

PROFESSIONAL INDEMNITY INSURANCE SIMPLY EXPLAINED

What is Professional Indemnity Insurance?

Often referred to as Professional Liability or Omissions Cover, this is insurance that covers you for claims arising from your professional work. Should you give the wrong advice that ends up in a court case you could be facing substantial financial losses.

There are 5 Main areas:

- Negligence: This can arise from a faulty design or specifying the incorrect product.
- Intellectual Property: This can be if you use copyrighted information by mistake.
- Libel and Slander: This is if a third party makes unfounded assertions against you.
- Document or Data Loss: This could arise simply by sending emails to the wrong person.
- Dishonesty of Employees: This covers you for fraudulent acts by employees.

Types of businesses who need Professional Indemnity Insurance

Professionals who offer advice or provide some kind of service, are all liable.

- Accountants
 - Architects
 - Consultants
 - Financial Advisors
 - Therapists
 - Surveyors
 - Healthcare Professionals
- are just a few.

Why do I need Professional Indemnity Insurance?

If you offer advice or other professional services as part of your business then this is an insurance you should consider. Even if you have retired or stopped trading, claims can still be raised against you as the statute of limitations for property claims is six years from the date, loss or damage is discovered and this could be a very long time after your work was completed.

Some professions require Professional Indemnity Insurance as a requirement. You should check with your broker who these are.

What other insurance might you need?

- Product Liability Insurance
- Public Liability Insurance
- Business Interruption Insurance
- Employers Liability Insurance

TYPICAL KINDS OF CLAIMS

- You used legally protected stock photography accidentally.
- Errors in production of drawings, specifications or quantities of materials.
- A surveyor over valued a property for mortgage purposes.
- An IT consultant lost his laptop and it contained his client's sensitive data.

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