

Agrologists and professional consultants in general are constantly being held to higher and higher standards of conduct. With this higher standard, we have seen an increase in the number of lawsuits, and an increase in monetary awards from the courts.

To counteract this, Agrologists need to consider General Liability and Professional Liability (Errors & Omissions) coverages. Regardless of how careful or diligent a consultant may be, there is nothing to prevent someone from taking legal action against you, even if the grounds of the action appear frivolous and without merit. Court costs will incur whether an action is successful or not; and they will be expensive. Protection from these events will enable you to conduct business with peace of mind, knowing there is protection from economic catastrophe.

There are two types of liability policies for the purposes of this discussion. The first is the Commercial General Liability (CGL) policy. This protects against claims arising from non-professional activities and regular business operations. It covers property damage or bodily injury to others, should you become legally obligated to pay damages awarded by the courts. There is also a 'duty to defend' provision that requires the insurance company to defend the action, even if the claim appears not to have merit. These policies are relatively easy to obtain and have fairly standard coverages and rates. However there is an important exclusion in these policies. Namely, there is no coverage for actions brought forward due to the rendering, or failing to render, "professional services".

This brings us to the second type, the Errors and Omissions policy. This policy is designed to pick up where the CGL ends. It protects consultants from awards due to negligent acts, errors or omissions arising out of their performance of professional services. These policies also cover costs to defend an action. In fact, we know that almost every claim will have legal costs, while not all claims will have award payments. While there are some exclusions, these policies have very broad coverages and allow the consultant to enjoy freedom to 'do the job' without fear of financial ruin. Consultants are usually required to submit professional qualifications, details of staff, types of consulting performed, work experience and claims history to determine rates.

We at Cherry Insurance look forward to helping you navigate the various issues that may arise while obtaining Errors and Omissions coverage. We believe our experience and technical knowledge will enable you to do what you do best – your profession. We can advise you of the various policy exclusions and provide risk management techniques, allowing you to be confident going forward in your chosen field. Please feel free to contact me if you have any questions.

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