

# AT RISK

## AOLS PROFESSIONAL LIABILITY INSURANCE PROGRAM

### CLAIMS REPORTING

In the last issue, we discussed the types of claims reported under the professional liability insurance program and the main causes of these claims. In this instalment, we will deal with one of the most frequently asked questions we receive from the members, "when should a claim be reported"? The policy requires that:

*"The Insured shall during the policy period and as soon as practicable, give notice of the occurrence of any fact or circumstance which may give rise to a claim."*

The policy wording therefore, if interpreted strictly, requires that a member report not only those claims that have actually been made (that is, a letter demanding some sort of redress for an error, or service of a statement of claim) but also any potential situation

which might become a claim that a member becomes aware of whether or not any actual claim has been made. An example of this would be a member discovering an error in a survey that he or she prepared, even though the person the survey was prepared for is not aware of the mistake. Another example would be a member becoming aware of litigation between two parties disputing ownership of all or part of a property the member had surveyed. There are, of course, many other examples too numerous to mention.

In summary then, you need to report every instance where:

1. you have been sued for professional negligence;
2. legal action is threatened whether in writing or verbally;
3. an error has been or is alleged to have been made, whether or not the party is aware of the error; or,

4. any other circumstance that a member believes in his or her own mind could result in a claim being made.

Remember, the earlier a claim is reported, the faster it can be resolved and the faster a claim is resolved the more economical the cost of the resolution. In addition, if you delay in reporting a claim you could jeopardize your right to coverage.

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*We are pleased that Mr. Breese will be a regular contributor to the*  
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