

FAQ's for the BFL CANADA Inc. E&O Insurance Program

We have compiled a list of the most frequently asked questions regarding policy basics and terminology. Should you have any queries that are not answered below, please contact us at proliability@bflcanada.ca

GENERAL QUESTIONS ABOUT THE PROGRAM

Q. Who is the Insurer?

A. PROFESSIONAL LIABILITY, COMMERCIAL GENERAL LIABILITY, PROPERTY AND CRIME COVERAGE are Effected with certain Lloyd's Underwriters through Lloyd's approved Coverholder

LEGAL ASSISTANCE COVERAGE is Effected with DAS Legal Protection Insurance Company Limited

Q. I need to make a change to my current coverage/certificate. Who do I contact?

A. Effective January 1, 2013, should you require an amendment to your E&O insurance coverage, you may do so by visiting the program website and logging in to your account. The various types of amendments include (but are not limited to):

- Changes to Contact Information
- Addition of a Corporation Name
- Addition of Optional Coverages

To process an amendment to your coverage throughout the insurance policy period, please access BFL CANADA Inc. Errors & Omissions Liability insurance program website, select the "make a change to my existing coverage" option to update your contact information, select your coverage and if applicable confirm your transaction with secure online payment. Your amended policy documents will only be made available once online payment is confirmed.

Q. Can I pay for my E&O by cheque?

A. No. A Certificate will not be issued without full payment using the online credit or debit card process. Additional payment methods are not available at this time.

Q. I will be leaving my professional order / association and wish to cancel my E&O coverage. What is the process and will I be receiving any return in premium?

A. A written notification needs to be sent to BFL CANADA Inc. Upon receipt of this notification, our office will immediately request that your coverage be cancelled. Your E&O will be cancelled and a cheque for any unused portion of your premium will be forwarded to your home address. (If other address, please advise us)

Q. Where can I obtain a copy of my E&O Certificate?

A. A copy of your certificate can be found online by logging into your account and going to "Your Documents" section.

Q. Can I raise my deductible for a lower premium?

A. No, this program has fixed deductibles, thus:

Errors and Omissions coverage

50% of the indemnity per claim up to a maximum of

\$1000 for professional revenues lower than \$300 000

\$2500 for professional revenues between \$300 000 and \$500 000

\$5000 for professional revenues higher than \$500 000

Commercial General Liability coverage

\$500 deductible each occurrence in respect to bodily or property damage

Crime, Property and Legal Expense coverage

\$500 deductible per occurrence

These deductibles cannot be modified.

Q. If my business grows or I decide that my coverage is insufficient, is there an option to increase my Limit(s) of Liability?

A. Yes. You may increase your limit(s) at any point during the policy year. In order to do so, you must first confirm that you have no knowledge of any unreported claims or matters that may give rise thereto. Once this confirmation has been received, your limit(s) will be amended and you will be charged a pro-rated premium increase, based on the modified cover.

Q. Can I decrease my limit?

- A. You may decrease your limit(s) during the policy year, but we would recommend caution when doing so.

As E&O policies are on a claims made and reported basis, you should be aware that any act, error or omission occurring prior to, but of which you are not notified until after a decrease of the limit(s) of liability is limited to whatever lower limits you select.

For example:

- Your limit of liability Per Claim is \$2,000,000.
- You reduce the limit to \$1,000,000 with effect from 1st January 2013
- A claim for \$1,500,000 is received on 15th January 2013, relating to a matter that occurred on 15th December 2012.
- The claim is determined to be valid and the policy pays \$1,000,000, i.e. the decreased limit.
- You are responsible for the balance of \$500,000.

Q. I am taking medical leave (maternity / disability). Can I cancel my E&O insurance pending resumption of my work?

- A. It is important that you understand that your liability does not cease simply because you are taking leave of your position. You are still exposed to liabilities for business conducted prior to your leave. As E&O policies are written on a Claims Made and Reported basis, you will need to ensure a policy is in force to protect you for any acts, errors or omissions occurring prior to your leave, even though they may not be reported until you are on leave.

QUESTIONS REGARDING CLAIMS

Q. What is a Claims Made and Reported Policy?

- A. Errors & Omissions ("E&O") insurance policies such as this are written on a "claims made and reported" basis. This means that the policy in force at the time a claim is made is the one that will provide coverage, rather than the policy in force at the actual time the error or omission occurred. As a condition of an E&O policy, it is imperative that you report actual claims or situations which may give rise to a claim to BFL CANADA Inc. as soon as possible. Please be aware that late reporting could result in a disclaimer of coverage from the insurer.

Q. Who do I report a claim to?

- A. Claims / complaints must be notified immediately to the claim department of BFL CANADA Inc. per the following contact details:

BFL CANADA Risk and Insurance Inc
2001, McGill College, suite 2200
Montreal, Quebec
H3A-1G1

Toll-Free: 1-866-688-9888
Fax: (514)843-3842
Email: proliability@bflcanada.ca

Q. When do I report a claim? What if it is not in writing and just an accusation? (potential claim)

A. A claim is a verbal or written demand for compensation arising from an alleged act, error or omission of an Advisor. Claims or potential incidents which may give rise to a claim should be immediately reported to BFL CANADA Inc., so that we may give timely notification to the Insurer. Please see the contact details below.

If in any doubt, please report the matter and we will clarify whether or not coverage exists.

QUESTIONS ABOUT TERMS FOUND WITHIN THE E&O INSURANCE POLICY

Q. What is the Retroactive Date?

A. The retroactive date reflects the earliest date for which the insurer of this policy will provide coverage. Any claims made for activities conducted prior to the retroactive date are not covered.

It is important to be aware of the retroactive date on your policy.

Q. What is the difference between the Limit of Liability Per Claim and the Aggregate Limit of Liability?

A. The Limit of Liability Per Claim refers to the maximum an Insurer will pay for any single claim. The Aggregate Limit of Liability refers to the maximum an Insurer will pay during a policy period.

The following example assumes a selected Limit of Liability of \$1,000,000 per claim and \$2,000,000 in the aggregate:

- The policy will respond, subject to the terms, conditions and exclusions, for up to \$1,000,000 per covered claim.
- If any single claim exceeds \$1,000,000, you will be liable for the difference.
- The maximum amount payable in respect of all covered claims during the policy period is \$2,000,000.
- If all the claims in one policy year exceed \$2,000,000, you will be liable for the uninsured difference.

The policy offers a range of limits, so that you can tailor your coverage to suit your individual requirements.

Q. What is ERP?

A. ERP is the acronym for Extended Reporting Period.

An ERP extends the time period during which a claim can be notified. Liability does not cease just because you are no longer practicing and an ERP is often purchased for one of the following reasons:

- Death (an estate may purchase an ERP on behalf of a deceased , provided that this occurs within 30 days following the policy expiry date)
- Disability (in which an individual relinquishes their license(s) because they are no longer able to work)
- Retirement or Cessation of business