



**Professional Indemnity Insurance
and the role of the Assigned Certifier
6th November 2014**

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- Professional Indemnity Insurance
- Learning from past mistakes
- Good practice
- Deciding what we want from Professional Indemnity Insurance

Professional Indemnity Insurance

The basics:

- Form of Liability Insurance
- Professional activities – advice, design, specification, coordination etc.
- Duty of care – Clients, third parties, General Public
- Types of Claims
- Cover is arranged for the benefit of the Insured, not third parties
- Limit of Indemnity
- Uninsured excess

A few things to consider:

- Who is the Insured?
- How long are you Insured for?
- What is the impact of the 'claims made' nature of the policy?
- What breadth of protection is afforded under the policy?

PI is not a limit on liability

‘The provision of guidance in relation to insurance is an important matter for consideration but it is outside the scope of this Code of Practice’

Section 12. Insurance: Code of Practice

‘The level of Professional Indemnity Insurance sought for the Assigned Certifier should be no more than 15% of that sought for the lead designer (10) on the project subject to a minimum limit of €500,000.

This level of PII sought is considered appropriate because the Assigned Certifier is not a designer (11) and the Contractor is responsible for supervising the construction of the building or works. They inspect (according to the Inspection Plan) and coordinate the inspection by others.’

Office of Government Procurement Guidance Note 1.1.1, Section 2.2.7

- Civil or legal liability basis of protection
- Clarify with Broker / Insurer the extent of cover for the AC role
- A definition of the 'Insured' that extends to employees and former employees etc
- Full and accurate disclosure to Insurers
- Early reporting of circumstances
- Wiser choices on Insurer selection

Learning from past mistakes

Recurring themes with PI claims:

- Onerous contractual requirements OR no contract in place
- Uncertainty on scope of services
- Limited involvement during construction
- Certification
- Lack of records / corporate memory
- Unrealistic fee levels
- Quality of design / construction team (Last man standing)

Good practice

- Clarity on what service you're providing
- Competence
- Being prepared to walk away
- Consideration on Inspection Plan – appropriate intensity / frequency
- Consideration on Ancillary Certificates
- Involving Building Control Authority
- Fees
- Locum support
- Contracts, Records, Certificates

What is it you're agreeing to do?:

- The Regulations
- Your Contract
- Your Scope of Services
- THE CODE OF PRACTICE

'The role of the Assigned Certifier does not include responsibility for the supervision of any builder.'

3.5 Code of Practice

'...it is not practicable for every item of work to which the Building Regulations relate to be examined. The supervision by the Builder is, therefore, of critical importance. The test of the Inspection plan will be its success in achieving reasonable standards of health and safety in or about buildings, energy conservation, accessibility and sustainability for building users.'

7.1 Code of Practice

Records:

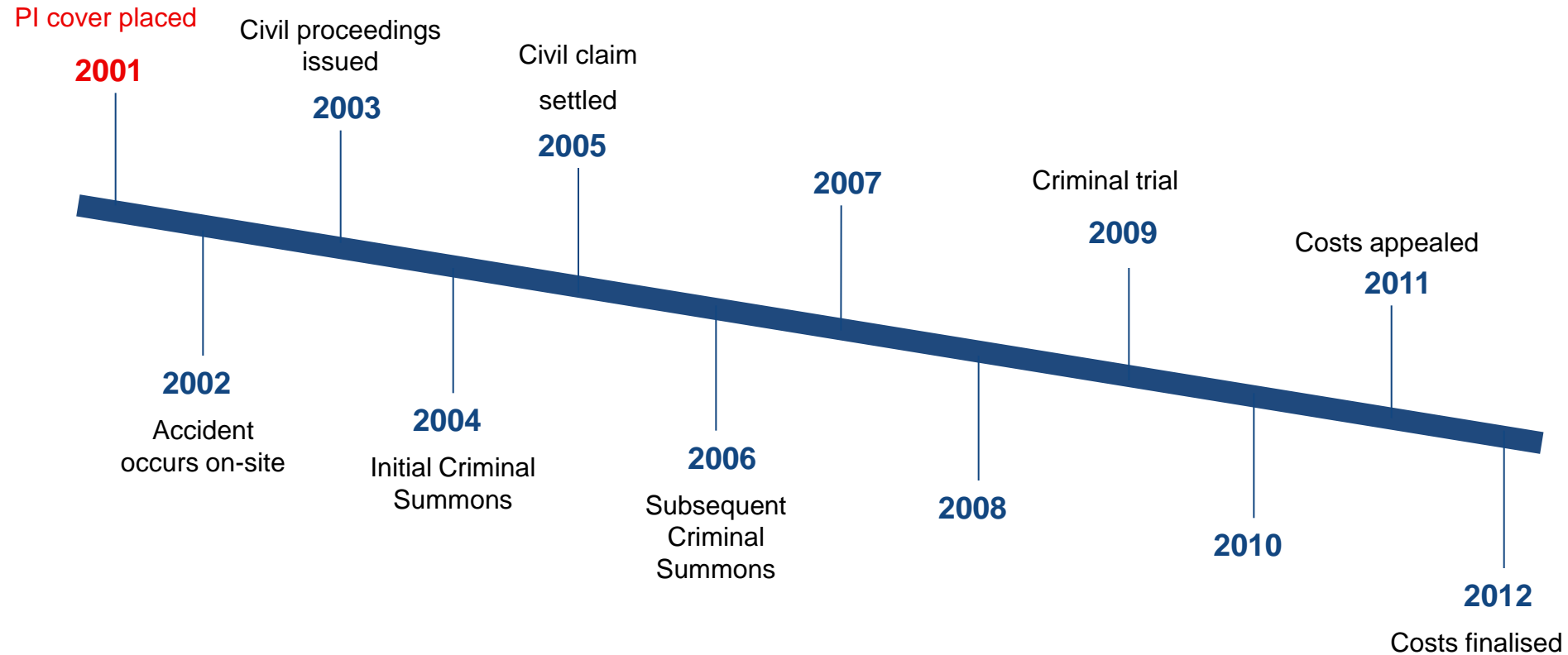
- Maintain good records and follow up oral advice in writing
- Document Inspections
- Retain notes of meetings, conversations, instructions etc
- Retain copies of Certificates and relevant CoP
- Get confirmation others have undertaken inspections according to Plan
- Be clear that you are relying upon others' response and Certificates
- Documents retained 'sufficient' to demonstrate compliance

Certificates:

- Compulsory Certificates:
 - Read it;
 - Understand it;
 - Consider the seriousness of it;
 - Accept likelihood recipient and third parties will rely upon it;
 - Then, ONLY IF SATISFIED, sign the Certificate.
- Do not release Certificate based on an undertaking from others to do certain actions
- Senior management approval process on 'Undertakings' and 'Certificates'
- Standard form only!

Deciding what we want from Professional Indemnity Insurance

Taking a long-term view



- The decisions we make at renewal have consequences that extend well into the future.
- If we have learned anything from the past, it must be the need to make decisions based on sustainability rather than short-term cost savings.

Thank you!

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