



# **BUSINESS & PROFESSIONAL LIABILITY INSURANCE**

Should I Insure Both With The Same Insurer?

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**Arthur J. Gallagher**  
INSURANCE & RISK MANAGEMENT

There are many advantages of keeping your business insurance with the same broker and the same insurer who provides your professional liability coverage.

The CG&B Group (now called Arthur J. Gallagher Canada) has partnered with the AOLS for over 30 years to provide the Professional Liability Coverage for its members and their firms. A few years ago, some of the members asked me if it was possible to create a similar insurance program for their firm's business insurance as it was easier for them to deal with the same person/firm. With the support of the AOLS, I created a business insurance program specifically designed and priced for surveying firms.

There are many advantages of keeping your business insurance (surveying equipment, office contents, general liability, and vehicle insurance) with the same broker (Arthur J. Gallagher) and the same insurer (Novex Insurance) who provides your professional liability coverage.



## 1. Insurance Coverage Designed for Surveyors

Many survey firms that I have dealt with have their business insurance covered under a general small business insurance package. The coverage is normally "basic" and does not provide the proper protection required for a survey firm. An example of this is that your survey equipment is insured on a standard "contractors equipment" form. This form typically has a waterborne exclusion...meaning that there is NO coverage for your equipment while it is on the water. So if your equipment is on a boat and it falls in the water, there is NO coverage for the loss of your equipment!

I have negotiated a specific insurance program with the same insurer as the Professional Liability Coverage (Novex Insurance – a subsidiary of Intact Insurance) that is tailored for the operations of a surveying firm. It has built-in insurance protection for your survey plans and field notes, computer equipment, and your surveying equipment...with the waterborne exclusion removed.



## 2. General Liability vs. Professional Liability - Which Insurer Will Cover You?

Having two different insurers can create a situation where in the advent of a claim, both insurers begin pointing fingers at each other on who should cover the loss.

Having your general liability and professional liability policy insured with different insurers can create a situation where in the advent of a claim, both insurers begin pointing fingers at each other on who should cover the loss.

A general liability policy will cover the survey firm for damages negligently caused to a third party for bodily injury (damage to someone) and/or property damage (damage to something). This policy will typically have a professional liability exclusion that excludes coverage for “professional services” (that is why you need a professional liability policy).

A typical professional liability policy covers negligence caused by professional services of the insured however excludes any negligence that causes bodily injury or property damage. One of the many advantages of insuring through the AOLS Professional Liability program is that I have removed this exclusion from the AOLS insurance policy.

Consider the following loss example. A surveyor is about to begin surveying at the side of the road. The robotic total station is not set up properly and falls down onto the road. A car happens to be driving by at the exact same time and runs into the equipment and causes a car crash. Which insurance policy should respond to the loss?

Based on the above definitions, the general liability policy should respond as there was physical damage to the vehicle caused by the negligent act by the surveyor. However, the general liability insurer might deny the claim because in their view, the surveyor was conducting a professional service and as a result of the “professional service” exclusion on the policy, there would be no coverage.

The professional liability insurer might argue that the act of setting up the total station did not constitute a “professional service” and therefore the loss should be covered by the general liability policy.

This is a classic example of two insurers pointing their fingers at each other on who should defend the insured and pay the claim.

To avoid this potential issue, it is my recommendation that you have the general liability and professional liability policy insured with the same insurer.



The advantage of insuring through the AOLS insurance program is that you have Maltmans, Novex Insurance, and me, who all know and understand the surveying profession.



### 3. Specialized Claims Service

One of the main advantages of having your business insured through the AOLS Business Insurance Program is that you will be dealing with people who through many years of experience know the surveying business.

I have arranged for Maltman Group International to be the claim adjuster for the business insurance (property and general liability) claims. Maltmans has been adjusting the professional liability claims for the AOLS for over 30 years. If you place your business insurance with the AOLS program, you will be dealing with the same knowledgeable firm.

We had a recent claim involving a firm insured on the program. The surveyor set up a total station in a parking lot. When he stepped away to set up a traverse point, there was a strong gust of wind and the equipment was blown over onto the asphalt. The repair cost was estimated at \$9,000, however the manufacturer would not guarantee the accuracy of the measurement device upon repair (due to the extent of the damage). As a total station is required to measure accurately, the insurer agreed to replace the unit with a new total station for \$16,000.

If this firm had been insured with a different insurer, it might have been difficult to convince them to replace the instrument completely. The advantage of insuring through the AOLS insurance program is that you have Maltmans, Novex Insurance, and me, who all know and understand the surveying profession. In this situation, we knew that if the total station was not calibrated properly, it could cause a measurement error and lead to a professional liability claim. Therefore, it was decided to replace the damaged total station with a new one.



### 4. Competitive Pricing

Another benefit of insuring your business insurance through the AOLS program is that I have negotiated very competitive pricing based on the fact that Novex already provides the professional liability coverage for the majority of survey firms in Ontario. In addition, I have arranged for an option to finance your premium over the year...with NO financing fee.

It is much easier to send one request to your insurance representative, as opposed to multiple emails to different people who handle your insurance.



## 5. Ease of Doing Business

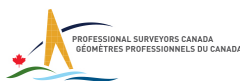
There are countless times that I receive calls/emails from surveyors who are bidding on a new project and require the contract to be reviewed and/or have a certificate of insurance provided for their professional liability and the general liability coverage. It is much easier to send one request to your insurance representative, as opposed to multiple emails to different people who handle your insurance. For those firms that are insured on the AOLS Business Insurance program, we review the entire contract and then can issue one certificate of insurance that covers both the Professional Liability and General Liability requirements.

Hopefully this article has helped to summarize the benefits of insuring your business insurance with the same insurer as your professional liability coverage. I understand that some surveyors have chosen to buy their business insurance from someone in their local town/community. I completely respect that decision. However, please be aware of the limitations/disadvantages of this choice.

*If you have any questions, or would like advice on your existing business insurance coverage, please contact:*

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## Calendar of Events

### October 18 to 21, 2016

Joint 3D Athens 2016  
Athens, Greece  
<http://3dathens2016.gr>

### October 31 to November 2, 2016

Commercial UAV Expo 2016  
Las Vegas, USA  
[www.expouav.com](http://www.expouav.com)

### October 31 to November 3, 2016

GIS-Pro 2016 – URISA's 54th Annual Conference  
Toronto, Ontario  
[www.urisa.org](http://www.urisa.org)

### November 16, 2016

GIS Day  
Discovering the World Through GIS  
[www.gisday.com](http://www.gisday.com)

### November 28 to December 2, 2016

GSDI 15 World Conference  
Taipei, Taiwan  
<http://gsdi15.org.tw>

### March 1 to 3, 2017

125th AOLS Annual General Meeting  
Ottawa, Ontario  
[www.aols.org](http://www.aols.org)