

RETIRED ARCHITECTS: HOW TO PROTECT YOURSELF ONCE YOU'VE RETIRED

Are you considering retirement or are you already retired? As a retired architect, there may be implications and liabilities that could impact your plans for the future. It's important to be aware of the actions required to ensure you are mitigating the risk of liability to the best of your ability.

WHAT IS CLAIMS-MADE BASED INSURANCE?

Professional Liability Insurance (PLI) is typically provided on a "claims-made and reported" basis and will respond to claims made during the active policy period. This means that the policy in place when a claim is made will be the policy to respond – regardless of when the incident occurred. Therefore, it is extremely important that there is no gap in coverage between policy periods or that coverage is not cancelled without having proper run-off coverage in place. Coverage needs to be continuously in place to ensure you are continuously protected.

If your business or your past employer's business is no longer active or delivering services, a run-off policy is needed to protect the business name and the architects that previously delivered services on behalf of that business, to be adequately protected for claims that could arise in the future from past services rendered.

I AM A RETIRING EMPLOYEE

If you have been working as an employee of an architectural firm, you are most likely covered under your employer's PLI. Most primary PLI policies contain a definition of insureds that extends to employees of the firm (past and present). Your employer is responsible to ensure that its firm and its professional architectural employees are protected and PLI insurance is a major component of this.

Many retiring architects are concerned that their employer may choose to eventually discontinue the firm's insurance or that the ongoing insurance does not extend to them as a retired employee. This is a valid concern, as management of the insurance for the firm is out of your control, leaving the possibility that coverage may be non-existent or inadequate should a claim arise in the future.

It is always recommended that prior to retiring, you have a conversation with your employer to understand exactly how the firm's insurance protects you and how it is anticipated to protect you in the future. If a claim were to arise against you for services that you rendered while working on their behalf, the firm's PLI should respond to protect you.

I AM A RETIRING BUSINESS OWNER

As a business owner, you are responsible to carry the insurance required to protect your business in the event of a claim. Seeing that the PLI insurance is on a claims-made form, business owners will typically select to carry run-off coverage to protect the business and all architects working under that firm, against a claim that could arise after the closure of the business.

I AM A RETIRED BUT PLAN TO WORK ON THE OCCASIONAL PROJECT.

As a retired expert, you may be provided with the opportunity to work with a firm on a small project or may want to engage in some minor independent work.

If working temporarily with a firm, the firm's PLI may extend to you as an "employee on loan". If engaging in this type of activity, it would be recommended that you verify the coverage the firm carries and how it can protect you.

How to Apply

To secure a quote, report a claim, or for more information, please contact BMS. This insurance is available to all RAIC members.

BMS Canada Risk Services Ltd (BMS)

825 Exhibition Way, Suite 209 Ottawa, ON K1S 5J3

Toll Free: 1-844-294-2717

Email: raic.insurance@bmsgroup.com

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