

Professional Indemnity Insurance

Professional indemnity insurance protects professionals in regard to claims arising from alleged or actual legal liability for breach of their professional duty by reason of a negligent act, error or omission. It also protects consumers of professional services and the general public.

The Architects Board of Western Australia (Board) requires a practising architect to hold professional indemnity insurance in respect of the registered person's/licensed corporation's civil liability for anything done or omitted as an architect (see sections 30(2)(a) and 32(2)(b) of the *Architects Act 2004 (Act)*).

Architects should contact an insurance broker for advice about policies that comply with the legislative requirements and are appropriate for their circumstances and, where necessary, obtain legal advice.

Architects in Western Australia

Practising Architects

Professional indemnity insurance is required for all practising architects, either as an individual policy holder or through an employer's policy (see section 30 of the Act).

Practising architects who provide their services as sub-contractors to other architects or licensed corporations must be covered by professional indemnity insurance and thus should establish whether they are covered by the professional indemnity insurance policy of the architect or licensed corporation contracting their services. If not, alternative professional indemnity insurance cover must be arranged.

Practising architects who are living overseas are required to have professional indemnity insurance in place that covers Western Australia. The Board will accept overseas professional indemnity insurance if it specifies that the cover is worldwide.

Licensed Corporations

Professional indemnity insurance is required for all licensed corporations in Western Australia (see section 32 of the Act).

Non-Practising Architects

Non-practising architects are not required to maintain professional indemnity insurance. However, advice should be obtained from the relevant insurer as to whether insurance is required in order to meet any on-going obligations from previous projects. Legal advice should also be obtained where appropriate.

Board Requirements

Amount of Insurance Cover

The minimum amount of professional indemnity insurance cover required is \$1,000,000 (see Regulation 17 of the *Architects Regulations 2005 (Regulations)*).

Insurance Information to be Provided

Information about insurance cover is to be provided to the Board both on application for registration or licensing and for renewal of registration or licensing.

The Board requires a copy of an insurance certificate of currency showing that:

- (a) the policy covers the registered person, employer of the registered person or licenced corporation;
- (b) the amount of insurance is \$1,000,000 or more;
- (c) the policy is current on the date on which the copy of the certificate of currency is provided to the Board; and
- (d) the policy covers design or architectural services.

Employees whose names do not appear on their employer's insurance certificate of currency must submit both a letter from their employer naming them as an insured employee and a copy of their employer's insurance certificate of currency.

Acceptance of a certificate of currency by the Board for the purpose of registration does not signify that the insurance policy meets all legislative requirements or that it is appropriate for the architect's circumstances. It only indicates that the certificate contains the required information referred to above.

Architects should review their professional indemnity insurance policies to ensure that they are compliant with the legislation and otherwise appropriate and, where considered necessary, seek advice from an insurance broker and/or solicitor.

Disclaimer

The content of this Information Sheet is based upon the best information available at the date of issue and is subject to change without notice. The Board does not accept any liability to any person for the information or the use of this information. Persons requiring an interpretation of the meaning of the Act or Regulations should seek their own legal advice.

