

BY-LAW No. 2
made under
The Engineers and Geoscientists Act, 2008

Pursuant to the powers vested in it by virtue of the *Engineers and Geoscientists Act, 2008* (the “Act”) and all other powers enabling it, the board of the Association of Professional Engineers and Geoscientists Newfoundland and Labrador (PEGNL) hereby repeals and replaces By-Law No. 2 in its entirety and enacts this By-Law No. 2, to be known as the “**Professional Liability Insurance By-Law**”. This By-Law was approved by the Board on 05/01/2026 and comes into effect on that date.

1. Definitions

In this By-Law No. 2,

“Act” means the Engineers and Geoscientists Act, 2008;

“permit holder” is as defined by the Act;

“professional member” is as defined in the Act;

“professional services” means services which constitute or include the practice of engineering or the practice of geoscience;

Except as otherwise specified in this By-Law, terms shall have the same meaning as they have in the *Engineers and Geoscientists Act, 2008*, or in the Regulations made under the Act.

2. Mandatory Professional Liability Insurance

2.1 Every permit holder shall maintain in full force and effect at all times a policy of insurance to protect against claims resulting from errors or omissions of the permit holder and of professional members providing professional services to the public as an employee of or otherwise in association with the permit holder. Such insurance shall be in an amount appropriate to the risk of the practice, and not less than \$500,000 per claim and \$1,000,000 aggregate. The board may amend the minimum amounts above at a regular meeting of the board held prior to June 30 of any year, with the amendment to take effect on January 1 in the following year.

- 2.2 A permit applicant must submit with its application, and permit holder must submit upon expiration of its insurance policy, a certificate of insurance issued by the insurer stating the amount of coverage provided and the term of the policy. All permit holders are required to notify the Registrar in writing should its insurance coverage be cancelled or changed prior to expiration of the policy.
- 2.3 Notwithstanding section 2.1, professional liability insurance coverage is not required to be maintained by a permit holder if:
- (a) the permit holder provides professional services exclusively to one client, identified by the permit holder to the registrar, where such services are covered by a policy of insurance maintained by the identified client, where such coverage is equivalent to that contemplated by section 2.1.
 - (b) if an ancillary, but not primary, function of the permit holder is to provide professional services directly to the public and the professional services provided are covered by a policy of insurance maintained by the permit holder, with such coverage being equivalent to that contemplated by section 2.1.
- 2.4 A permit holder who is unable to obtain professional liability (errors or omissions) insurance because of the nature of the professional services provided, where the Registrar is satisfied that such inability is of general application to those professional services and is not due to the past claims record or any other issue particular to the permit holder, may be exempted in whole or in part from the requirements of section 2.1. A permit holder who is exempted by the Registrar under this section shall notify all clients or customers in writing of the particulars of the exemption and shall maintain a record that the clients or customers have acknowledged such notice in writing. The Registrar may also, as a condition for such exemption, require that particulars of the exemption be published in such manner as the Registrar deems fit, including by posting on the PEGNL website.
- 2.5 A permit holder claiming an exemption under section 2.3 or 2.4, shall be required to provide evidence of their claim to the registrar at the time of the claim and also annually in order to maintain the exemption. The Registrar may also, as a condition for such exemption, require that particulars of the exemption be published in such manner as the Registrar deems fit, including by posting on the PEGNL website.

- 2.6 The failure to comply with provisions of this by-law may be the subject of an allegation of professional misconduct and the subject of the disciplinary procedures of the Act.