Northern Territory Architects Board

Professional Indemnity Insurance

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NORTHERN TERRITORY GOVERNMENT

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Acronyms	Full form
APRA	Australian Prudential Regulation Authority
NT	Northern Territory
NTAB	Northern Territory Architects Board
PI	Professional Indemnity
CoC	Certificate of Currency

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1. Purpose

Under section 17 of the *Architects Act 1963* (the Act), registered architects, architectural partnerships and architectural companies are required to hold prescribed professional indemnity (PI) insurance as a condition of registration. This Policy establishes the professional indemnity insurance requirements that apply to registrants under the Act.

The purpose of this Policy is to protect consumers, clients and the public by ensuring adequate financial resources are available to respond to claims arising from the provision of architectural services; support confidence in the architectural profession and the regulatory framework established under the Act; promote professional risk management practices among registrants; and provide a framework for the Board to assess and monitor compliance with professional indemnity insurance requirements.

Compliance with this Policy is a condition of registration under the Act.

2. Scope

This Policy applies to all registrants under the Act, including:

- registered architects;
- registered architectural partnerships; and
- registered architectural companies.

This Policy applies whether architectural services are provided in the Northern Territory directly, through an employer, through a partnership, through a company, or under a mutual recognition or equivalent recognition arrangement.

3. Definitions

Term	Definitions
Architectural services	services ordinarily provided by an architect in connection with the design, planning or construction of a building or structure
The Board	Northern Territory Architects Board
Certificate of Currency	documentation issued by an insurer confirming the existence and currency of a professional indemnity insurance policy
Professional Indemnity Insurance	insurance against civil liability arising from the provision of professional services
Registrant	a registered architect, registered architectural partnership or registered architectural company under the Act
Officer	Director, Secretary or Senior Executive concerned in the management of the corporation or partnership

4. Policy Statement

A Registrant must not provide architectural services unless covered by Professional Indemnity Insurance that complies with this Policy.

Professional Indemnity Insurance must be maintained continuously throughout the entire duration of the registration.

A Registrant is responsible for ensuring that appropriate insurance arrangements remain in place at all times.

The Board may require evidence of insurance coverage at any time to determine compliance with this Policy.

Minimum Insurance Requirements

The prescribed insurance must be Professional Indemnity Insurance. Public liability insurance or other insurance does not satisfy the requirements.

The policy, or CoC, must note the name of the Registrant as the insured party or, if the insured party is their employer, it must be accompanied by a letter from the employer on company letterhead, signed and dated by an Officer of the employer, confirming that the Registrant is covered by their policy.

The minimum limit of indemnity is $1,000,000 per claim or occurrence or such higher amount as may be prescribed by legislation.

The policy must be issued by an insurer lawfully authorised to provide insurance in Australia or otherwise approved by the Board.

The Board may request details of policy exclusions, limitations or endorsements where necessary to determine whether adequate coverage exists.

Employer-Based Insurance Arrangements

A Registrant may satisfy the insurance requirements through a policy held by an employer, partnership or company where the Registrant is covered by that policy.

Where reliance is placed on employer-based insurance, the Registrant remains responsible for ensuring that adequate coverage exists.

The employer or company that provides the insurance must also be registered in the Northern Territory. An additional paragraph will be included in the covering letter sent with their certificate advising that the individual Registrant's registration is limited to works completed on their employer's behalf only and that any change of employment must be notified to the Board along with evidence of new insurance policy.

When a certificate of registration is issued, the Registrant will be advised in writing that they must maintain continuous insurance and provide evidence of this to the Board, with a warning that failure to do so may affect their registration status.

If employment ends or coverage ceases, the Registrant must immediately cease providing architectural services unless alternative compliant insurance is in place and must notify the Board.

4.1. Demonstrating and Maintaining Compliance

Evidence of PI insurance must be included in a current Certificate of Currency and be provided:

- at initial registration, with the application;
- at renewal, with the renewal application; and
- on written request by the Board, within the timeframe stated in the Board's notice.

The Board may require additional information to verify the existence, currency, extent of coverage or compliance with this Policy.

Where reliance is placed on an employer policy, written confirmation from the employer must also be provided.

Registrants must ensure there is no gap in insurance coverage while providing architectural services.

Notification of cessation or material change

A Registrant must notify the Board in writing within 14 days if Professional Indemnity Insurance:

- ceases, is cancelled, suspended or lapses; or
- the level of indemnity falls below the prescribed minimum; or
- any material circumstance affects compliance with this Policy.

4.2. Exemptions

Grounds for exemption

An exemption from the PI insurance requirement may be granted to a Registrant by the Board on written application as follows:

Ground	Conditions	Limitation
Government employment	Architectural services performed solely within the scope of the architect's government employment	Does not extend to private, secondary or external practice
Non-practising in Australia	A non-practising declaration has been lodged with the Board and maintained for the relevant period	Ceases immediately upon any resumption of Australian architectural practice or providing architectural services in Australia.

The Board may vary, impose additional conditions on, or revoke an exemption. An architect must comply with all conditions attached to an exemption. Conditions may include restrictions on practice, reporting requirements, notification obligations, annual declarations and time limits.

4.3. Compliance and enforcement

The Board may require a Registrant to provide information relating to insurance coverage and the Registrant must comply within the specified timeframe.

A Registrant is non-compliant if they provide services without prescribed insurance, fail to maintain insurance, fail to provide requested information, fail to notify the Board as required or provide false or misleading information.

The Board may take any action available under the Act, including requests for information, formal notices, compliance monitoring, inquiries, suspension or cancellation of registration. The Board is not required to progress through enforcement stages sequentially where circumstances warrant an immediate response.

Cancellation and inquiry process

Under section 20(d) of the Act, the Board may cancel registration where a registrant is not covered under a prescribed PI policy, subject to legislative requirements.

The Board may suspend registration pending the outcome of an inquiry.

A person whose registration has been cancelled may apply for re-registration and must provide evidence of compliant Professional Indemnity Insurance.

5. Administration and Review

The Board or Registrar may issue guidelines, forms or procedures to support the application of this Policy, including approved forms for lodgement of evidence of PI insurance.

This Policy is reviewed every two years, or sooner where legislative or regulatory changes require it.