

CCLS PROFESSIONAL LIABILITY INSURANCE COMMITTEE
REPORT TO THE ANNUAL MEETING OF THE BOARD OF DIRECTORS
QUEBEC CITY, P.Q.
JUNE 3RD & 4TH, 2004

The PLIC continue to be a very active Committee of CCLS. Unfortunately, during the past year Chairman Jim Gunn was forced to resign from the Committee. We thank Jim for his years of service to the PLIC and welcome Lester Berrigan of Nova Scotia as his replacement. This makes two new members of PLIC in the last year as Greg Browne replaced Gord Thomson last spring.

The Committee continues to meet face to face twice annually. We also communicate regularly via email, fax or telephone. The Committee meetings are held in conjunction with our regular meetings with the broker and insurer to discuss claims and underwriting issues.

At our most recent meetings in March the main issue was renewal terms as our previous two year policy will expire on June 1, 2004. Several issues were raised during the negotiations, one of which was that our present insurer suggested that they not offer renewal to some of our insureds. These were insureds who have had frequent claims or a high loss ratio. The Committee discussed the issue at length and insisted that our policy was to make professional liability insurance available to all surveyors belonging to CCLS member Associations. The Committee feels this is important under a group policy such as the CCLS program. The Committee was also in agreement that adequate surcharges on these policies would be in order so that these few insureds would not jeopardize the program with their losses.

The PLIC feels the renewal negotiated with Encon is satisfactory. While there is a rather significant increase in premiums it was necessary to ensure the long term health and stability of the program. A portion of the proposed premium increase was offset by the application of \$50,000 from our "Premium Stabilization Fund" which has been a project of PLIC for the past number of years. The premium increases are significantly tied to the type of work done by the insureds. The overall level of increase, while significant, was deemed to be affordable to the insureds and acceptable under current circumstances.

As a result of our negotiations the insurers have agreed to present "Loss Control Seminars" in Nova Scotia, Alberta and British Columbia. It was noted that several responses to our satisfaction questionnaire indicated that the seminars are missed and were considered to be valuable by several insureds. There will be no discount coupons offered at the seminars, however the PLIC is hopeful that all Associations with a point system for continuing education will officially recognize any PLIC "Loss Control Seminar".

The PLIC would like to remind Associations and our insureds that “The Loss Prevention and Management Guide” is hosted on the CCLS website and can be accessed at www.ccls-ccag.ca/profliability.htm . The “Guide” is also available in hard copy, for the cost of printing and postage, should anyone want the hard copy. The Committee is planning several new articles in the next few months. The Committee sees the “Guide” as a valuable loss control tool.

During the renewal process it became evident that an independent actuarial report would be a valuable tool to assist the PLIC in any negotiations and one should be completed in the near future. The Committee is contacting an actuary, suggested to us by several sources, to obtain an estimate as to cost and a time frame for completion. It was determined that there should be adequate reserves in the loss control fund for completing an actuarial report and when a satisfactory estimate is received the PLIC will be contacting the Board of Directors for permission to use a portion of these funds for the report.

The matter of the Quebec Ordre rejoining CCLS was discussed. The PLIC, is anticipating a request from the OAGQ to possibly provide some information or expertise about the CCLS Professional Liability Insurance Program. The Committee agreed that, if requested, Roger Brett and a Committee representative could meet to discuss insurance issues, possibly at the Montreal offices of Jardine Lloyd Thompson Canada Inc.

The PLIC continues to review market indicators twice yearly. This review is to determine the feasibility of a self-funded program. To date there is no indication that such a program would presently be feasible, as there appears to be no affordable reinsurance market at this time. We will continue to monitor the situation.

The Committee continues to work, with our broker and insurers to provide a viable professional liability insurance program for surveyors across Canada. We feel the program is among the best available for professionals anywhere. While our recently completed negotiations were trying for all sides, the PLIC feel that under present market conditions the renewal terms negotiated were the most viable option. Should any member of the Board or any insured have any questions or comments for the PLIC please do not hesitate to contact any member of the Committee.

Respectfully submitted on behalf of the PLIC

Gordon A. Webster
Chairman PLIC