

Extended Reporting Coverage (ERC)

All professional and technical service contracts generally known as the "electrical inspection service contracts" require the contractor (in this case the electrical inspector) to maintain professional liability insurance, commonly called errors and omissions insurance.

Upon cancellation or expiration of the professional service contract, the contractor (the electrical inspector) is required to obtain the extended reporting coverage for the insurance.

First and foremost the extended reporting coverage is for the electrical inspector's protection; inspectors incur a tremendous amount of liability over time, making literally thousands of inspections. When the contract is canceled or expires, that liability does not go away. A claim could be made against the inspector years after an inspection was made. Fortunately, such claims are uncommon.

If an inspector does not maintain the required insurance when actively making inspection, or they do not obtain the extended reporting coverage upon contract cancellation or expiration, then the state has an unacceptable increase in liability.

The extended reporting coverage is not optional. In an effort to protect everyone's interest the Minnesota Chapter IAEI has negotiated with Federated Insurance to provide the extended reported coverage policy. In order to meet any deadlines imposed by the insurance company, the ERC premium must be submitted within ten days of the date the contract is canceled or expires.

The cost for the ERC is 1.5 times the yearly premium amount and shall be submitted to the Minnesota Chapter IAEI, P O Box 131264, Roseville, Minnesota 55113-0011. We appreciate your cooperation.