



Professional Engineers
and Geoscientists of BC
www.apegbc.ca

CENTRAL INTERIOR BRANCH NEWSLETTER April 2004

FROM THE DESK OF THE CHAIR

Dear Colleagues, Engineers and Geoscientists,

We have had two interesting events so far this year that were well attended. At the first event, Ed Dylke gave a very interesting presentation on the co-generation plant that Canfor plans to construct in the near future. This plant will provide Canfor with its steam and electrical requirements by utilizing the hog fuel from various milling operations. The second event was a tour of the Prince George Airport expansion. Ken Saika, Site Project Coordinator, provided an overview of the expansion plans and guided APEG members on site. Ken also provided information about the new state-of-the-art security system that will be installed at the airport.

Regarding upcoming events, the Popsicle Stick Bridge contest will take place on June 5th at Forest Expo this year. We are also planning a luncheon for the President's visit on Wednesday June 2nd, with both Bill Gilmartin and Anne Garrett in attendance to give presentations. Another important event is the provincial AGM in Whistler on Oct. 21-23. Our branch has nominated Michael D. Tkachuk, P.Eng for a member of council. We hope that he will be elected and we urge you to lend him your support.

If you have any suggestions or concerns about Association business, please contact a member of the Branch Executive. We would like to hear about any ideas for field trips and luncheon presentations, as they are important for our continuous learning and development. Remember, this is your branch and we need your participation to increase the public awareness of engineering and geoscience and make this a vibrant Association.

- David Pow, P.Eng, CI Branch Chair

REPORT ON COUNCIL ACTIVITIES – Mike Tkachuk, PEng.

The New Year started with the revised "Act" being placed on the provincial government's agenda for the spring session again and with approval of the merger with ASTTBC to proceed. Both Councils decided to ensue now with organizational changes to speed-up integration. Each Council is allowing members from the other organization to sit on its committee and attend sessions

without voting privileges. The amalgamation plans are proceeding well through the Joint Implementation Committee.

Committee members have been selected for the coming year. The work that these hundreds of volunteers do keeps the Association informed and up to date with tasks that would otherwise be almost impossible to complete. I sit on the Professional Practice Committee and the Executive Committee and I am impressed by the amount of work our staff, executive and committees perform. A good way to become involved in our professional Association is to volunteer for branch activities (it can be only for a single function or to help occasionally). Check the web www.apeg.bc.ca or contact me at 250-614-7291 or the Branch Chair, David Pow, P.Eng., 250-962-6224.

In addition, work on our core review is proceeding and our Guidelines for Professional Services in the Forest Sector- Bridge Design and other guidelines are currently under review. The half-year budget is close to target and council continues to protect the public and enhance our professions.

Development of Local Engineering Programs – Albert Koehler, P.Eng

On February 4th, 2004, the president of UNBC, Dr. Jago, met with Bill Gilmartin (APEGBC president), Mike Tkachuk (Council Member for the Central Interior), Albert Koehler (UNBC/APEG liaison), and Anne Garrett (APEGBC Executive Director). The purpose of their meeting was to discuss the recently established Environmental Engineering degree, which is a joint venture between UBC and UNBC. They also discussed the possibility of extending this program to include other branches of engineering.

Dr. Jago will be retiring in two years and his main objectives for the remainder of his term are to see the completion of the medical school (program and buildings) and to set the groundwork for his successor. One of the reasons for a medical school in this area was that graduates tend to stay where they have studied since they have often put down roots there. If that is the case, then it makes sense to educate future doctors in the North if we expect them to stay in the North. We pointed out that a similar model could apply to educating engineers and geoscientists. However, Dr. Jago did not seem to connect to the idea at this time. A new VP of Academics will soon be announced. This person, as well as the next President of UNBC will be key influencer for the next 5-year plan and we should plan a meeting with them at an appropriate time.

There was time left in the early afternoon and we decided to tour the CNC campus and possibly meet, unannounced, either the president and/or the Dean of Technology. It turned out that the Acting Dean of Technology and Planning, Alan Buswell, was in a meeting but expressed interest in conferring with APEG at another time. However, Ben Malcolm, the Vice President of Academics, was available and glad to meet with us (Terry Weninger, CNC president, was out of town). We had a very open and interesting discussion with Ben, especially with regards to the merger between Technologists and Engineers. It was decided that we should meet again at another time. In conclusion, the meetings of the day

where successful and met the group's expectations. The effort by APEGBC's executive members to travel from Vancouver to attend the meetings was greatly appreciated by UNBC, CNC, and by the Central Interior Branch of APEG.

NATIONAL SECONDARY PROFESSIONAL LIABILITY PROGRAM

The following document was prepared by the Security Insurance Company of Hartford (based in Toronto) in April 2002 to announce the establishment of the National Secondary Professional Liability Insurance Program for engineers and geoscientists.

Questions and Answers

Q. Why was this program set up?

A. As professionals, engineers and geoscientists take responsibility for their work. If their work subsequently fails, they may be held legally liable (personally) for any resulting costs or damages. Unless they have ample professional liability insurance they may be forced to pay thousands of dollars in damages and legal fees from their own pockets.

Many engineers and geoscientists have insurance coverage, either through their employers or their own policies, to cover most risks. This is especially true for those engineers and geoscientists in the Consulting field. On the other hand, many employed engineers or geoscientists in fields other than consulting do not always appreciate the need for coverage distinct from that provided by their employer, under, say a General Liability policy. There are many situations where these engineers or geoscientists need to call upon additional professional liability insurance.

For many years the Ordre des ingenieurs du Quebec has provided this type of program to its members to meet the requirements of the amended Engineers Act. A few years ago other provincial engineering Associations perceived a need for this type of insurance and as a result this program was set up.

Your professional Association has determined that in protecting individual members, this coverage promotes and enhances the value of the engineering profession and its service to the general public. Participation by all members of the Association ensures the program's existence and spreads the overall potential exposure and direct cost so that individual premiums are as low as possible.

Q. Do I need to arrange with my broker to buy this coverage?

A. No. As a member of good standing in one of the Associations that has joined the program, you will automatically be enrolled in the program effective March 31st 2002.

Q. Who is an Insured?

A. All members in good standing of the Provincial/Territorial Associations participating in this program are insured. These are NAPEGG, APEGBC,

APEGGA, APEGs, APEGM, OIQ, APEGNB, APEGN, APENS and APEPEI.
The policy does not cover firms.

Q. What type of insurance does this program provide?

A. This program provides insurance for your individual liability arising out of professional services that you may provide.

Q. What insurance do I have if I am an “employer”, “principal” or another “decision maker” in a firm or another entity?

A. Let's deal with this under two distinct categories:

- 1) If you are a sole proprietor or a decision maker in a firm that is engaged in providing standalone engineering or geoscience consulting services, you as a decision maker are not insured for those services. A “decision maker” is any director, officer or sole proprietor of an entity, or, any associate or shareholder who holds more than 10% of the shares of an entity or shares issued that include voting rights of an entity.
- 2) If you are a decision maker in a non consulting firm or another entity that constructs, manufactures, installs, fabricates, or engages in some other activity, you as a decision maker are not insured for those services, with one exception. The policy will respond where you had a role as a designer in the product produced by your firm and a claim relates specifically to that design.

As mentioned before there is never coverage under this program for the firm, company or entity itself.

Q. What insurance protection do I have if I am an employee in a firm or some other entity?

A. While you are an employee for an engineering or geoscience consulting firm, you are not insured under this program for the professional services you provide. Any liability you may incur in providing these services to, or on behalf of your employer should be protected under conventional professional liability insurance available in the marketplace.

While you are an employee for a non consulting firm or another entity, you are insured for the professional services you perform in the course of that employment.

Q. When I change employment, do I have insurance protection for the professional services I provided to my past employer?

A. Yes, as long as you are not a decision maker of an engineering or geoscience consulting firm. If you are a decision maker of a non consulting firm or another entity, you only have insurance protection for design as described above.

Q. What protection do I have if my firm ceases operation or goes bankrupt?

A. You will have insurance protection for your past work for the defunct or bankrupt firm as long as you are not a decision maker of an engineering or geoscience consulting firm. Your insurance protection if you are a decision maker of a non engineering or geoscience consulting firm or entity would be for design only as described above. If you are a decision maker of an

engineering or geoscience consulting firm, some restrictions apply before you receive insurance protection. These restrictions are explained later in this document.

Q. Do I have insurance protection for my past work if I retire?

A. Yes, as long as you are a member in good standing with a participating Association. Also, certain restrictions pertain to decision makers as explained below.

Q. Do I have insurance protection for professional activities that I may engage in when I am retired?

A. Yes, but only in the context of 'moonlighting' or for gratuitous advice you may give.

Q. What if I engage in "moonlighting?"

A. This program is intended to provide insurance protection for professional services performed outside of your regular employment. However, as this is intended to apply to occasional and not regular activity, additional conditions apply. Compensation received for an one project must have a value of less than \$2,000 and that the total compensation you receive for all such projects must not exceed \$10,000 in any one calendar year.

Q. Is a Member in training considered as an Insured?

A. Yes.

Q. Am I covered for mentoring?

A. Yes.

Q. The Insurance Policy is termed as being on a "Claims Made Basis." What does this mean?

A. This means that both the "Claim" as defined in the policy and the report of that claim by the insured individual to the Insurance Company (Security Insurance Company of Hartford) must be made within the current policy period. Furthermore, it is a condition that the reporting of the "claim" be undertaken as soon as the insured is aware of it.

A practical example would be where an engineer provided professional services 5 years ago. Damage to the building involved is only now apparent and the building owner demands that the engineer rectify the damage. The trigger for the policy is when the demand or "claim" was first made against the engineer, not specifically when the engineer performed the work.

Q. There are restrictions in this program relating to individuals who are "Decision Makers" in a firm. Why is that?

A. Decision makers hold senior positions that involved both administrative and business duties in a firm. This program is not meant to provide insurance protection for those non-engineering or geoscience duties.

Q. What happens if I am a decision maker and my company goes bankrupt or ceases to operate?

A. If you are a decision maker of a consulting engineering or geosciences service firm, the policy excludes claims against you during the first six month

period following the entry into receivership or bankruptcy of that firm, or during a two year period following the closure and cessation of operations of that consulting firm.

If you are a decision maker of a non-consulting firm or entity, you will have continuous insurance protection for your design activities as described previously.

Q. What happens if I, as a decision maker, retire and the consulting engineering firm with whom I was employed continues to operate? Do I as a retiree have insurance protection from this program following the expiration of a two year period after retiring?

A. No. If the firm remains in operation after you retire, you should require that the firm provide continuing coverage post-retirement, as this program will not provide coverage. If the firm is no longer in operation (either cessation of operations, bankruptcy etc.) then you, the retiree will receive insurance protection once the appropriate waiting periods have elapsed (six months following the entry into receivership or bankruptcy, or two years following the closure and cessation of operations).

Q. There is an exclusion in this program relating to other insurance. Can you explain why the exclusion exists even if the “claim” is not covered in whole or in part by the other policy?

A. This policy is not meant to substitute for nor operate in addition to other insurance which is or should be in place. There may be efforts by Plaintiffs to gain access to this policy as another source of revenue for problems that have either exhausted other coverage, problems that were excluded under that other coverage, or that may have nothing to do with the intention of coverage by this policy.

Q. Where can I get additional information?

A. There is a toll free number 800-361-9080 set up for enquiries in all provinces except Quebec. The number in Quebec is 800-665-3742. In addition, your association office has a copy of the Master Policy (number 96700) and can provide a copy at your request. Some Associations have posted a copy of the Master Policy on their website.

Q. How do I report a claim and to whom?

A. For immediate verbal notice of the claim, telephone the Insurers claims dept 416-363-2914 or toll free on 1-800-665-2222. Also, by calling this number you can request a CLAIMS REPORT FORM. Fax this directly to the Insurer at 416-363-8038.

Please feel free to forward any additional questions by calling 1-800-361-9080. Also, please remember that these Q&A are intended to help you in understanding the program. The Master Insurance Policy contains terms and conditions that determine how and when the Insurance coverage applies and nothing in this Q&A document is intended to or will override, alter or eliminate the specific wording of that Master Policy.

NEW IDEAS

The executive members of the Central Interior Branch would like your help in organizing functions that are relevant and interesting to YOU! If you have any ideas for lunch speakers, seminars, field trips, social activities, etc. Please let us know.

CENTRAL INTERIOR BRANCH EXECUTIVE

Chair

David Pow

djpconsulting@shaw.ca

Vice-Chair

Bob Parolin

bparolin@mcelhanney.com

Council Representative

Mike Tkachuk

mtkachuk@allnorth.com

Past Chair

Vladimir Pasicnyk

vpasicnyk@mcelhanney.com

Secretary & Newsletter Editor

Nini Long

ninilong@shaw.ca

Treasurer

Jim Sosiak

jsosiak@mcelhanney.com

Members-at-LargeAlbert Koehler (*UNBC Liaison*)

akoehler@telus.net

Jennifer Fowler (*Lunch Meetings*)

jenniejef@hotmail.com

Lane Logan (*Golf Tournament*)

lane@nrseengineering.ca

Zigmund Slosmanis (*S.E.R. Liaison*)

zigmund_slosmanis@telus.net

Colin Dix (*ASTTBC Liaison*)

dixassoc@shaw.ca