

Professional Indemnity

Professional Indemnity (PI) insurance protects your business in the event a client or customer alleges you have provided inadequate advice or service.

While only a few industries are legally required to hold it, it is strongly recommended any professional providing advice or a service for which they charge a fee, should consider this cover, which is also known as Professional Liability insurance and Errors and Omissions insurance. Examples of professionals who need it might include designers, engineers, financial advisors, construction contractors, management consultants, advertising agencies and accountants.

A PI claim might involve:

- Breach of professional duty
- Infringement of intellectual property rights
- Defamation
- Breach of confidence

Why do I need it?

While professionals make every effort to maintain high standards of service, even the most experienced and knowledgeable staff member can make a mistake. Having professional indemnity insurance in place will give you peace of mind to know your business is protected. It is also important to note that cover includes defence costs and expenses (incurred with the insurer's consent), therefore claims against the business are covered even where you are not legally liable.

What claims would be covered under a Professional Indemnity policy?

- A **Property managing agent** was sued for failing to tackle persistent ingress of water into a property. The client established that the managing agent owed a contractual duty to inspect and keep the property maintained, which had clearly been breached. **Insurer paid £110,000.**
- A **Marketing agency** used a photograph in a client's brochure without securing the photographer's permission. The photographer sued the marketing agency. **Insurer paid £65,000.**
- A **Surveyor** had overseen major development works at a property and signed these works off as completed, client subsequently sued the surveyor as works were found to be defective and contractor had gone into liquidation. **Insurer paid: £26,000**

Professionals who offer a service will find great benefit in a PI policy, by avoiding exposure to potentially costly claims, not to mention disgruntled clients and customers.

Call Richard Rouse on 0207 330 8734 for more information.

