

Providing a Copy of Your Errors & Omissions Certificate of Insurance

Effectively immediately, Council is requesting licensees forward a copy of their Errors & Omissions ("E&O") Certificate of Insurance upon renewal of the insurance policy.

In the past, Council has requested a copy of the E&O be attached to the annual reporting form at the time of renewal. Although this approach has been effective, we believe it can be improved upon.

Council has monitored the situation and is requesting that licensees provide a copy of their E&O annually when the policy is renewed. There are three main reasons we are moving to this approach:

1. To ensure the number of E&O lapses is reduced or eliminated.
2. To avoid delays at the time of renewal which are caused by missing information and/or the absence of the E&O Certificate of Insurance.
3. In preparation for online renewals that will be introduced in 2013. Licensees will not be able to renew online unless they have provided Council with a current copy of the E&O Certificate of Insurance.

Council requests you fax or email a copy of the E&O Certificate of Insurance to 306.347.0525 or info@skcouncil.sk.ca.

Thank you.

Providing a Copy of Your E&O Certificate of Insurance

A brief overview of E&O is provided below.

Introduction

E&O or Professional Liability, covers you for claims that arise out of your professional services, including acts, the failure to act and negligence.

The E&O will have a stated limit of liability, which tells you how much the insurer will spend on your behalf. Claims made and occurrence coverage refers to the two types of E&O policies available.

What's covered

In general, E&O is designed to help pay for defense costs and the damage awards associated with professional liability claims.

Even the most diligent professional can be held liable for a professional error, omission or mistake. Defense costs are a significant portion of the cost of an E&O. A professional liability claim must allege negligence in either the performance of or failure to perform professional services.

What's not covered

E&O does not cover intentional, fraudulent or illegal activities or in most policies, punitive damages.

Claims Made coverage

"Claims made" means that the act causing the claim has to take place during the policy term and the claim has to be filed or "made" while the policy is in effect. If the policy is canceled, non-renewed or lapsed and a claim is reported, the claim will be denied.

Occurrence coverage

Under the occurrence form of professional liability, the act leading to the claim had to have occurred during the policy term, but a claim can be reported after the policy has been canceled, lapsed or non-renewed.

Tail Coverage

When your claims-made policy expires, lapses or is not renewed, you'll have the option of purchasing "tail coverage." Tail coverage endorsements come close to turning your claims-made liability policy into an occurrence policy by giving you an extended period to report claims—generally two to five extra years.

Prior Acts Coverage

Prior Acts Coverage protects against claims arising out of incidents that happened before the inception or effective date of a new policy. Some companies may charge an additional premium for this coverage.

Lapse in Policy

Past transactions may not be covered if there is a lapse in coverage even if the coverage is renewed.

All E&O policies are written on a claims made form. This means that if you let your coverage lapse for any reason you may lose your prior acts coverage.

Contact your insurance carrier, if you have any questions regarding your E&O coverage.