

Opening, Operating, or Expanding your Firm? This could be one of the most important checklists you review.

Risks to engineering firms are as diverse as the businesses themselves. Whether you are opening a firm for the first time, or already up and running, it’s important to check that you and your business are covered.

There are many different insurance products out there and sometimes it’s difficult to figure out what coverage you need – and just as importantly, what coverage you don’t.

The table below helps to identify the most appropriate coverage(s) for your practice circumstances. While we’ve tried to make this table as comprehensive as possible, it provides an outline of common practice scenarios only and may not include all possible professional and business structures.

We recommend that you use this table as an initial framework for decision-making. It does not replace individualized broker advice so please speak with an insurance professional at BMS if you have questions about the most appropriate coverage for your specific practice circumstances.

Employee	Independent Contractor / Sole Proprietor	Business Owner
<p>Consider:</p> <ul style="list-style-type: none"> ✓ Professional Liability Insurance (PLI)* ✓ Cyber Security & Privacy Extension* <p>OR</p> <ul style="list-style-type: none"> ✓ Standalone Cyber Security & Privacy Liability with Breach Response Services ✓ Secondary Professional liability Insurance (automatically included within OSPE membership) <p>*In most circumstances Engineers will be covered by their Employer’s policy for PLI and Cyber-related risks. However we encourage you to confirm that their coverage extends to you.</p>	<p><i>Do you have valuable contents and/or equipment?</i></p> <p>YES – Consider:</p> <ul style="list-style-type: none"> ✓ Professional Liability Insurance (PLI) ✓ Business Package (with Building Coverage if you own the building where you operate) ✓ Products Liability ✓ Employment Practices Liability ✓ Cyber Security & Privacy Insurance (extension or standalone) ✓ Builder’s Risk and Wrap-Up Insurance ✓ Directors’ and Officers’ Liability 	<p><i>Do you perform any manual work, oversee sub-trades or (project management), or design products</i></p> <p>YES, some of the following may be applicable – Consider:</p> <ul style="list-style-type: none"> ✓ Professional Liability Insurance (PLI) ✓ Business Package (with Building Coverage if you own the building where you operate) ✓ Equipment floater (part of commercial package) ✓ Products Liability ✓ Employment Practices Liability ✓ Cyber Security & Privacy Insurance (extension or standalone) ✓ Builder’s Risk and Wrap-Up Insurance

	<p>NO – Consider:</p> <ul style="list-style-type: none"> ✓ Professional Liability Insurance (PLI) ✓ Commercial General Liability Insurance (CGL) ✓ Cyber Security & Privacy Insurance ✓ Secondary Professional Liability Insurance (automatically included within OSPE membership) ✓ Commercial Automobile insurance 	<ul style="list-style-type: none"> ✓ Directors’ and Officers’ Liability <p>No– Consider:</p> <ul style="list-style-type: none"> ✓ Professional Liability Insurance (PLI) ✓ Business Package (with Building Coverage if you own the building where you operate) ✓ Employment Practices Liability ✓ Cyber Security & Privacy Insurance (extension or standalone) ✓ Directors’ and Officers’ Liability Insurance
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Continue reading to find out more about some of the highlighted products. Alternatively, contact a Broker at BMS to discuss your circumstance and recommended coverages.

Business Professional Liability Insurance:

This policy responds if your business name is brought into a statement of claim or lawsuit alleging negligence. Following an incident, a client’s legal counsel will commonly name all parties involved on a project, including the engineering firm(s) who delivered engineering services, signed off on another engineers’ work or provided an inspection or assessment. A business PLI policy protects your business assets in these circumstances and covers your legal fees to defend you against allegations. It also provides protection for complaints made against you to the PEO.

Business owners should consider purchasing this coverage if other engineers if they hold a Certificate of Authorization and/or providing services to the public.

Cyber Security & Privacy Liability Insurance:

Cyber Extension on the Primary Professional Liability Insurance From \$20, OSPE Members can purchase a Cyber extension to provide \$50,000 of coverage for claims arising from an unintentional breach of privacy or security as well as costs and expenses incurred as a result of a breach.

Do you have a planned response immediately following a breach of confidential client information?

Standalone Cyber Security & Privacy Liability Insurance & Breach Response Services is a market-leading product that protects you if you or your business has been involved in a cyber breach or privacy violation. It will cover the costs of your legal defence, investigative costs, notification and response costs, costs awarded to the patient(s) affected by the breach/violation, and more.

Commercial General Liability Insurance (CGL):

This policy protects you against claims arising from injury or property damage that you (or your business, including your staff) may cause to another person as a result of your operations, on-site visits, manual work and/or premises. For example, a client comes into your office for an appointment on a wet, snowy day. When heading to reception, she slips and falls on the wet floor, breaking her arm. The client may look to hold you (as the business owner) or your business responsible for her injury. CGL is often referred to as “slip and fall” insurance because this is such a common example of injury to a third party as a result of your premises.

If you are creating designing and building a product that will be sold to a client or the public, be sure to advise your broker in order to include the appropriate **Products Liability** coverage as part of your policy.

Because business owners generally have other insurance needs associated with physical office space and its contents, CGL coverage often comes bundled in a package product, the Business Package.

Business Package: (with or without Building Coverage)

This policy includes CGL, Property, Crime, and Business Interruption coverage and is designed for business owners and independent contractors with valuable contents.

In addition to the CGL coverage described above, the Clinic/Business Package includes coverage to protect your business and the contents within from losses associated with property damage (such as fire) and crime. Property Coverage insurance protects against damage to property, including an **Equipment Floater** if you own equipment that you regularly bring on-site, and loss of revenues caused by an interruption of business activities arising from an insured loss. Crime Coverage insurance protects against financial loss due to dishonesty, fraud, or theft of money, securities or other property owned by the business/office.

Engineer business owners who own the building in which their office is located can also add Building Coverage to their policy. This insures the bricks and mortar of your property, protecting you against loss or damage from a broad range of causes, including natural disasters and other threats to business operations, such as vandalism.

Directors’ and Officers’ Liability Insurance



This coverage responds when any error, omission, misleading statement, neglect, or breach of duty, employment practice violation or wrongful act, such as discrimination or harassment, is alleged against any person acting in their capacity as a representative of the business/firm.

There you have it. Probably more than you ever wanted to know about insurance coverage for you and your business. For more information, to receive a coverage analysis or to secure insurance, contact a broker at BMS, where you can speak directly to a team of brokers who specialize in liability insurance for the Engineering sector.

1-844-294-2717 or email ospe.insurance@bmsgroup.com