



Date Issued: April 16, 2004
Revised: June 10, 2004
Reference: ILBC Non-Profit Housing Program Guidelines;
ILBC Non-Profit Housing Design and Construction
Standards
Subject: Professional Liability Insurance
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SUBJECT:

Revision to the minimum level of coverage required for architects and professional design consultants for design tender and design build projects. The minimum level of coverage is revised to \$250,000 per claim, \$250,000 annual aggregate from \$500,000 per claim, \$1,000,000 annual aggregate.

REASON FOR CHANGE:

To revise the level of coverage required for professional liability insurance to respond to lower levels of coverage available in the industry.

REFERENCE (for Design Tender Projects):

2003 Independent Living BC Non-Profit Housing Program Guidelines, Appendix A – Standards for Architectural Services, Contract Form and Conditions, page 53.

Note: the revision is part of the recommended “Other Conditions” for the *Canadian Standard Form of Contract for Architectural Services -- Document 6*.

GC 8 Liability of the Architect

Delete 8.1 and 8.2.

Add:

“8.3 Insurance

2. Professional Errors and Omissions Liability Insurance protecting the *Architect*, the *Architect's* insurable Sub-Consultants and their respective servants, agents, or employees against losses, claims, damages, actions, and causes of action, (collectively referred to as “Claims”) that the *Client* may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, that arise out of errors, omissions or negligent acts of the *Architect* or their Sub-Consultants, servants, agents, or employees under this *Agreement*. Such insurance shall be for an amount not less than TWO HUNDRED FIFTY THOUSAND (\$250,000.00) per claim, and a minimum annual aggregate of TWO HUNDRED FIFTY THOUSAND (\$250,000.00).
3. The professional Errors and Omissions Liability insurance shall be maintained continuously from the commencement of the *Work* until 72 months after *Substantial Performance of the Work*, subject to availability and at reasonable cost. The insurance



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policy shall include a requirement that no cancellation of the insurance shall be made except with at least thirty (30) days written notice from the insurer to the *Architect*. The *Architect* shall advise the *Client* in writing of any reduction in the level of insurance coverage.”

REFERENCE (for Design Build Projects):

ILBC Non-Profit Housing Design and Construction Standards, Appendix B: Supplementary General Conditions to the Stipulated price Contract CCDC2 - 1994 Design Build Agreement, page 290.

REVISIONS:

“11.1.5.3 Delete and substitute:

.3 Errors and Omission Insurance

The *Contractor* shall ensure that the *Consultant* engaged by the *Contractor* in the design of the *Work* carries Professional Errors and Omissions Insurance that has limits of not less than TWO HUNDRED FIFTY THOUSAND (\$250,000.00) per claim, and a minimum annual aggregate of TWO HUNDRED FIFTY THOUSAND (\$250,000.00). The *Contractor* shall ensure that any consultants engaged by the *Contractor* in the design of the *Work* each carry Professional Errors and Omissions Insurance that has limits appropriate to the risk arising out of the work conducted. The *Consultant* or other consultants found to be at fault will be responsible for the deductible amount. This insurance shall be maintained continuously from the commencement of the *Work* until 72 months after *Substantial Performance of the Work*, subject to availability and at reasonable cost. The insurance policy shall include a requirement that no cancellation of the insurance shall be made except with at least thirty (30) days written notice from the insurer to the *Consultant*. The *Consultant* shall advise the *Owner* in writing of any reduction in the level of insurance coverage.”

END