIDELINES: PROFESSIONAL LIABILITY INSURANCE APPLICATION

**APPLICATION FEE** Please complete the "[My Payment Selection](#)" form and choose "On-Line payment". The one-time application fee of **\$270.00** (including PST) is payable on submission of the completed application. **Please make the on-line payment through your bank and cite the name of the Certificate of Practice.**

To pay the \$270 application fee by online bill payment through your financial institution's online banking website, search for Pro-Demnity as a new payee. When prompted for your account number, enter 0000. If your bank does not accept this account number, use 1111 instead. This will be your temporary account number to make the payment. Once your application is approved and you receive your invoice, please update the account number with the correct one, if you would like to pay your premium invoice using this payment method.

**QUESTION 1** The name entered shall be the name shown on the Certificate of Practice. Where more than one holder of a current Certificate of Practice is to be insured, the name of each holder must be listed in Question #1.

**QUESTION 2** For predecessor practice(s), these are the names shown on your previous Certificates of Practice or Memoranda of Practice. **COVERAGE WILL NOT BE PROVIDED** to practices not listed.

For liability as the sole proprietor, or as a partner, officer, director or shareholder of a previous practice, which is not a predecessor of the current practice, **NO COVERAGE** will be provided unless Question #2 is completed indicating the names of the members of the Ontario Association of Architects (OAA) involved and the name of the previous practice.

If coverage is not required, answer "not required".

**QUESTION 3** A practice management company means a company which manages the affairs of the practice.

A personal management company means a company which manages the affairs of the member of the OAA.

An affiliated company of a practice means a company which provides services to the practice i.e. interior design, planning, etc.

For any personal management or practice management company, the coverage offered is solely for claim(s) made against such companies arising out of an error, omission or negligent act in the performance of professional services for others by the Holder of the Certificate of Practice.



NO COVERAGE is provided for services rendered by the management company. The intention of this extension of coverage is to protect the management company in the event that it is included in an action against the Holder of the Certificate of Practice.

For any affiliated company, the coverage offered is solely for claims made against the affiliated company arising out of an error, omission or negligent act in the performance of services to the Holder of the Certificate of Practice only.

NO COVERAGE is provided for services rendered to others and NO COVERAGE is provided unless the activities of the affiliated company are under the personal supervision and direction of a member of the OAA.

Question #12 of the application form shall include any matters relating to personal management, practice management and affiliated companies.

Indicate clearly in Question #13, the matters, if any, involving such companies. If coverage is not required, answer "not required".

**QUESTION 4** "Members of the Association" are OAA members who are partners, officers, directors, shareholders, associates and employees. "Technical" employees include architectural and engineering technologists and technicians, draftsmen, field personnel and specification writers. "Structural" and "mechanical & electrical professional engineers" include P.E.O. members who are partners, officers, directors, associates and employees.

**QUESTION 5**

**General**

- Where more than one holder of a Certificate of Practice is covered, then the fees declared shall include the fees of all the holders as per their last financial statements for the last fiscal year.
- The Total Gross Fees shown in line 5.1 must include all fees and reimbursable expenses charged for services. This includes fees payable to all consultants for whom you are contractually liable.
- DO NOT include "Taxes" in your Total Gross Fees for the purpose of the premium calculation.
- Where reimbursable expenses are not included in the Total Gross Fees shown in line 5.1, do not include them in line 5.3.
- Where the current practice replaced a predecessor practice(s) in the last fiscal year, the fees of the predecessor practice(s) shall be included in Questions 5, 6 and 7 of the application. Ensure that the predecessor practice(s) is included as a named insured on the Declarations Page, otherwise NO COVERAGE applies.

- Where a holder(s) who is a sole proprietor applicant or is a partner, officer, director, shareholder or employee of the applicant, is covered for participation in a predecessor practice, the portion of the fees from the predecessor practice for the last fiscal year shall be included in the fees declared in Questions 5, 6 and 7 of the application. Ensure that the former sole proprietor or partner is included as a named insured on the Declarations Page for participation in the predecessor practice(s), otherwise NO COVERAGE applies.
- Although there may be fees paid by you to an affiliated company for services rendered solely to you, such fees may not be deducted from the Total Gross Fees declared in line 5.1. Where the affiliated company is not insured separately, insurance is available through Pro-Demnity Insurance Company for "services rendered to the holder". NO COVERAGE applies if the affiliated company is not shown on the Declarations Page as a named insured.

**Line 5.1** The Total Gross Fees declared are as shown in the annual financial statement for the last fiscal year.

The fees declared in lines 5.1 to 5.3 shall include all fees and reimbursable expenses charged for services as required by Ontario Regulation 27, R.R.O. 1990, as amended, subsection 47(2)(b)(i).

**Line 5.2** Fees for services performed by consultants for whom you are contractually responsible (i.e. not employed directly by others). DO NOT include fees paid to other holders of Certificates of Practice insured by Pro-Demnity Insurance Company (see Guideline 7.2).

To avoid double-charging of premium in respect of the same fees, no premium is charged on the premium of the holder that is providing consulting services to you. Should a letter be submitted by the consultant waiving their right to a credit of premium for the fees for services to you, the fees will be treated in the same manner as other consultants.

**Line 5.3** Reimbursable expenses include any expenses which are considered reimbursable expenses chargeable to the client and approved by the client. Among these are the cost of printing and reproductions, travel, communications and courier service, advertising, legal fees and supplementary liability insurance. Fees paid to consultants for whom you are contractually responsible or other holders shall not be shown as reimbursable expenses and shall be declared in lines 5.1, and/or 5.2 and 7.2 of the application. Payments made on behalf of the client and reimbursed by the client, which do not relate to the provision of architectural or consulting services, shall be included in the reimbursable expenses declared but only where they are also declared in the Total Gross Fees shown in line 5.1.

- QUESTION 6** This question is ONLY to be completed by holders who have coverage for in-house professional engineering services in their capacity as a holder of a Certificate of Authorization issued under the Professional Engineers Act, or the Professional Engineers Act R.S.O. 1980, Chapter 294 or any predecessor thereof and only in connection with the design or general review of the construction, enlargement or alterations of a building. Coverage only applies to errors, omissions and negligent acts committed AFTER the date of issuance of the Certificate of Practice under the Architects Act, or Memorandum of Practice under the Architects Act, R.S.O., 1980, Chapter 26 and the regulations thereunder or any predecessor thereof. NO COVERAGE is provided UNLESS specifically provided for in the Declarations Page.
- QUESTION 7** The fees declared must be included in the Total Gross Fees declared in line 5.1 AND should NOT include amounts already declared in line 5.3 "Reimbursable Expenses".
- Line 7.1** The following are included: feasibility studies, mortgage assessments, expert witness services, renderings, perspectives, lost competitions, locations and site analysis, operational programming, user needs and facilities analysis, attendance at public meetings, re-zoning applications, promotional services, town planning, master planning. Preparation of measured drawings and record drawings when NOT provided in conjunction with basic services rendered in whole or in part. Building area calculations, property assessments and evaluations, or arbitration.
- Line 7.2** This relates to services rendered to another holder of a certificate of practice that is also insured by Pro- Demnity Insurance Company. It is intended to prevent charging premiums to two holders insured by Pro- Demnity Insurance Company on the same fee income.
- Line 7.3** The fees shown must relate to additional services for interior design.
- QUESTION 8** This question applies to holders whose clients may provide the office space, equipment, draftsperson and other support to the holder in respect of the professional services rendered on the project.
- QUESTION 9** This question relates to any type of consultant retained by you for the purpose of performing your professional services. It is prudent risk management to monitor that your consultants have and maintain their professional liability insurance.
- QUESTION 10** This question applies to holders that obtain 25% or more of their income from one client. The purpose is to determine whether there is an arms-length relationship between your practice and your client.

**QUESTION 11** This is a very important question and if the named insured(s) include more than one holder, predecessor(s) or any partner, officer, director, shareholder or employee for their interest in a former holder, then enquiry should be made with all parties before answering the questions.

Note that for any question answered "Yes", full details must be provided in Question #13.

**QUESTION 12** The answer to this question includes any knowledge or information relating to the current practice, its predecessor in practice and any participation of a partner, officer, director, shareholder or employee in a previous practice, its practice management, personal management or affiliated company(ies).

If the question is answered "Yes", provide the following information under Question #13 or on a separate sheet:

- Date of Claim:
- Name of Project:
- Location:
- Description of
- Circumstances:
- Amount Claimed:
- Amount Paid:
- Current Status (finalized or outstanding)

It is very important that all matters answered "Yes" in Question #12 have been reported to your existing insurers. Should any matters arise between the time of completing the application for insurance provided by Pro-Demnity Insurance Company, these must be reported to the existing insurer prior to the expiry date of such insurance.

**QUESTION 13** ONLY to be completed where answers to Questions #11 and/or #12 are shown as "Yes".

**QUESTION 14** ONLY to be completed where answered "No" in this question.

**QUESTION 15** Applicable ONLY to holders with Total Gross Fees in excess of \$250,001 as shown in line 5.1. The following schedule indicates the maximum deductible possible based on the Total Gross Fees declared in line 5.1 of the application:

<u>Gross Fees</u>	<u>Maximum Deductible</u>	<u>Gross Fees</u>	<u>Maximum Deductible</u>
\$ 0 - \$50,000	\$ 1,000	\$ 500,001 - \$1,250,000	\$ 25,000
\$ 50,001 - \$100,000	\$ 2,000	\$1,250,001 - \$2,500,000	\$ 50,000
\$100,001 - \$250,000	\$ 5,000	\$2,500,001 - \$3,750,000	\$ 75,000
\$250,001 - \$500,000	\$10,000	\$3,750,001 and over	\$100,000

**The maximum deductible offered by Pro-Demnity Insurance Company is \$100,000.**

The deductible selected may be below the maximum deductible permitted. For example, a deductible of \$5,000 can be selected even where the Total Gross Fees for the last fiscal year indicates a maximum deductible of \$25,000. **It is recommended that the deductible selected be the minimum available.**

Should you require a deductible above the maximum allowed (but not exceeding \$100,000), an irrevocable letter of credit must be filed for an amount representing the difference between the amount selected and the maximum deductible allowed. For example, if the maximum deductible allowed is \$10,000, and a deductible of \$25,000 is selected, the amount of letter of credit will be \$15,000.

For deductibles of \$5,000 and above, the discount of premiums is as follows:

<u>Deductible</u>	<u>Discount of</u>
\$ 5,000 (standard)	Nil
\$ 10,000	5%
\$ 25,000	20%
\$ 50,000	30%
\$ 75,000	40%
\$100,000	50%

**No discount of premium applies in respect of the minimum premium.**

**In addition, discount only applies to the premium relating to Pro-Demnity's retention of \$250,000.**

**QUESTION 16** Indicate limits required.

Ensure required claim limit selected is the limit per claim and not a project or aggregate limit. Project and aggregate limits are determined based on the claim limit selected.

Quotations for limits above the minimum mandatory limit applicable will be provided if required.

The Pro-Demnity Insurance Company insurance program is subject to underwriting criteria.

It is IMPORTANT to evaluate not only whether increased limits of liability are required BUT ALSO whether any extensions of coverage are necessary for your practice.

In addition to categories listed in line 16.4 of the application and Guidelines, coverage for the following may also be provided (subject to reinsurers' approval):

- professional engineering services performed by your practice not in connection with a building.
- civil and other types of professional engineering services other than structural, mechanical and electrical professional engineering services.
- flexible extensions of coverage (e.g. Design-Build).
- design team single project coverages.

Should you have any questions, please contact Pro-Demnity Insurance Company.

**Line 16.1** Complete as indicated. If you require a quotation for different limits, indicate more than one claim limit.

**Line 16.2.1** **Pollution coverage:**

The minimum Limits of Liability shown in the policy wordings under, *How much We will pay: Our Limit(s) of Liability and Your Deductible, section 7*, may be increased subject to NO COVERAGE for any claims for projects situate in the USA or any proceeding instituted or claim made therein.

A pollution questionnaire must be completed for coverage to be considered. (Copy provided upon request).

It is recommended that the questionnaire be completed. The additional coverage is often available for a very low or no additional premium.

**Line 16.2.2** This relates to coverages which you may require which are not included in the Policy.

**Line 16.3** This question applies to holders who have project(s) or office(s) situated outside of Ontario. If you don't have project(s) or office(s) situated outside of Ontario, PLEASE INDICATE "NIL" or "0%" for each item.

**Line 16.4** Complete as indicated.  
If the question does not apply to you, a response of "NO" is required for each item.

**Line 16.5** For the purpose of this question, please indicate that portion of the construction values that apply to the fee income for professional services applicable to the last fiscal year and anticipated for the next fiscal year.

**Line 16.6** The types of occupancies shown are fully described in the Building Code.

**Line 16.7** List your five largest projects over the last five years as shown for underwriting purposes. This refers to completed or current projects.

**QUESTION 17** It is important that a record is maintained of holders who carry excess insurance for claims and statistical purposes.