

Architects Act 2003 Information Sheet PROFESSIONAL INDEMNITY INSURANCE

February 2017

NSW Architect's Code of Professional Conduct

Professional Indemnity Insurance provides financial cover in the event of an error or omission, or failure in performance of an architect's professional duty. The NSW Architects Code of Professional Conduct requires architects to maintain professional indemnity insurance.

Part 4, 16 *Standards concerning insurance coverage*

(1) Subject to any requirements of the Act or the Regulation, an architect should:

- (a) *maintain a policy of professional indemnity insurance during each financial year appropriate for the architectural services being provided by the architect, and*
- (b) *provide each client of the architect with information relating to the insurance maintained by the architect for the architectural services to be provided to the client.*

(2) On the application of an architect, the Board may, by order in writing, grant an exemption to the architect from the provisions of subclause (1) if:

- (a) *the Board is satisfied that the architect has commenced practice as an architect only very recently, or*
- (b) *the Board is otherwise satisfied that it would not be appropriate in the circumstances for the architect to comply with the provisions of subclause (1).*

(3) Subclause (1) does not apply to:

- (a) *any architect in respect of the provision of an architectural service if:*
 - (i) *the person engaged to provide the service is not the architect, and*
 - (ii) *the architect is providing the service only as an employee of that person and not on the architect's own account, or*
- (b) *any non-practising architect, or*
- (c) *any architect who has been granted an exemption by the Board under subclause (2).*

Duty to declare

Architects are required to declare that they have appropriate professional indemnity cover when they complete their annual application for renewal of registration by 30 June each year.

The Architects Regulations 2012, provide for the Board to grant exemptions. Exemptions may apply to:

- Architects providing services as an employee of an architect corporation or firm
- Architects who have recently commenced an architectural practice
- Architects who, on application to the Board, request a waiver due to extenuating circumstances

Amount of cover

All practising architects should maintain a level of professional indemnity insurance that is appropriate to the architectural services they provide. Architects should seek advice from their insurance brokers regarding the appropriate amount of cover required and information to provide to clients.

Information provided to clients

Section 16 (1) (b) of the NSW Architects Code of Professional Conduct requires architects to *provide each client of the architect with information relating to the insurance maintained by the architect for the architectural services to be provided to the client.*

The Board considers that architects should provide clients with a certificate of currency of the PI insurance held by the architect.

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