



PROSPECTORS &
DEVELOPERS
ASSOCIATION
OF CANADA



Highlights of the PDAC Insurance Program for Consulting Geoscientists

The PDAC Insurance Program for Consulting Geoscientists provides a full range of general insurance products specifically designed to protect the interests of independent geological consultants from sole practitioners to professional consulting firms. The program was developed in partnership with Partners Indemnity Insurance Brokers Ltd. and is underwritten by CNA Insurance Company.

Our program provides comprehensive affordable coverage for Professional Liability Insurance (E&O -Errors & Omissions Insurance), Commercial General Liability (CGL); Crime; Property and Equipment used in the field. For those that need added insurance protection Directors & Officers Liability Insurance (D&O), Kidnap and Ransom Insurance (K&R), Special Event Accident & Sickness including Medical Evacuation insurance programs are also available. For those that conduct Geophysical Insurance Surveys Owned and Non Owned Aircraft insurance is available

It is important to note that the following information is not the insurance policy. For full details of the policy terms and conditions we recommend reviewing the policy. For your convenience a complete copy of the policies are available on the site for review. They can also be downloaded for your files.

How do I apply for this insurance?

Simply by downloading the insurance enrollment and application forms you can design your own program to meet your insurance needs. You are able to complete your own premium rating and forward the completed forms along with the premium cheque to Partners Indemnity Insurance Brokers for binding.

It is important to **note** that you are required to insure for Professional Liability Insurance (E&O), if you should elect to purchase Commercial General Liability Insurance (CGL).

Professional Liability Insurance – (E&O – Errors and Omissions Insurance)

There are various liability limits offered under this insurance:

- \$250,000 per claim/\$1M annual limit
- \$500,000 per claim/\$1M annual limit
- \$1,000,000 per claim/\$1M annual limit
- \$1,000,000 per claim/\$2M annual limit
- \$2,000,000 per claim/\$2M annual limit
- \$3,000,000 per claim/\$3M annual limit
- \$5,000,000 per claim/\$5M annual limit

The per occurrence claims deductible is \$1,000

The purpose of this insurance is to protect you against a claim made by one of your clients or other third parties due to the professional services provided within your professional practice. The policy insures defence costs (legal fees etc.) as well as legal damages awarded in favour of the third party. It is important to **note** that your insurance policy is designed to defend and indemnify you for a claim made in Canadian and United States of America courts from work that you do anywhere in the world. For companies with international offices this coverage can be extended to include claims made in international courts.

The insurance is written on claims made basis, usually this appears under a professional errors & omissions liability policy. It simply means the claim or an incident that could lead to a claim (i.e. a clients complaint) is insured under the current policy in force at the time of the report and not the policy in force at the time of the incident or occurrence leading to the claim.

The continuity date is important. Errors & Omissions claims reported during the new term under the PDAC program for past incidents or occurrences are insured provided at the time of the occurrence Errors & Omissions insurance was in force and has continuously remained in force without any interruption in coverage. If a claim should be reported after the claims made policy is lapsed there would be no coverage to respond. However if you should discontinue your business and elect to lapse or discontinue the insurance you do have the option of purchasing the extending reporting period. Under the circumstances this is highly recommended.

You should report any incident or client complaint that could lead to a professional liability claim to Partners Indemnity as soon as possible.

New Coverage has been added under this insurance;

Cyber Cover

This protects you and your practice for the forensic and legal expense to investigate and secure security leaks including liability from patents and or other third parties if their medical files or credit cards have been compromised.

Legal Expense (Insured by DAS a division of Munich Re)

This is personal legal expense insurance coverage. This allows you to contact a lawyer primarily for telephone consulting where legal advice can be provided for both business and personal matters. Please note if the legal question you have is related to a claim or complaint Partners Indemnity must be contacted.

Commercial General Legal Liability Insurance (CGL)

Note: when purchasing insurance a Declaration of insurance will be mailed to you confirming the insurance you have purchased. If you wish to download a copy of the policy click on Package policy wording appearing on the PDAC web site.

There is various liability limits offered under this insurance.

- \$1,000,000
- \$2,000,000
- \$5,000,000

The claims deductible is \$1,000 per occurrence.

This policy insures you against claims made for bodily injury and property damage caused to a third party including your client due to accidental causes. The policy has many extensions however the best example of a claim or potential claim here would be if someone sustained a personal injury or property damage due to your negligence. It is important to note that this policy is insured on a claims occurrence basis. Meaning the policy in force at the time of the occurrence regardless of when the claim is reported must respond to the claim. It is important to note the insurance policy is designed to indemnify you for a claim made in Canadian and United States of America courts from work that do anywhere in the world. This coverage can be altered to include international court proceedings.

This coverage does not include injury or damage to your employees. This is normally covered under Workers Compensation. In Canada the insurance will protect you against Employers Liability in the rare situation where the claim does not fall under the Workers Compensation Act. For US Workers Compensation and Employers Liability please contact Partners Indemnity.

Contractual liability

This subject most often comes up. In the contract that you sign with your client they normally request under your Commercial General Liability policy that you hold them harmless from third party liability arising from your negligence for the work that you have contracted to complete for the client. Your insurance company will agree to provide support for this agreement by providing insurance subject to the terms and conditions of your policy and will agree to add the client's name to the insurance as additional insured. Again this condition is limited to the work that you are conducting within the agreement.

It is important to have a written contract with both your client and your subcontractor if one should be involved.

In turn where possible we recommend that you obtain a similar agreement from your subcontractor adding your name to their liability policy.

Geoscientists must obtain special aviation liability insurance while conducting airborne geophysical work. This can be arranged by contacting Partners Indemnity office.

For those conducting marine survey work there is some restriction in coverage that may apply due to size, use and capacity of self propelled owned or non owned water craft. If third party bodily injury or property damage is required please contact Partners Indemnity.

The policy extends to provide coverage to key personnel Accident Disability insurance. For more details please refer to the policy terms and conditions and/or contact Partners Indemnity.

Crime Insurance

There are various limits offered under this insurance (\$10,000 - \$100,000). The claims deductible is \$1,000.

This insurance protects you from the following perils:

- Theft by an employee
- Depositor's forgery
- Money orders and counterfeit paper currency

Property Insurance Office Building and Contents

There are various limits offered under this insurance ranging from \$50,000 to \$1,000,000. The claims deductible is: \$1,000. Higher limits are available on request.

The insurance covers property in your possession for direct physical loss or damage. This principally covers your office and warehouse buildings, fixed equipment, office equipment and inventory.

We have itemized in the application various items and coverage available. To be properly insured it is important to list the replacement value of the property when selecting the insured limit. For insuring terms and conditions please refer to the insurance policy. We have briefly commented on the items appearing in the policy and application below.

Building: if you should wish to insure the building that you occupy please complete the answers to the questions appearing and send it in for a quote.

Personal Property: this would include your office and warehouse equipment, supplies as well as permanent fixtures including tenants' improvements. Please do not include field equipment here as it is to be listed separately below.

EDP (Office Computer Equipment): includes computers, media data and phone system.

Extra Expense: provides for extra expense over your normal operating expenses to continue to operate after a fire or flood to your premises. For example you may require leasing temporary space or equipment etc. until you have restored your premises. The \$25,000 limit is minimum limit and may not be sufficient. You have the option of increasing this limit.

Loss of Business Protection: This is business interruption insurance coverage designed to protect your business from reduction in income due to direct physical loss or damage to property.

Accounts Receivable: This insurance covers all sums due from customers, provided the insured is unable to effect collection as a result of a loss or damage to the records of accounts receivables.

Valuable Papers: The insurance is extended to cover Valuable Papers and Records (meaning written, printed or otherwise inscribed documents and records including books, maps, films, drawings, abstracts, deeds, mortgages, and manuscripts. The coverage is limited to the cost for re documenting the information from other files and records.

Fine Arts: since this is one of a kind item and cannot be replaced the insurance company agrees to pay the agreed insured value for items lost or destroyed due to an insured peril. If you should have original art located on your premises we encourage you to maintain appraisals of the items and insure them to value accordingly.

Trade Shows: this insurance will protect your property for fire or theft while attending a conference. If you are maintaining a booth at a trade show this coverage will come in handy. You may wish to consider increasing the limit for this coverage.

Comments: **The amount of insurance for Contents of Every Description (Equipment, Tenants Improvements and Inventory is on an "All Risks" Replacement Cost Basis subject to 80% Co -Insurance. It is important to note when completing the application that you are responsible for ensuring that the limits are sufficient to cover the replacement cost of this property. Failure to do so could reduce the amount of your claim.**

Field Equipment

The field equipment is insured in the warehouse, in transit and while working in the field any where in the world. We are offering coverage for airborne (special consideration is required for towing), ground and sea/subsea surveying. There are various limits offered under this insurance. They range from \$10,000 to \$1,000,000. Higher Limits are available if you need them.

This provides insurance for accidental direct physical loss or damage to your field equipment including while in storage at your warehouse, in transit and while in use. It is most important that you complete the detailed list of field equipment with the appropriate values, as this is the basis upon which the equipment will be appraised in a claims settlement.

Director's & Officers Liability Insurance (D&O)

The need for this insurance is driven largely by an increasing number of private securities related claims, small businesses are at risk for multimillion-dollar lawsuits. These lawsuits can have a devastating impact on individuals since the owners personal wealth is often tied to the financial wealth of the company. This insurance protects your company, its directors, officers and employees against a liability lawsuit brought against the company, directors, officers and employees for wrongful acts. This policy is issued on claims made basis.

There are various insurance limits offered under the policy.

- \$1,000,000
- \$2,000,000
- \$5,000,000

For further information or a quote please contact Partners Indemnity's office.

Kidnap and Ransom Insurance (K&R)

There are various limits offered for this insurance.

- \$1,000,000
- \$2,000,000
- \$5,000,000

The insurance protects the employees, and includes associates traveling with the employee (including family members) against kidnap ransom. The coverage automatically applies any where in the world other than to the "red zones" listed in the application. This does not mean that that you would not be insured in these areas of travel. It simply means we need to secure information regarding the security arrangements in place for travel in these areas prior to binding insurance.

For further information or a quote please contact Partners Indemnity's office.

Owned or Non-Owned Aviation Insurance

For those that are using or chartering aircraft it is recommended that this insurance should be considered. For more information about this insurance contact Partners Indemnity Insurance Brokers.

Special Event Travel Accident Insurance

The insurance is available for those that are traveling in business. It can include all employees as well as business associates traveling with you. It also we can provide emergency medical evacuation insurance. For more information contact Partners Indemnity Insurance Brokers.



Partners Indemnity Insurance Brokers Ltd.

10 Adelaide Street East, Suite 400
Toronto, Ontario M5C 1J3

If you have questions

Telephone 416-366-5243 or Toll Free 1-877-427-8683
FAX: 1-416-862-2416 or e-mail pdac@partnersindemnity.com