

**BACKGROUNDER:****DATED JANUARY 27, 2009****FOR: CCLS DIRECTORS' INTERIM MEETING JANUARY 31, FEBRUARY 1, 2009****PROFESSIONAL LIABILITY INSURANCE COMMITTEE AND PROGRAM**<http://www.ccls-ccag.ca/profliability.htm>**Recommendation:**

That CCLS consider what is necessary to ensure the continued success and viability of its professional liability insurance program through the transition to the new structure.

**Financing:**

- Committee collects levy (currently \$40 per year) from each surveyor insured with the program
- Receives no funding from general CCLS revenue including association dues.
- Receives \$7,000 per year (2009 figures) from Encon to subsidize meeting expenses.
- Contributes \$4,500 per year (2009 figure) to CCLS revenue for the secretariat services.
- Manages reserve fund (\$27,035 estimated value for 2008 year end) used at the discretion of the committee, within CCLS financial policies and authority to commit guidelines.
- Submits a budget to the CCLS Board annually for approval.

**Committee Structure:**

- Five professional surveyors, appointed by the CCLS Board including a CCLS Director Liaison.
- CCLS Executive Director is secretary to the committee and program Broker is active member

**Committee Mandate:**

The program is unique in that the *committee participates in the claims process* benefiting both the insureds and the insurer in that claims are handled in a way that is acceptable to both professions.

From an insurance perspective, claims should be settled for the least cost. While PLIC does not entirely disagree with this, it is important from the surveying professions point of view that liability be clearly established before a settlement is considered. It is primarily for this reason that CCLS insists on participating in the claims process. Once liability has been established, other considerations such as the extent of damages, whether anyone else contributed to the damages, and the best way to mitigate the loss and settle the claim are considered by the committee and the insurer together.

The PLIC also has an interest in the *overall efficiency of the program and the quality of the product* offered (policy coverage, brokerage service, claims handling, premium rates, etc.) in order to provide the Canadian surveyor with a excellent insurance option. This role is emphasized at policy renewal meetings where committee members work closely with the broker in negotiating underwriting issues, policy wording, and premium levels.

The PLIC also plays a *significant role in education*, providing risk management information to Canadian surveyors through presentations ranging from 20 minutes to full day seminars, information bulletins, the on-line Loss Prevention and Practice Management Guide, and a two information brochures.

All *committee members are available to answer questions* whenever they can and to point surveyors in the direction of the right answers if expert advice is needed. They will support the CCLS endorsed program because they believe it to be a quality product, but they are available to any Canadian surveyor who has a professional liability insurance question regardless of who they are insured with.

**Summary:**

The program exists for the CCLS members and is beneficial to all surveyors. Those participating in the program have a high quality, customized insurance product that provides value and the benefit of years of compiled statistics, stability, and the strength that a group program can offer. Those not insured through the program benefit through the benchmarks set by the CCLS program for other insurance providers, and by the expertise and educational resources available to them through the PLIC.