



Professional liability insurance

**Specially created by the Prospectors and
Developers Association of Canada for people
working in the Canadian mineral exploration
and earth sciences sectors***

.....
AFFORDABLE

BASED ON SOUND SECTOR KNOWLEDGE

TAILORED

FLEXIBLE

EASILY ACCESSIBLE
.....

**available to members of qualifying associations and organizations
across Canada (see back cover for details)*

About this insurance program

In Canada, adequate insurance coverage for professionals has become standard, sensible, and sound business practice.

Individuals and consulting firms operating in a professional capacity owe it to themselves, employees, and families to ensure that they are sufficiently and well protected from claims against them.

However, up until now, professional insurance for people working in the mineral exploration and earth sciences sectors has been difficult to find, or, when found, has been inordinately expensive.

Why? Largely because insurers tend not to understand these sectors and the kinds of risks inherent in them.

A low-cost insurance package, tailored to meet the needs of individuals and private firms working in mineral exploration and earth sciences, is now available.

Put together and managed by the Prospectors and Developers Association of Canada, which has been able to negotiate excellent group discounts, the Consultants Package can be purchased by any individual or consulting firm requiring professional insurance. The only condition is membership in one of the many qualifying associations or organizations across Canada (these are listed on the back page of this brochure).

The Consultants Package can be customized to the specific professional needs of the individual and is administered by Partners Indemnity Insurance Brokers Ltd.

Why do you need it?

The need for this type of insurance is most dramatically illustrated in the areas of professional liability insurance, also known as errors and omissions insurance, which protects professionals and companies by shielding their assets and paying their defence costs if a client makes a claim alleging faulty performance. It also protects clients and third parties by ensuring there are adequate funds to pay damages if professional services are shown to be faulty. Because insurers generally do not understand the mineral exploration and earth sciences sectors, this coverage is not only difficult to find and negotiate but it is also expensive.

This type of insurance used to be mainly for professions such as lawyers, accountants, architects and engineers; however, today courts are rapidly broadening their definitions of professional liability. This has made many more professionals providing services and advice far more legally accountable to their clients and third parties. The result has been a rapid expansion of liability insurance to cover a wide variety of services, including consultants working in mineral exploration or earth sciences.



Selwyn Resources Ltd.

Some examples

The following are actual examples of the insurance coverage that individuals and private firms have been able to purchase.

EXAMPLE ONE

(GEOLOGICAL CONSULTING COMPANY)

A PDAC director's private geological consulting company sought professional liability insurance (errors and omissions) coverage. The best it could find from the insurance companies willing to undertake the risk was \$19,432.44 for the policy premium, a limit of \$250,000 per claim, and an annual aggregate limit of \$500,000. Coverage offered was for Canada only.

By contrast the PDAC Consultants Package offered coverage for a policy premium of \$5,700, a limit of \$250,000 per claim, and an annual aggregate of \$1 million. Coverage offered was worldwide.

The PDAC package, in other words, offered vastly more

coverage, both financial and geographic, at less than a third of the price. As the PDAC director concerned puts it: "If I had used that same \$19,432 (the premium offered by the private insurer) towards insurance through the PDAC program, I could have purchased a policy giving us \$1 million per claim and an annual aggregate of \$2 million and it would still have cost me only about \$11,400."

He credits the savings to his company of more than 300 percent to the way in which the PDAC program calculates the premium. "The PDAC program bases the premium on the number of geoscientists and geotechnicians covered. In our case we needed coverage for five professional geologists and four technicians, and our policy was tailor made to give us exactly what we needed, nothing more and nothing less."

CONSULTANTS PACKAGE

The package offered to individuals in the independent consulting business includes

- Professional liability (errors and omissions)
- Commercial general liability
- Directors and officers liability
- Property, including office contents and field equipment
- Transit
- Kidnap and ransom
- Aviation insurance
- Special events, e.g., field trips, conferences, field-based meetings
- Travel Accident Insurance

Individuals simply pick and choose what is relevant to their specific needs. The entire process – from inquiry to application to full enrolment – can be completed online.

Please note that this insurance is available to members of qualifying geoscience and earth sciences associations and organizations across Canada. These are listed overleaf.

Scope of coverage

CONSULTANTS PACKAGE

- Professional liability (errors and omissions) limits from \$250,000 to \$5 million per claim
- Commercial general liability limits from \$1 million to \$5 million
- Directors and officers liability from \$1 million to \$5 million
- Kidnap and ransom insurance from \$1 million to \$5 million
- Property insurance: office and field equipment limit from \$100,000 to \$1 million
- Transit insurance from \$10,000 to \$2 million

Higher limits are available on request.



EXAMPLE TWO

(HYDROGEOLOGICAL CONSULTING GROUP)

The group waited seven weeks for a quote from an insurance company for \$1 million of professional liability insurance, for a group of three. The quote it eventually received was for \$4,500. The group then tried the PDAC Consultants Package.

The results? “The PDAC quote was received within a week and was very reasonable. We’re very happy with it.” The quote was \$2,400, a saving of over 45 percent.

EXAMPLE THREE

(INDIVIDUAL GEOLOGICAL CONSULTANT)

The premium for my errors and omissions insurance had been \$4,833 for coverage of \$2 million. I recently purchased

insurance through the PDAC insurance program and was able to get the same level of insurance coverage for a premium of \$1,620. Needless to say, I was very pleased.

EXAMPLE FOUR

(GEOPHYSICS CONSULTING COMPANY)

Our previous insurance covered property, transit and general liability but we had no errors and omissions coverage. The PDAC insurance program enabled us to obtain the same coverage plus errors and omissions for \$15,000 less.



**Partners
Indemnity**

Insurance Brokers Ltd.
Established 1923

FIRST STEPS

The Consultants Package is tailored to the specific needs of individuals and private firms, and premiums vary. For professional liability insurance, for example, you pay to cover only the number of professionals and technicians you employ.

To obtain your customized quotation, please go to www.pdac.ca, click on “Insurance,” and follow the link to Consultants Package, or contact Partners Indemnity Insurance Brokers Ltd. indicating that you are a member of one of the organizations listed below. Please note that this list was current as at March 2012. For an up-to-date list, please check the PDAC’s website.

Association of Professional Geoscientists of Ontario •
www.apgo.net

Atlantic Geoscience Society • www.earthsciences.dal.ca

Canadian Association of Geographers • www.cag-acg.ca

Canadian Council of Professional Geoscientists • www.ccpge.ca

Canadian Federation of Earth Sciences • www.cfes-fcst.ca

Canadian Geotechnical Society • www.cgs.ca

Canadian Institute of Mining, Metallurgy and Petroleum •
www.cim.org

Canadian National Chapter of the International Association of Hydrogeologists • www.iah.ca

Canadian Quaternary Association • www.mun.ca/canqua

Canadian Society of Exploration Geophysicists •
www.cseg.ca

Canadian Society of Petroleum Geologists • www.cspg.org

Canadian Well Logging Society • www.cwls.org

Geological Association of Canada • www.gac.ca

Mineralogical Association of Canada •
www.mineralogicalassociation.ca

Prospectors and Developers Association of Canada •
www.pdac.ca

For more information

Go to www.pdac.ca and click on “Insurance”

or contact

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