



# ONTARIO ASSOCIATION OF HOME INSPECTORS

*Established by the Ontario Association of Home Inspectors Act, 1994*

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## Notes from the Board of Directors

November 2003

To All Members of the OAH

The Board of Directors is proposing a Bylaw change to the membership requirement for insurance coverage. This notice meets the notification requirements of the By-law. The rationale for the changes is as below and in the attached document containing the wording of the Bylaw changes.

Over the past few months many members have been able to find adequate insurance coverage as an alternative to the failed CAHPI group insurance plan. There are few companies willing to offer professional liability insurance, some have restrictive policies as to which risks they will cover, and the costs have risen remarkably. Some of you have made a business decision not to carry insurance.

We have conducted straw polls at the recent regional meeting groups as well as the general insurance survey in September. The result of that poll suggest that the majority of the members would like to have insurance, but that the majority of members also feel the association should remove the insurance requirement as a condition of membership.

To remove the insurance requirement as a condition of membership requires a By-law change, and that requires a Special Membership Meeting to vote on the proposed By-law change. There must be at least 40% of the voting members represented in person or by proxy and there must be a 2/3's majority vote of those members vote for the changes. If these simple requirements are not met the proposal will fail, the same reasons it failed at last August's Special Meeting.

We have asked the advice of the Association lawyer and he has said that because we have promoted the idea that OAH members carry professional liability insurance, then in order to change membership insurance requirements we must inform the public of that change:

"...if the Association chooses to remove insurance coverage as a condition of membership..., we suggest that the Association take steps to make the public aware that although the Association continues to encourage its members to maintain adequate professional liability insurance, it is no longer mandatory if the member meets the other requirements for membership."

Following that legal opinion, the Board of Directors have had By-law changes drafted. The changed By-law requires practicing members to have professional liability insurance OR to have a disclosure form signed by the client informing them that the member does not carry insurance. There are several By-law Articles to be revised and a list is attached; they must all be changed. Please be aware that if you vote to change the Bylaw you will be voting to allow members to choose to carry professional liability insurance OR disclose that they do not carry professional liability insurance.

This will give some members more flexibility in the operation of their business. It may lead some to use their insurance coverage to try and gain a competitive advantage over their competitors. It will require the Association to advise other stakeholders in the home inspection profession that not all members may carry professional liability insurance.

The board has called for a special membership meeting to be held at the Best Western Hotel in Mississauga on Tuesday November 25<sup>th</sup> at 7 p.m. for consideration of the proposed by-law changes. It is important that all voting members exercise their right to vote on this important issue.

Enclosed please find the proposed By-law changes and a Proxy form.

If you cannot get to the meeting in person you may give your Proxy to another RHI to vote on your behalf or mail or fax the Proxy form to the Secretary by midnight, Sunday November 23<sup>rd</sup>, 2003.

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Sincerely,

*George Webb*  
*OAH BOD Secretary*