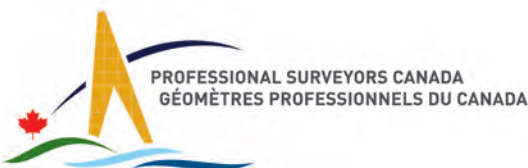


Get experience on your side

Guide to the ENCON
Risk Management Credit
for Land Surveyors



Program Sponsors



Introduction

The Risk Management Credit for Land Surveyors was developed to provide incentive and reward firms that are taking progressive risk management steps. It is hoped that the Risk Management Credit will serve as an incentive for firms to place risk management higher on their priority list.

The Risk Management Credit offers eligible insureds a deductible credit in the event of a claim if they followed certain “best practices” in performing the professional services that lead to the claim. It encourages the use of a set of best practices, long recommended through the survey, design and construction industry. Receipt of the Risk Management Credit is based on the insured providing documentation that satisfies **two** baseline requirements plus **one of three** best practice options in relation to the services provided that gave rise to the claim. The policy language establishing these requirements, their rationale and the appropriate documentation to demonstrate compliance are described in detail in this document.

Throughout this document, the term “agreement” also refers to a standard form of contract or a job confirmation letter.

Baseline Requirement 1 – Written Agreement*

A written agreement is a fundamental risk management tool. Through a written agreement, the parties can state their goals and the expectations they have of each other and of third parties. They can allocate rights and responsibilities, risk and reward. Written agreements can also help parties deal with future changes. Even though it may not be possible to determine exactly what those changes might be, it is usually possible to establish a process and some procedures for dealing with change. Also, agreements can help prevent disputes and can establish a framework for the fair resolution of those that do occur.

A written agreement achieves the following goals.

1. It clearly defines the mandate and extent of the project. Quite simply, it states that the Land Surveyor will perform a specific task for the client at a specified location.

Many claims result from disputes where there is no written agreement. The existence of an agreement will assist in ensuring that the expectations of the client are fulfilled. The agreement does not need to be extensive or onerous to read and execute. A simple one-page document can often meet the needs of the project, and ensures that all parties understand and agree to all the terms outlined in the agreement.

2. It clearly outlines the timelines and milestones of the project.

An agreement will assist in clarifying not only what task will be performed but also the deadlines that must be met in order to meet the client’s requirements.

3. It clearly defines the payment terms.

There is nothing more frustrating than not getting paid for a service performed in good faith; it puts stress on good relationships and leads to problems on the job. An agreement with specific payment terms will go a long way to ensure payment is received on time, and, in the event that this does not happen, it will assist in the process of recovery. For example, it may be that the client is dissatisfied with the project and may be withholding payment. Chances are that if this problem is allowed to continue until the end of the job, it will increase the likelihood of a claim.



An example of a minimally acceptable agreement is a completed Confirmation Letter. The provision of more extensive or more complex services will require a more extensive contract.

Source: CCLS/CCAG Loss Prevention and Practice Management Guide (<http://www.ccls-ccag.ca/PLICguide.htm>)
Please also refer to ENCON's Loss Control Bulletin No.11 for Land Surveyors (<http://www.encon.ca/english/lcb/>).

Baseline Requirement 2 – Checklists*

Checklists must be completed in order to reduce the possibility of an error or failure to notice an error during the completion of a survey. It is suggested that both the office and field staff complete these checklists. Examples of these checklists containing specific standards may be available from each applicable association. Checklists should also be included for every service provided which may include legal and construction layout surveys, computer calculations, and mapping. In the case of legal boundary surveys, title search checklists should also be completed. A quality control officer or project manager should ensure proper completion of these checklists. These checklists are excellent tools for insuring the quality of the work and client service.

Best Practice Option 1 – Internal/External Peer Review*

One of the best ways to minimize client dissatisfaction, anticipate problems and control the quality of surveys prior to being released to a client is by completing a documented internal or external peer review. By definition, an "independent" review cannot be conducted by the person technically responsible for the services or documents being reviewed. Internally, an experienced senior staff member or licensed Land Surveyor could review the data from a logic and possibility aspect; that is, get a second opinion on the data integrity. There should be an onsite visual review of the vertical or horizontal position of any survey stakeout relative to existing boundaries or construction. Construction claims are often as a result of incorrect positioning. Other types of review could be appropriate for other types of services.

Best Practice Option 2 – Pre-project Planning*

On all projects, but especially large projects, proper Pre-project Planning should be completed. Technical standards and specifications, defining of deliverables and milestone schedules will be identified at the project planning stage. A written quality assurance plan is an element of all work plans. The following guidelines can be used as a general checklist for the main elements of any project delivery plan.

- Detailed Statement of Work & Scope of Required Services and/or Deliverables
- Schedules, Budgets & Milestone Points
- Precise Definition of Required Deliverables and/or Services, Contract Standards, Client Imposed Standards and/or Association Standards
- Tasks & Responsibilities
- Forms & Reporting Documents
- Deliverable Requirements
- Statement of Safety Procedures
- Quality Control & Quality Assurance

Source: American Surveyor Magazine, November 2006 (<http://www.amerisurv.com/content/category/18/237/153/>)

** Baseline Requirements 1 and 2 plus **one of the three** best practices options must be met in order to qualify for the Risk Management Credit for Land Surveyors.*



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Application

Risk Management Credit Program for Land Surveyors

Insured: _____

ISN No.: _____

Claim Number: _____

Claimant: _____

Date of ENCON Claim Confirmation Notice: _____

By: _____

Policyholder Instructions: Check **each applicable requirement and option** on the Submittal Checklist below and attach compliance documentation clearly keyed to each applicable requirement and option. Complete the Policyholder Declaration on page 2 and fax to your ENCON claims analyst (613-238-7180) within sixty (60) days of your receipt of ENCON's claim confirmation letter. Documentation must be submitted as part of this Application demonstrating compliance with the **two** baseline requirements and **one of three** best practice options.

Submittal Checklist: To be completed by Insured

Compliance Checklist: To be completed by ENCON

Baseline Requirement 1 (Written Agreement)

Documentation Submitted: _____

Documentation: Compliant Non-Compliant

Comments: _____

- A written agreement executed prior to the performance of the services giving rise to the claim

Baseline Requirement 2 (Checklist)

Documentation Submitted: _____

Documentation: Compliant Non-Compliant

Comments: _____

- Completed, project appropriate checklists

Best Practice Option 1 (Internal/External Peer Review)

Documentation Submitted: _____

Documentation: Compliant Non-Compliant

Comments: _____

- Documents reflecting internal peer review activities, such as meeting minutes, memoranda, reports, completed checklists, and notations on project documents (at the conceptual/schematic and final project phases)

Best Practice Option 2 (Pre-project Planning)

Documentation Submitted: _____

Documentation: Compliant Non-Compliant

Comments: _____

- Documents reflecting pre-project planning such as meeting minutes, etc.

Best Practice Option 3 (Submittal Management)

Documentation Submitted: _____

Documentation: Compliant Non-Compliant

Comments: _____

- A documented submittal log or spreadsheet reflecting as-planned and actual receipt and response dates and actions taken

Please complete the Policyholder Declaration on page 2 (other side) and fax to your ENCON claims analyst (613-238-7180). ►



Declarations

Risk Management Credit Program for Land Surveyors

I/We hereby declare this Application and the supporting documentation is accurate to the best of my/our knowledge and that if this Application is found satisfactory to ENCON, it shall be the basis of any award of the Risk Management Credit.

Name of Principal, Partner or Officer: _____

Title: _____

Signature (Principal, Partner or Officer): _____

Date: _____

Email Address: _____

To be completed by ENCON:

Date Application Received: _____

By: _____

Additional Review Comments: _____

Reviewed by: _____

Approved by: _____

Date: _____

Date: _____

Advice to Insured – Attn: _____

Advice to Broker – Attn: _____

Date: _____

Date: _____

Best Practice Option 3 – Submittal Management*

A submittal log that tracks as-planned and actual submittal dates is a powerful project management tool that can be used to mitigate the insured's exposure to contractor delay damage claims. It also forces the contractor to provide a submittal schedule, co-ordinated with the contractor's construction schedule, for the Land Surveyor's approval. An internal progress report will help ensure proper completion of the delivery schedule. Internal progress reports will help ensure proper completion of the delivery schedule.

Program Eligibility

All Land Surveyor firms with fees less than \$10,000,000, and deductibles less than or equal to \$50,000, are eligible for the Risk Management Credit. If there is a claim against an insured, the insured has an obligation to notify ENCON promptly and in accordance with the policy provisions. Following receipt of a written notice of a claim, ENCON will confirm that a claim file has been opened and will ask whether or not the insured intends to apply for the Risk Management Credit. If the insured advises ENCON that it intends to do so, ENCON will request that the insured complete the "Application for Risk Management Credit" and submit the application and the following documentation to ENCON within 60 days:

- A copy of the written agreement that was executed by the insured and client prior to the performance of the agreed-to services giving rise to the claim
- A copy of all checklists completed in relation to the services giving rise to the claim
- Documentation demonstrating, to ENCON's reasonable satisfaction, that the insured had implemented one of the three best practices options, described in this highlight sheet and in the policy documentation, in relation to the services giving rise to the claim

Program Benefit

If the insured's application for the Risk Management Credit meets the criteria, the insured's deductible will be reduced by 50 per cent, up to \$25,000.

Additional Information

To obtain additional information concerning ENCON's Risk Management Credit for Land Surveyors, please call 800-267-6684 or visit ENCON's website at www.encon.ca.

Since 1969, ENCON has been providing professional liability insurance to Canadian design professionals. Our Risk Management Credit program for Land Surveyors offers tangible savings to firms who practice sound risk management. ENCON provides this program to help reduce claims against Land Surveyors and benefit insured firms, and ultimately lower insurance premiums.



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This Guide is for illustrative purposes only, and is not a contract. Please remember that only the insurance policy can give actual terms, coverage, amounts, conditions and exclusions. Program availability and coverage are subject to individual underwriting criteria.

* *Baseline Requirements 1 and 2 plus one of the three best practices options must be met in order to qualify for the Risk Management Credit for Land Surveyors.*