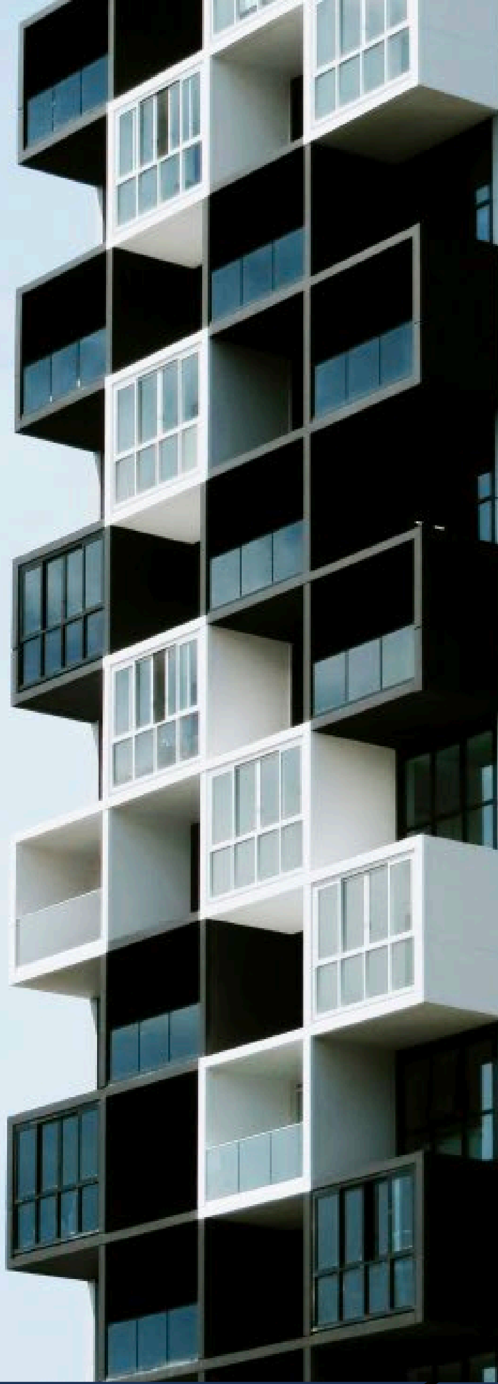
DESIGN WITH CONFIDENCE

Understanding the Pro-Demnity Technical Requirements Schedule

2026 OAA Conference – SL08

May 14, 2026



40 Years PRO-DEMNITY | AN ALLIANCE FOR PROTECTION

OUR NORTH STAR

OUR CAUSE

To support the architectural profession to take the risks necessary to design a better world. We do so by championing the wise, effective, and efficient management of risk.

OUR PURPOSE

To be the trusted ally to protect & defend the architectural profession and their families by strengthening and supporting their resiliency to the risks associated with practice.

OUR AMBITION

To strive each day to be the authority on risk, resulting in financially sustainable practices that unleash the full potential of the profession to improve society and human interaction through better design.

OUR VALUES

We build upon our core values of:

- Trust
- Accountability
- Collaboration
- Innovation

LEARNING OBJECTIVES

1. Understand the context and rationale for the *Technical Requirements Schedule*

2. Understand how to mitigate design risks and improve your professional liability insurance coverage by taking advantage of the *Technical Requirements Schedule*

3. Learn why it is important to incorporate and document adherence to the *Technical Requirements Schedule* in your design and review processes

4. Gain a better understanding of how Pro-Demnity will apply the *Technical Requirements Schedule* in the event of a Water Ingress Claim

PRESENTATION TEAM

John Hackett B.Arch., OAA Ret., FRAIC

- Pro-Demnity Insurance Company
- Risk Education / Risk Services advice to Ontario architects

David Kayll FMA, P. Eng.

- President, Senior Building Science Specialist – Frontenac Building Science Inc.
- Chair of National Model Codes Committee on Climate Change Adaption
- Support to P-D – *Technical Requirements Schedule* - Parts A, B, C & D

Howard Tuchman B.Arch., OAA Ret.

- Recently Retired from Kirkor Architects and Planners
- Extensive experience in Contract Administration - MURBs
- Brings experience in dealing with the TRS from an architect's perspective

PRESENTATION PLAN

- Why Water Ingress is a PLI issue

  - B.C. Leaky Condos / Leaky Buildings
  - OAA Rain Penetration Control Guide
  - P-D Non-Drained Exterior Wall Exclusion
  - PLI coverage for Ingress of Precipitation (Water Ingress)

- Exclusion 21 and *Technical Requirements Schedule*

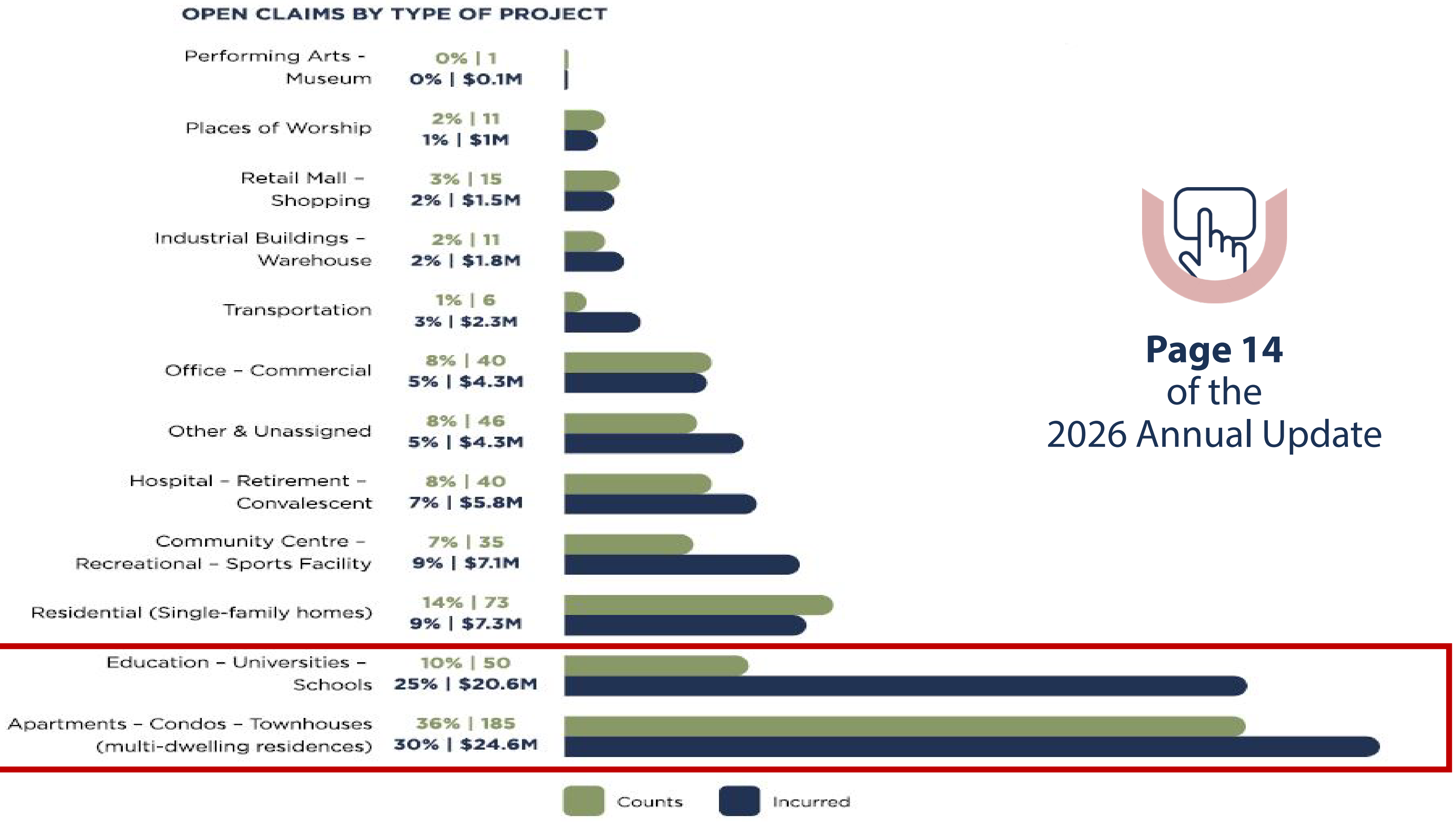
- Implications for Pro-Demnity Claims Coverage Determination

- Implications for Architects in Practice

HISTORY – COVERAGE HAS BEEN EXPANDING!

- late 1990s - British Columbia Leaky Condos / Leaky Buildings Catastrophic Losses
- 2005 – OAA *Rain Penetration Control Practice Guide*
- 2005 – OAA approves *Wall Design Exclusion*
- 2010 – *Non-Drained Exterior Wall Exclusion* and *Window Wall Endorsement* apply to projects designed "on or after" January 1, 2010
- 2024 – Pro-Demnity policy updated; *Technical Requirements Schedule* introduced
- 2026 – Part D - Insulated Metal Panels added to TRS
  Part C - Window Wall warranty requirement modified
  Part B - Reference to PCI QA program

OPEN CLAIMS BY TYPE OF PROJECT



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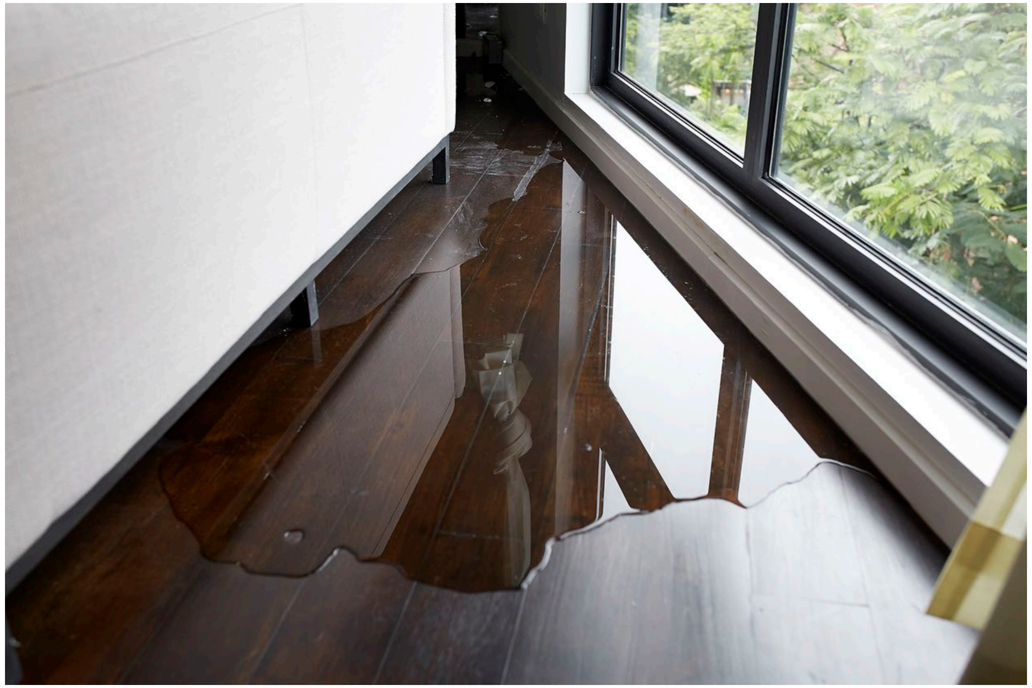
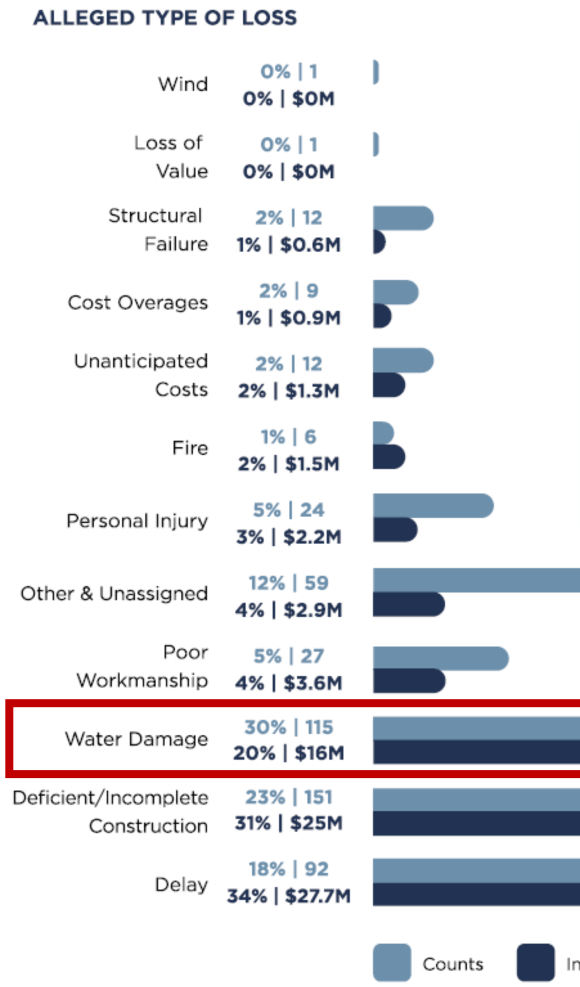
WATER INGRESS: LARGEST NUMBER OF CLAIMS AGAINST ARCHITECTS ACROSS ALL CATEGORIES OF BUILDINGS





Alleged Type of Loss—where the exposure concentrates

The highest counts and costs are in "**Delay**" and "**Deficient/Incomplete Design Construction**" / "**Water Damage**" categories, with "Poor Workmanship" and "Cost Overages" present but comparatively smaller.

This indicates a claims mix dominated by schedule-related and design/coordination-related issues rather than purely site workmanship alone.

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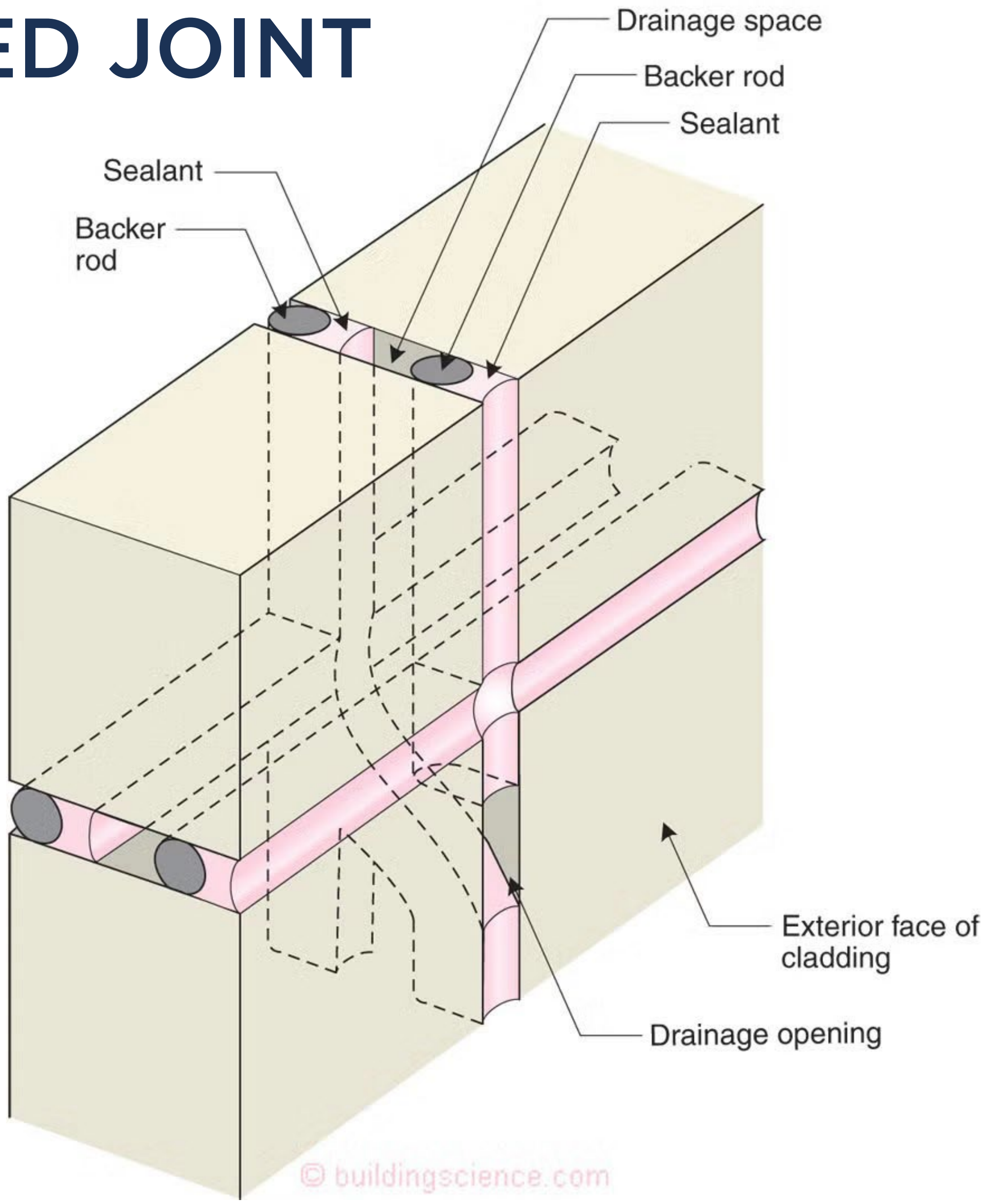
2-STAGE DRAINED JOINT



WATER INGRESS: YOUR PLI COVERAGE TODAY

Ingress of Precipitation / Water Ingress through an "*above grade exterior wall system*" is **EXCLUDED** from PLI coverage (Exclusion 21)

UNLESS

The exterior wall system complies with the relevant provisions of the *Technical Requirements Schedule*

Unchanged since January 1, 2010 & introduction of the Non-Drained Exterior Wall Exclusion!

TECHNICAL REQUIREMENTS SCHEDULE (TRS)

- As of April 1, 2025, every Ontario architect is covered under the current, updated Pro-Demnity Policy wording

- The former *Non-Drained Exterior Wall Exclusion* (former Endorsement 3) is now **Exclusion 21 – Ingress of Precipitation** in the refreshed policy.

- ***Technical Requirements Schedule*** incorporates provisions for water ingress coverage for specific exterior wall assemblies included in the former ***Non-Drained Exterior Wall Exclusion*** and the related ***Window Wall Endorsement***.

- Measures for obtaining optional water ingress coverage for three specific wall cladding systems are provided in the ***Technical Requirements Schedule*** **(TRS)** referenced in Exclusion 21.

EXCLUSION 21. INGRESS OF PRECIPITATION

We will not cover **You**, pay **Damages**, provide **You** with a defence or make **Supplementary Payments** for **Claim(s)** arising out of any **Claim** made against **You**, directly or indirectly arising out of or related to ingress of precipitation, resulting from, or in connection with **Your** design, selection, approval or acceptance of an exterior above-grade wall system. This exclusion shall not apply to:

a. designs commenced by **You** prior to July 1, 2002.

b. Any system designs listed and set out in the "*Technical Requirements Schedule*" found on **Our** website located at www.prodemnity.com, as may be amended from time to time, which is hereby incorporated into this **Policy** by reference and is deemed to be a part of this **Policy**

TECHNICAL REQUIREMENTS SCHEDULE (TRS)

4 Components…

Part A – Exterior Above-Grade Wall Systems that **will have** coverage for Ingress of Precipitation…i.e.,

are exempted from Exclusion 21… mostly **"Drained"** or **"Rainscreen"** Systems

a) *Exterior above-grade walls or wall assemblies **designed and constructed according to rainscreen principles** that include both Primary and Secondary Planes of Protection (water barriers), provision for drying of the assembly, and an air space no less than 10mm deep behind the cladding with **positive drainage to the exterior** to **protect the interior of the building from precipitation that penetrates the Primary Plane of Protection**.*

Part B – applicable to **Architectural Precast Concrete Exterior Wall Assemblies** (Precast Systems)

Part C – applicable to **Window Wall Systems**

Part D – applicable to **Insulated Metal Panel Exterior Wall Systems (IMPs)**

TECHNICAL REQUIREMENTS SCHEDULE CONT'D

Part B … Re: Precast Concrete Panel Systems (using single wythe panels)

Part C … Re: Window Wall Systems

Part D… Re: Insulated Metal Panels (IMPs) Systems

ARE NOT MANDATORY !

BROADEN YOUR AVAILABLE COVERAGE!

The TRS provides **OPTIONAL**, **ADDITIONAL** means for an architect to obtain coverage for Ingress of Precipitation / Water Ingress for these specific, common types of Non-Drained / Non-Rainscreen exterior above-grade wall assemblies.

If you choose to not take advantage of these tools, you will be no worse off than you have been since January 1, 2010…perhaps since c. 2005

WHEN A WATER INGRESS CLAIM ARISES

- Pro-Demnity Claims Department will assess which Water Ingress Coverage provisions apply…

- The policy in place when the Claim is first reported will apply

- Water Ingress claims reported between January 1, 2010 – March 31, 2024 were addressed under:
  - *Non-Drained Exterior Wall Exclusion / Standard Endorsement 3.*
  - *Window Wall Endorsement*

- These former standard policy endorsements are now included in the policy as:
  - *Exclusion 21 - TRS Part A – List of assemblies with coverage for water ingress*
  - *- TRS Part C – Window Wall – water ingress coverage requirements*

WHEN A WATER INGRESS CLAIM ARISES … CONT'D

Last Year

- Policies renewed between April 1, 2024 – March 30, 2025
  - *Technical Requirements Schedule – Parts A,B & C were available*

Today

- Policy renewals on/ after April 1, 2026
  - *Technical Requirements Schedule – Parts A,B,C & D are available*

IMPORTANT…

- Since Parts A, B, C and D **BROADEN COVERAGE**, Pro-Demnity Claims can apply the provisions retroactively in favour of the Architect.

TRS COVERAGE CHECKLIST

The following slides provide a check-list of the common components of Parts B, C & D of the Technical Requirements Schedule. Full wording for each item is not provided.

Please remember that the actual policy terms and conditions always apply. Refer to the full wordings of Exclusion 21 and the Technical Requirements Schedule for the actual requirements related to each item on the Check-List

- ❑ TRS applies ONLY to above-grade exterior walls
- ❑ Independent Building Envelope Consultant (IBEC) is a member of the project design team
- ❑ IBEC review and acceptance of Architect's design for the assembly, including required QA and Testing procedures

TRS COVERAGE CHECKLIST…CONT'D

- ❑ Architect has taken reasonable steps to ensure the relevant exterior wall assembly – as installed – complies with the Architect's design
- ❑ Shop Drawings for the relevant system sealed by a professional engineer retained by the manufacturer or installer / Contractor
- ❑ Manufacturer's Installation Instructions and/or Industry Best Practice Guides
- ❑ Adherence to specific Standards re: Seals and Sealants
- ❑ QA/QC procedure submitted by Contractor

TRS COVERAGE CHECKLIST…CONT'D

- ❑ Mock-Up of proposed installation provided and reviewed by Architect and IBEC
- ❑ Service Life & Maintenance Requirements reviewed with client/ owner
- ❑ Successful in-situ testing for Air Leakage & Rainwater Infiltration
- ❑ Maintenance Manual provided to project owner
- ❑ Five (5) Year Warranty re: Air Leakage and Water Ingress, including transitions and seals to adjoining assemblies and materials

COVERAGE DETERMINATION PROCESS

Initial Claim Report / Notification of Claim Received:

- Unlikely to have sufficient information to assess adherence to the TRS requirements
- Pro-Demnity will commence to provide a defence to the architect
- *Reservation of Rights Letter* can be expected …pending additional information being provided or coming to light during the Claims process.

RESERVATION OF RIGHTS LETTER…SAMPLE EXCERPT

We formally confirm that there is coverage for the claim under the Policy, <u>subject to a reservation of rights</u>, which is discussed in detail below.

Paragraph(s) …. of the plaintiff's Statement of Claim include allegations that errors in your design of the exterior Window Wall fenestration system have resulted in damages caused by water ingress.

We draw your attention to Exclusion No.21 of the policy which states: …

Please note that in assessing coverage for any particular claim, Pro-Demnity must consider the allegations and the relief sought in the context of the Policy wordings. Pro-Demnity understands that the allegations asserted in the Statement of Claim may be without substantiation at this time. Our reference to the allegations is not intended to suggest or imply that we accept them as true or that they have any legal or factual merit.

Nonetheless, in conducting our coverage analysis, we must consider what policy terms may limit or exclude coverage if the allegations received in the Statement of Claim are proven true.

In the interim, Pro-Demnity will, nevertheless, continue to:

- *Investigate,*
- *Defend all actions in YOUR name, and may,*
- *Carry on negotiations towards possible settlement and in fact, settle the claim.*

DISCUSSION QUESTION…

What are Reasonable Steps for an Architect to take to ensure the Exterior Wall Assembly – as installed – complies with the Architect’s Design?

REASONABLE STEPS FOR AN ARCHITECT

- Architect's Specifications include the items on the TRS checklist
- Architect includes adherence to Pro-Demnity Water Ingress coverage requirements (TRS) in its agreement with its client
- Architect objects (in writing) if client does not adhere to the Architect's design during construction
- Architect's site review reports highlight adherence (or not) to the TRS requirements
- Architect warns client that it cannot / will not sign off on required occupancy confirmations if design / TRS requirements are not adhered to
- The architect retained or insisted the IBEC be retained for the required scope of services

DISCUSSION CONTINUED…

THANK YOU

CLAIMS-FREE ARCHITECT PODCAST

VISIT prodemnity.com FOR MORE RISK RESOURCES