

PROTECTIVE BY DESIGN

2022 Annual Update





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Pro-Demnity's Protective Shield is used throughout the annual update to communicate our valuable Risk Education and Risk Services offerings. Created from the "D" in our name, it is a defensive symbol that emphasizes the many ways we support architects with an alliance for protection.

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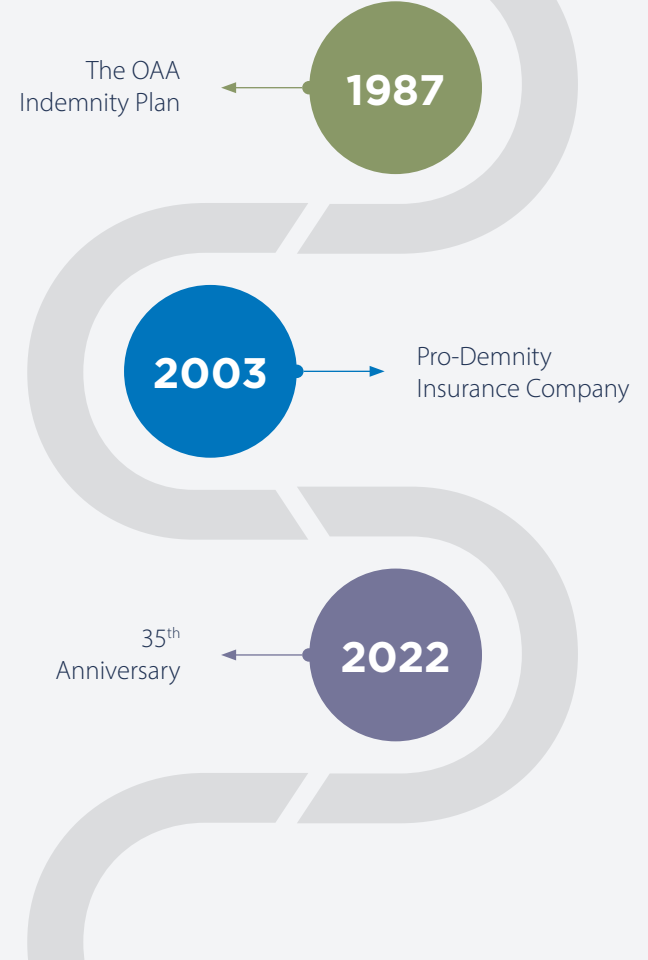
SERVING ONTARIO ARCHITECTS

From our early beginnings as an indemnity plan in 1987, Pro-Demnity was designed to be the architects' trusted, protective, professional ally, providing Ontario's architectural practices with professional liability insurance solutions and risk management services.

We enable the architectural profession to improve society and human interaction through better design, by supporting the **wise, effective,** and **efficient management of risk.**

“Since Pro-Demnity started I have had three projects where there might have been legal action taken against me. Pro-Demnity guided me through these situations with excellent advice.”

Our Promise to Architects is an Alliance for Protection.



OUR CAUSE

To support the architectural profession to take the risks necessary to design a better world.

To enable the improvement of society and human interaction through better design by supporting the wise, effective, and efficient management of risk.

OUR PURPOSE

To be the trusted ally to protect & defend the architectural profession and their families by strengthening and supporting their resiliency to the risks associated with practice.

OUR AMBITION

To strive each day to be the authority on risk, resulting in financially sustainable practices that unleash the full potential of the profession to improve society and human interaction through better design.

OUR VALUES

We build upon our core values of

Trust
Accountability
Collaboration
Innovation

PROTECTIVE BY THE NUMBERS

35

Number of years that architectural practices have access to affordable professional liability insurance

1,575

Number of Clients

1,963

Total claims reported (2011-2021)

2,564

Closed Claims (2011-2021)

\$16.7 M

Total Claims Costs in 2021 (Claims / Adjustment Expenses)

\$23 M

Net Premium Earned in 2021

\$2.2 M

Net Profit before Tax in 2021

75% / 25%

75 % of claims costs attributed to legal expenses. 25% of claims costs attributed to damages.

5%

Rate increase in 2021 and planned for 2022

50%

Reduction in admin fees to 3%

102%

Combined Ratio (Loss Ratio plus Expense Ratio)

12

Total Number of COVID-19 Special Edition Bulletins since 2020

BOARD CHAIR'S MESSAGE



AN ALLIANCE FOR PROTECTION

Joanne McCallum
Chair, Board of Directors

I've been reflecting on Pro-Demnity's promise and value, to protect and defend practices and what it means to be protective and to offer protection, while preserving one's livelihood and ability to continue to design creatively. Our promise has taken on increased importance.

As the architectural profession is called upon to build back better, to assume an increasingly important role in designing resilient, regenerative, and net zero environments, so too, Pro-Demnity is evolving in lockstep with the profession to meet these demanding challenges. Pro-Demnity's Cause encapsulates

this evolution. Protection is understanding that there is risk and supporting risk through wise, effective and efficient management.

To serve as Board Chair during another busy and impactful year, and to work with very talented and high-functioning Board members and the equally talented senior management staff at Pro-Demnity is a true privilege. Particularly so in 2022, as Pro-Demnity and its predecessor, the Indemnity Plan, will embrace 35 years of protecting and defending architects in Ontario through professional liability insurance coverage.

Our Board is fortunate to have members with broad complementary skills and experiences that contribute to intelligent, thoughtful, and robust oversight. Together, we oversaw the effective roll-out and delivery of the 2021 strategic plan targets, and the successful implementation of Phase 1 financial reporting to meet a new international financial reporting framework. Collectively, we significantly strengthened the Pro-Demnity brand and ultimate value to practices with a clear focus on providing enhanced Insurance Solutions, Risk Education and Risk Services offerings. The implementation of improved operational and organizational procedures and processes to better streamline services delivered to practitioners, is ongoing.

Throughout the past year our agenda was steadfastly focused on ensuring the continued financial viability of Pro-Demnity so that we may continue to provide liability insurance to all Ontario practices - the new and emerging ones along with the growing and established firms – today and well into the future. This included delivering expanded services to architects while concentrating on containing and strengthening the financial bottom line of the business.

As a Board, we support the important work the organization has undertaken to continue to promote diversity, equity, and inclusion, as well as important health and wellness initiatives. These efforts enhance the workplace culture where we embrace and value our differences and where people can be their true selves, feel they belong and offer their unique contributions.

Within the context of protecting and defending the profession, sustainable practices will continue to inform our decision-making. Policies such as our Environmental, Sustainability and Governance Investment Statement reinforce our commitment to sustainability with employees and clients alike.

On behalf of Pro-Demnity's Board, sincerest thanks to our clients and shareholder for your continued trust. To our employees, we recognize this past year brought many personal and professional challenges caused by the pandemic. The Board and I are inspired by how you pulled together to achieve excellent outcomes under such extraordinary circumstances. Thank you for being there to protect and defend our clients.

PRESIDENT & CEO'S MESSAGE



AN ALLIANCE FOR PROTECTION

Bruce Palmer
President and CEO

We have such a compelling purpose – to protect and defend the architectural profession – and that purpose really shone through in 2021.”

Over the past two years, we have articulated our Cause, Purpose, Ambition and Values. These seemingly simple statements are deeply important to us: they define why we exist, how we wish to be perceived, what we wish to accomplish, and how we wish to behave. We refer to these at every staff meeting, Board meeting, leadership meetings and client meetings. Understanding these statements helps to frame our past, our present, and our future. They guide our strategic planning, decision making, prioritization and performance management. These statements distinguish us and convey our overall promise to the profession: an alliance for protection.

Our People

Our team has done an exceptional job this past year endeavouring to fulfil our promise to architects. From careful planning and strategic forethought at the leadership team level, to the commitment and diligence of all staff to strengthen and enhance operations and services. Everyone has contributed to helping our clients at an uncertain time when they needed us most.

Client Support

Clients' access to timely insurance and practice information was enhanced with the new website, designed to showcase the valuable offerings available to you: Insurance Solutions, Risk Education and Risk Services. The strategic investments that will continue to be made in digital platforms and technology have been invaluable to our working effectively and serving clients while conducting business remotely.

Financial Strength

As an insurance company, our business is to manage risk and plan for the unexpected - just like we assist our clients to do. For the past three years, the management team had a capitalization and operational strategy to ensure the financial strength of Pro-Demnity

in any circumstances or events. This approach has stood us well during the global pandemic and the company continues to be soundly capitalized to meet all future obligations.

We have such a compelling cause and purpose – to protect and defend the architectural profession – and that purpose really shone through in 2021. This year's update highlights our efforts to fulfill our promise to architects and reflects the many ways in which Pro-Demnity is truly protective by design.

We are grateful for the stewardship of our Board of Directors, the confidence of our shareholder, and most especially the trust our clients place in us every day to provide an alliance for protection. A few of their testimonials grace the pages in this update.

On behalf of the entire team, thank you for working with us last year and allowing us to protect and defend your architecture practice.

ELEMENTS OF PROTECTION



In 2021, Pro-Demnity continued its active implementation of our five-year strategic plan, focused on improving operations across the Company through core strategic drivers.

STRATEGIC DIRECTION

STRENGTHENED OPERATION

CLIENT CENTRICITY

PEOPLE & CULTURE



STRATEGIC DIRECTION

Of prime importance to Ontario’s architectural practices is access to top quality, competitive professional liability insurance for all - regardless of insurance market gyrations, natural catastrophes, or even global pandemics. To this end, Pro-Demnity continues to be focused on ensuring Ontario architects are protected and defended against accusations of error or omission.



Excellent practice advisory service.”

INSURANCE SOLUTIONS: PRODUCT AND SERVICE INNOVATIONS

Pro-Demnity strives to continuously strengthen our product suite, in response to market forces, and to ensure that it is in the service of the profession in accordance with the *Architects Act*. To this end, the [Excluded Services Endorsement](#) was introduced in September 2021. The Excluded Services Endorsement bolsters the regulated role and status of architects in Ontario and strengthens the integrity of the mandatory program. By clarifying the insured risk for Construction Phase Architectural Services, we’re protecting the mandatory program from inappropriate exposures and enhancing collective trust. We also provided greater clarity of our [Retirement from Practice Program](#) to help architects understand what to expect with regards to their professional liability insurance once they’ve surrendered their Certificate of Practice.

RISK EDUCATION

Throughout the year, high client demand for our [COVID-19 Special Edition Bulletins](#) continued, and we endeavoured to meet client needs for relevant and timely risk education topics through *The Straight Line* such as [dispute resolution wordings](#). In the summer of 2021, a Risk Education survey was undertaken by a third party to better understand the learning needs of architectural practices in managing uncertainty and risk. 208 completed surveys were submitted, and we are leveraging the insights to inform future risk education course and offerings.



RISK SERVICES

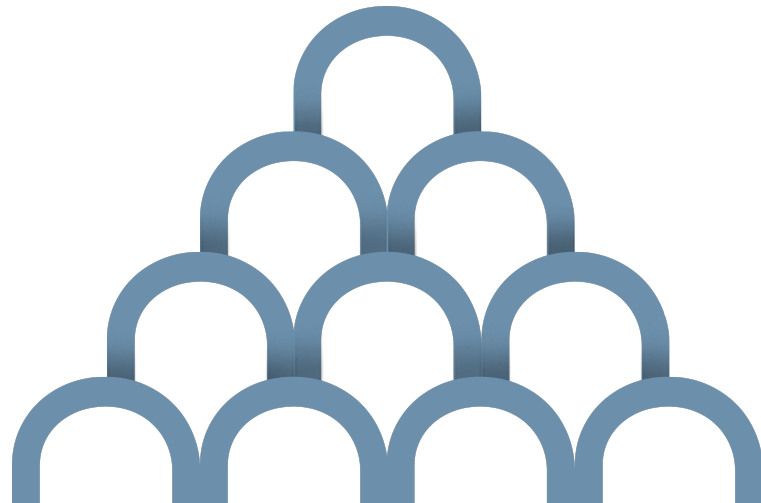
Pro-Demnity continues to strongly support our in-house architects’ role in the claims process: their unique understanding of architects, construction, and the insights they bring are crucial to Pro-Demnity’s success and its role of being a true protective ally protecting and defending the profession.

It is the intention to free our in-house architects from some of the administrative parts of the claims process, increasing the amount of time dedicated to each client’s claim file and bringing the unique architect’s perspective to bear on the process.

To this end, we’ve set a path for the creation of the **Risk Alliance Centre of Excellence** to bolster our ability to provide architects and their firms with more customized, one-on-one support from an expanded group of in-house architects. This will be introduced later in 2022.

WORKING IN UNISON TO BETTER THE PROFESSION

Taking a protective stance and maintaining a sustainable insurance operating model, Pro-Demnity's financial performance was in keeping with expectations for the year, and the organization performed admirably while implementing operational priorities. Financially, our fiscal performance was solid, maintaining our capital stability with a year-end Minimum Capital Test ratio of 238%, and a Combined Ratio of 102%.



Pro-Demnity's general fiscal health is valued through several key performance indicators:

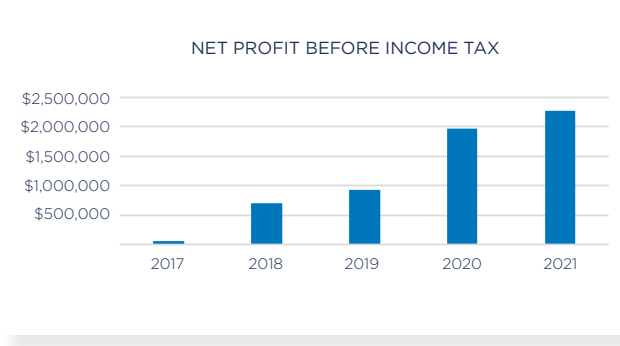
NET PROFIT

Pro-Demnity operates very much like a mutual insurer, putting the protection and interests of its policyholders first.

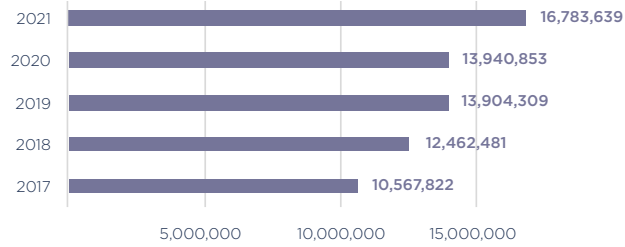
To support the profession as it grows over time, we grow our capital strength so that we stay compliant with insurance regulations and the requirements of the Financial Services Regulatory Authority (FSRA) of Ontario as well as the International Financial Reporting Standards (IFRS).

Since we do not have shares to sell on the market, we increase capital by keeping retained earnings.

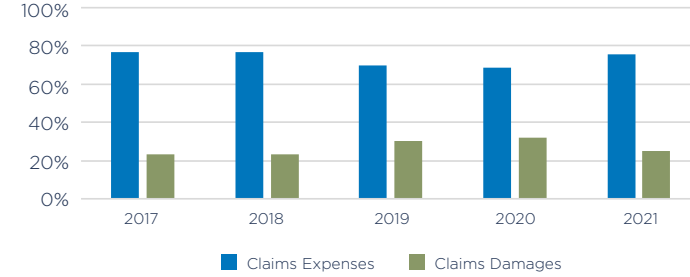
Although Net Profits are not the driver of our business, they are important to Pro-Demnity's long-term stability, and ensure we are here to protect and defend.



TOTAL CLAIMS COST



CLAIMS COST = DAMAGES + EXPENSES



CLAIMS

Claims are at the core of the promise we make to architects:

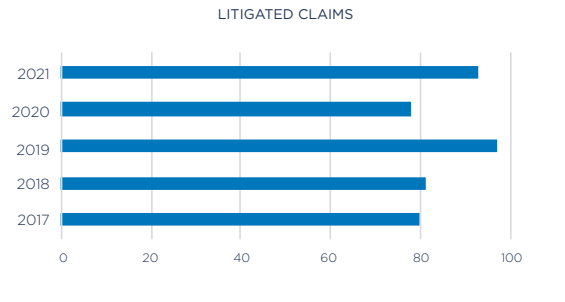
to defend architects and their firms against allegations that they did something (or failed to do something) in the fulfillment of their professional duties that caused damage.

Claims increased during this period, which was anticipated, as pandemic-affected projects reached completion and the arguments about who should pay began in earnest. In 2022 Total Claims Costs amounted to just under \$17M CAD, and generally, 75% of claims costs go toward defending and only 25% to damages.

Expenses consist of the costs of lawyers, expert witnesses, document search, preparation, and management (the hundreds of thousands of documents – which include all those e-mails we all write – end up with the lawyers as “evidence” in any claim).

This is what it costs to defend architectural practices, even when they are not at fault.

Damages are the costs we pay for any damage caused by a firm’s alleged errors or omissions. Sometimes these are court-ordered damages, but more often they are negotiated settlements.



There are two categories of claims from our claims management perspective.

The first, notification is usually from a policyholder signaling that there is a circumstance that is creating a potential issue, and the second, is an actual lawsuit or legal action.

Non-litigated claims are the early notice signals that often allow us to step in and help an architect. Litigated claims are when the lawyers get involved.

The line between the two is somewhat artificial and is often blurred.

Increasingly, we work to avoid any litigation even starting, and we will, when it makes sense, settle before litigation commences.

Although the number of litigated claims is increased over the previous year, our legal team is getting involved earlier in the process to try to improve the ultimate outcome.

Despite the pandemic restrictions throughout 2021, the designated essential work of architecture continued, resulting in an increased number of claims over the previous year. Once again, the monetary damages being sought in those claims are growing at a much more rapid rate, resulting in increased costs going towards defending the claims.

OUTCOME

The organization's encouraging fiscal performance and achievement of a 102% Combined Operating Ratio was offset in a year where the number of claims and the total claims costs rose over the previous year.

The rate increase for the 2022 renewal year will continue to remain steady at 5%*, with administrative fees lowered by 50% to 3%.

** Premium = rate x 3-year revenue average. For example, if 3-year average revenue increases by 5% and the rate increases by 5%, the premium increase will be 10.25%, all else being equal.*





STRENGTHENED OPERATION

Throughout 2021 we continued fortifying our operational capability. In alignment with our Operational Review, we're refining the fundamentals that will lead to even more noticeable client-facing service improvements while ensuring compliance with regulatory requirements.

Pro-Demnity Insurance coverage has helped by defending us when dragged into lawsuits unfairly, on issues that we had no knowledge of nor had any control over."

REFRESH TECHNOLOGY

Working at home necessitated an increased reliance on secure enterprise-wide technology to support improved access and ongoing connectivity. The transition to MS Office and cloud-based computing occurred in accordance with our Technology Plan and provided the company with ever-more stability and safeguards during systems usage. Once more, employees pivoted admirably through training, and ensured that our clients' needs were prioritized.

TRANSITION TO BUSINESS CENTRAL

Our financial systems were also migrated from Great Plains, a legacy system, to Dynamics 365 Business Central achieving our goal of improved financial operations through system automation. Business Central is a critical foundational system whose implementation is essential for us to readily comply with International Financial Reporting Standards (IFRS) now and into the future.

Phase 1 is complete and involved the Finance team who completed design workshops, data migration and training sessions among other key milestones. In the last quarter of the year, the Underwriting team was heavily involved as changes to internal processes were required. For example, we now ask policyholders to select payment options as part of their application package. The invoice format has also been updated to align with our refreshed brand.

Phase 2 is in progress and on target for completion toward the end of 2022.

COMPLIANCE WITH IFRS REQUIREMENTS

IFRS-17 marks a fundamental shift in accounting principles for Insurers. It aims to increase transparency and improve standardization in the accounting for insurance contracts. It is a regulatory requirement that must be met starting January 1, 2023.

This longer-term project is strengthened by investments and upgrades to Pro-Demnity's technology capabilities, such as Business Central as described above, key financial processes and data analytics.

Phases 1 and 2 are completed and scope of work for Phases 3 and 4 is in progress.

LEGAL & CLAIMS REVIEW AND IMPROVEMENTS

As noted previously, 75% of claims costs are expenses, primarily legal costs, experts, and related expenses. Managing and controlling these costs, therefore, has a significant impact on Pro-Demnity's overall loss ratio.

The Legal and Claims Team created and began implementing its seven-step plan to improve processes, file management, control costs, and prepare for system upgrades that will be occurring in 2022. New workflows, improved reserving practices, and formalized reporting throughout the claims and legal teams will help us continue to manage costs in this important area.

Of note, our expanded in-house team of four lawyers, is now actively engaged in the early management, mitigation, diffusion, and reduction of claims. We've also completed an audit and review of all open claims, assessing their status and future requirements.

In parallel, we updated our reserving policy and implemented more effective and rigorous reserving procedures, with claims management utilizing this disciplined approach.

Litigation Management Guidelines in alignment with our Foundational Litigation Strategy were developed and shared with the pool of external counsel who are most often retained, with the intent of creating measurable parameters within which claims expenses could be measured, monitored, and managed. Now implemented, monitoring against the guidelines will begin in 2022 including extensive legal fee review.

Pro-Demnity has helped me with a few difficult clients and allowed me to concentrate on the business of architecture."

I have been thru 4 lawsuits to-date, 2 of which Pro-Demnity positively resolved without damage, 1 which cost my office only \$300, and the 4th (current) which is near the point of having my name dismissed from the suit. I can easily claim that I had very little stress due to these 4 circumstances to-date - a large part of which is due to Pro-Demnity."

We're also continuing to examine and analyse information that is and should be captured within the claims management process and identify how it may be used to assist Pro-Demnity in leveraging this information to the benefit of the architectural profession, our architectural practice clients, and in other multi-faceted ways:



To better understand (and, ultimately, to better manage) the flow of expenses throughout the often-lengthy claims process;

1

2

To identify trends in claims, specifically related to their cause and how future claims can be minimized or mitigated through Practice Risk Management activities, claims management, underwriting action, or some combination of these activities;

3

To take full advantage of Pro-Demnity's unique, in-depth knowledge of the nature of the architectural profession and professional liability insurance to improve its offering and value to Ontario architectural practices;

4

To reinforce Pro-Demnity's reputation as the authority on risk and to create evidence-based insights into the causes of claims and the best method(s) of managing the risks associated with the practice of architecture.



The increasing claims activity faced by architects is the result of complicated forces: an overcrowded legal system, the imposition and acceptance of unfair contracts, and the increasing propensity of lawyers to sue everyone they can think of to name a few. Pro-Demnity's primary commitment remains the continued assurance that all Ontario architects have access to professional liability insurance that is affordable, fair, and equitable, and that will deliver an exceptional legal defense whenever necessary.



CLIENT-CENTRICITY

Moving toward a more client-centric culture is in progress with several notable achievements to draw us closer to clients so that we may better meet their needs with services and protections that help architects mitigate risks.

I realize the absolute necessity of professional liability insurance in today's world, and I would not leave home without it. Pro-Demnity has been good."

NEW WEBSITE + BRAND REFRESH

Clients were introduced to the refreshed brand and value proposition through the new website, launched on May 16, 2021. The improved navigation makes it easier for clients to access content on the three most sought-after offerings: Insurance Solutions, Risk Education and Risk Services.

With almost 1,000 monthly visitors, www.prodemnity.com is a key resource and first stop for clients seeking guidance to manage risks associated with practice, and to better understand their professional liability.

The new website provides an enhanced platform to enable Pro-Demnity to develop and offer more online capabilities to architects in the future, including a Risk Assessment Tool that is being developed in 2022.



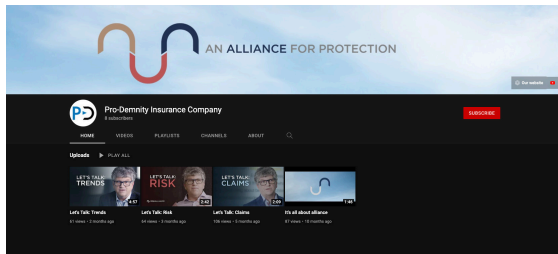
ENHANCED COMMUNICATIONS

In 2021, clients benefited from regularly scheduled monthly e-blasts alerting them to the most up-to-date news from their insurer and providing direct online links to valuable content and information. Engagement from clients is high relative to other organizations across the financial services and home and building sectors respectively. E-mail is a primary means of communication with clients so we encourage architects to [subscribe to our newsletter](#) and ensure that “distribution@prodemnity.com” is safe-listed for receipt of important electronic messages and news.

To further reach clients, a new [YouTube channel](#) was established in May 2021 to feature the CEO’s “Let’s Talk” video series providing insight into Claims, Risks and Trends affecting architects.

Clients will have also noted a modest change in the friendlier tone and approach to their annual renewal package, which improves understanding of the renewal process through clearer actions and timelines.

Providing timely access to guidance on risk matters related to COVID-19 was a continued focus in 2021. Six additional special edition bulletins were published to support architects on issues ranging from Delays, Substitutions and Personal Injury Claims to General Site Visits and Reviews, and more recently on vaccination mandates. All [COVID-19 Resources](#) are available online.



A NEW PODCAST SERIES

Pro-Demnity is adapting a treasure-trove collection of 72 claims stories into [Architects' Claims Stories](#), a unique podcast series, to share them more broadly with diverse audiences through a popular, growing media format. It provides architects and interns with insight into many of the situations which can lead to claims, and offer up learning moments about professional practice, in a light, and accessible way. The podcast pilot [No Written Record](#) was beta tested in October 2021 with a diverse focus group of over 20 architects, and launched in March 2022 on Apple Podcasts, Spotify, Google Podcasts and Amazon Music.

The claim stories are very informative and educational.”

NO WRITTEN RECORD



CLIENT EXPERIENCE

A new initiative launched in September 2021 intends to draw us closer to the architectural practices we serve. Pro-Demnity's CEO continues to meet with leaders of several practices to exchange company news, insights on trends, and to share industry concerns. This effort is part of a larger exercise to be more purposeful with our clients and to enhance our understanding of their experience in practice. The learnings from this initiative will inform client journey mapping and persona development to help us deliver better services and experiences to architects now and in the future.

The Leadership Team also participated in Client Experience training to further their understanding of this management discipline and to inform the development of our Client Experience strategic vision.

Pro-Demnity has provided peace of mind that if there was any conflict or issue arising from my practice that they would be able to provide the best advice and representation for myself and my practice."

ONGOING FINANCIAL RELIEF DURING THE PANDEMIC

Pro-Demnity continued to extend financial supports to clients by waiving 50% of the annual administrative fees for a full year from April 1, 2021 to March 31, 2022. This financial relief was well-received by clients at a most uncertain time and is planned to continue for another year in 2022.

Likewise, expanded payment options for premiums and deductibles significantly helped clients to improve their cash flow management. Over 15% of clients have modified their payment plans to take advantage of this service.

Finally, clients increased their use of our contactless service capability by switching to online payment options, such as pre-authorized payment plans for both premiums and deductibles.

As a result, architects are consistently experiencing improved service of electronic processing – both in time and quality – such that the impacts of insurance lapses have been greatly minimized. Increasingly clients are opting for electronic payments over cheques and mail delays, while also supporting sustainability efforts.

PRO-DEMUNITY WAS INVITED TO SHARE OUR EXPERTISE AS A THOUGHT-LEADER:

- ▶ 2021 OAA Annual General Meeting Presentation: [Managing Risks: What is Covered by Professional Liability Insurance \(and what is not\)](#)
- ▶ OAA Starting a Practice webinar
- ▶ University of Toronto Continuing Education / OAA Joint curriculum program – session on professional liability insurance and risk management
- ▶ University of Waterloo Faculty of Architecture Presentation "Practice Risk Management"
- ▶ 2021 Insurance Institute of Canada Symposium (Toronto chapter)



PEOPLE & CULTURE

Our talented team is a constant source of inspiration and innovation. In 2021, employees worked collectively toward enhancing a culture of client-centricity, leveraging their unique skills, knowledge and expertise to better support clients. Being protective is in our nature.

Leadership makes efforts to let employees know that they are valued, that they belong and have opportunities to grow at Pro-Demnity. Several key HR strategies, policies and infrastructure improvements are strengthening workplace alignment.

As a sole practitioner I do appreciate the depth of resources available from Pro-Demnity ranging from the Bulletins to phone support."

PERFORMANCE MANAGEMENT

Introduced to leadership in 2021, an accountable performance management structure focused leaders on goals aligned with the company's key priorities. This considerably harnessed the leadership team's capacity and resource efforts. The result was the achievement of specific plans to improve **client services** through strategic, operational, and financial targets.

The Performance Management framework will be rolled out to staff in 2022 and will also include targets specific to our four values of **Trust, Accountability, Collaboration, and Innovation.**

PROFESSIONAL DEVELOPMENT

Employees across the organization are regularly encouraged by leaders to pursue development goals that will provide both professional and personal growth. For example, architects serving on our team rigorously maintain their OAA or MRAIC status through continuous learning, while junior underwriting team members are encouraged to pursue the Certified Insurance Professional (CIP) designation. As a company, we emphasize learning, and regularly engage in group-based computer training (i.e., MS Office Suite) to brush up on our technology skills, or to stay current on emerging trends.

Continuing to develop leaders' capacity to positively motivate people, spearhead strategic projects while integrating a client-centric philosophy was also a focus in 2021. Our eight leaders undertook general leadership training together as well as targeted client experience training to better equip the team to perform as an ensemble and build on excellence.

TOTAL REWARDS

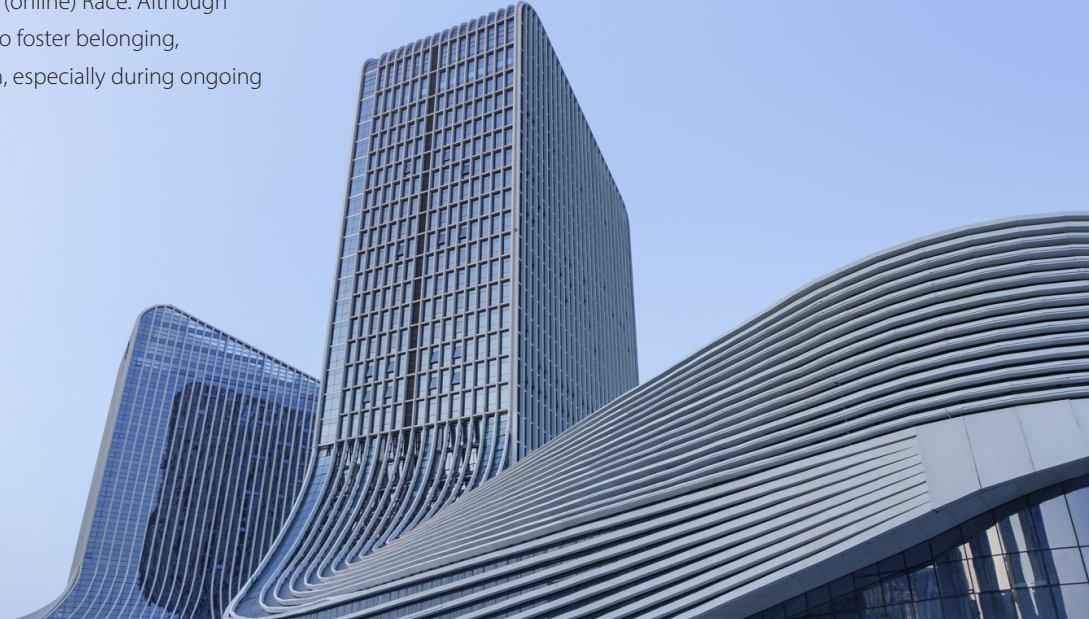
A formal company-wide compensation framework review which began in 2020 culminated in 2021. This ensured Pro-Demnity's compliance with all regulations and legislation as well as validated pay equity compliance, and fair, competitive compensation ranges and packages. This is important to the company both to help retain and reward performance of current employees and ensure competitive compensation for attracting future talent. Annually, employees receive a personalized letter outlining their Total Rewards and highlighting their full compensation package along with health and wellness benefits.

Concurrently, organizational policies to support employees (i.e., Work at Home, COVID-19 Health and Safety Response, Time Off, Diversity and Inclusivity, Accommodation, etc.) are regularly updated and socialized, as well as accessible to staff on our secure company SharePoint site.

MENTAL HEALTH AND WELL-BEING

Self-care is continually emphasized and encouraged, particularly as work at home and online connectivity continued as the new normal throughout 2021. Additional resources provided by the Employee Assistance Program were made available and communicated regularly to ensure employees were aware of the resources, supports and professional experts available to them.

Pro-Demnity also hosted a virtual holiday luncheon for staff, as well as several fun team-based online social events, such as the e-Mazing (online) Race. Although virtual, these events helped to foster belonging, camaraderie, and connection, especially during ongoing pandemic lockdowns.



DIVERSITY EQUITY AND INCLUSIVITY

Pro-Demnity continues to act on issues of diversity equity and inclusivity, with ongoing attention on topics important to the organization.

Our employee-led Anti-Racism Task Force presents to employees at monthly staff meetings and help to raise awareness and improve our understanding of the realities faced by many communities and peoples.

This year, we were particularly focused on Indigenous issues prompting us to implement our land acknowledgement statement and to learn more about the residential school system, multi-generational trauma and the impacts on Indigenous families and communities. Employees were very moved by a company-wide presentation from Stephen Greyeyes of the [National Centre for Truth and Reconciliation](#) which increased our awareness and understanding.

Throughout the year we purposefully acknowledge special cultural and religious occasions to further heighten awareness of important days of significance to our employees and our clients.

We continue to take an active stance on LinkedIn against racism and promote social justice whenever possible.

OUR TEAM



UNITED IN OUR PURPOSE TO REDUCE RISK IN OUR COMMUNITIES

Pro-Demnity made strategic charitable investments in support of organizations who respond to their communities in need and contribute to positive, improved outcomes. Our focus begins with the United Nations 17 Sustainability Goals and is informed by the interests of our employees.

CHARITABLE INVESTMENT



CORPORATE ALIGNMENT WITH UN'S SUSTAINABILITY GOALS

- ▶ Good Health and Well-being
- ▶ Clean Water
- ▶ Reduced Inequality
- ▶ Aligns with Truth and Reconciliation Goals

- ▶ Good Health and Well-being
- ▶ Gender Equality
- ▶ Aligns with our women-centric organization

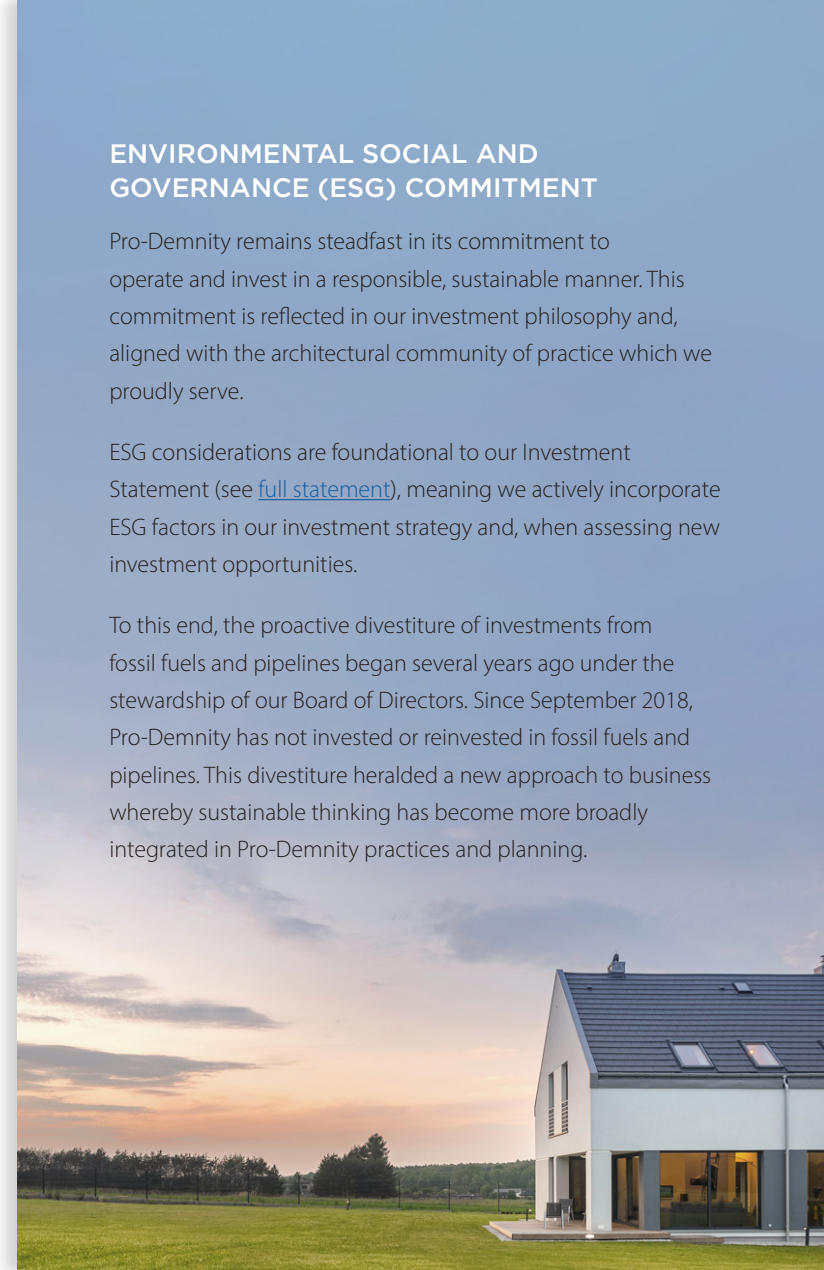
- ▶ Quality Education
- ▶ Reduced Inequality
- ▶ Sustainable Cities and Communities
- ▶ In direct support of the [Christopher Fillingham Scholarship Fund](#), in fond memory of our former Board Chair.

ENVIRONMENTAL SOCIAL AND GOVERNANCE (ESG) COMMITMENT

Pro-Demnity remains steadfast in its commitment to operate and invest in a responsible, sustainable manner. This commitment is reflected in our investment philosophy and, aligned with the architectural community of practice which we proudly serve.

ESG considerations are foundational to our Investment Statement (see [full statement](#)), meaning we actively incorporate ESG factors in our investment strategy and, when assessing new investment opportunities.

To this end, the proactive divestiture of investments from fossil fuels and pipelines began several years ago under the stewardship of our Board of Directors. Since September 2018, Pro-Demnity has not invested or reinvested in fossil fuels and pipelines. This divestiture heralded a new approach to business whereby sustainable thinking has become more broadly integrated in Pro-Demnity practices and planning.



LEADING WITH A PROTECTIVE MINDSET

2022 BOARD OF DIRECTORS

CHAIR

Joanne McCallum

LEAD DIRECTOR

Lea Ray

Peter Berton

Debra Krakow
(Chair, Conduct Review, Governance
and Nomination Committee)

J. William Birdsell
(OAA Council appointee)

Lara McKendrick
(OAA Council appointee)

Debbie Fischer
(Chair, Human Resources Committee)

Binah Nathan

Paul Gogan

Bruce H. Palmer
President & CEO, Ex Officio

Barbara Haynes
(Chair, Finance and Audit Committee)

Settimo Vilardi
(OAA SVP Council and Treasurer)

Kelley Irwin

Our sincerest thanks to Kathleen Kurtin, Agata Mancini and Hari Panday for their positive contributions to Pro-Demnity and advancing the Board's management agenda.

The organization is stewarded by a diverse, professional, and talented Board of Directors who together, safeguard our future success so that architectural practices may continue to benefit.

Our directors hail from the architecture, finance, governance, insurance, and construction sectors and always include two appointees from the OAA Council.

LEADERSHIP TEAM

Bruce H. Palmer
President & Chief Executive Officer

Katherine Hanratty
Chief Operating Officer

Diane Hui
Vice President, Financial Operations

Margaret Chan
Corporate Secretary

Rosemarie Hurst
Vice President, Legal and Claims

Andrea LaLonde
Vice President, Underwriting

John Hackett
Vice President, Practice Risk Management

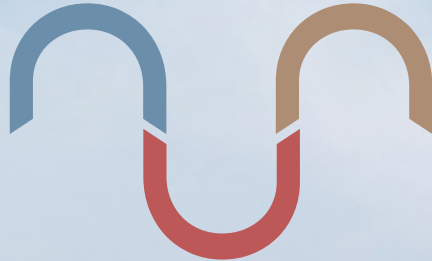
Iliana Arapis
Vice President, Marketing

RELIABLE PROTECTIONS TO LOOK FORWARD TO

Pro-Demnity is continuously improving and evolving to serve architects. Below are just a few of the initiatives continuing, or starting in 2022 that will enhance our ability to protect and defend architects in the future.

Insurance Solutions

Coverage Limits Structure Optimization
Underwriting: Wordings, Application and
Pricing Reviews
Premium Value Campaign



Risk Services

Introduction of *Risk Alliance Centre of Excellence*
Risk Assessment Tool
Lawyer Roster

Risk Education

Risk Assessment Tool
Enhanced Claims Stories Library and Podcasts
Risk Education and Learning Strategy

Pro-Demnity Insurance Company provides Ontario's Architectural practices with professional liability insurance in accordance with the Architects Act. Although Pro-Demnity is a wholly owned subsidiary of the Ontario Association of Architects (OAA), we operate independently with a separate Board of Directors. As an insurance company, Pro-Demnity is regulated by the Financial Services Regulatory Authority of Ontario. [General Disclaimer](#)