

A GUIDE TO

UNDERSTANDING
PROFESSIONAL
INDEMNITY
INSURANCE

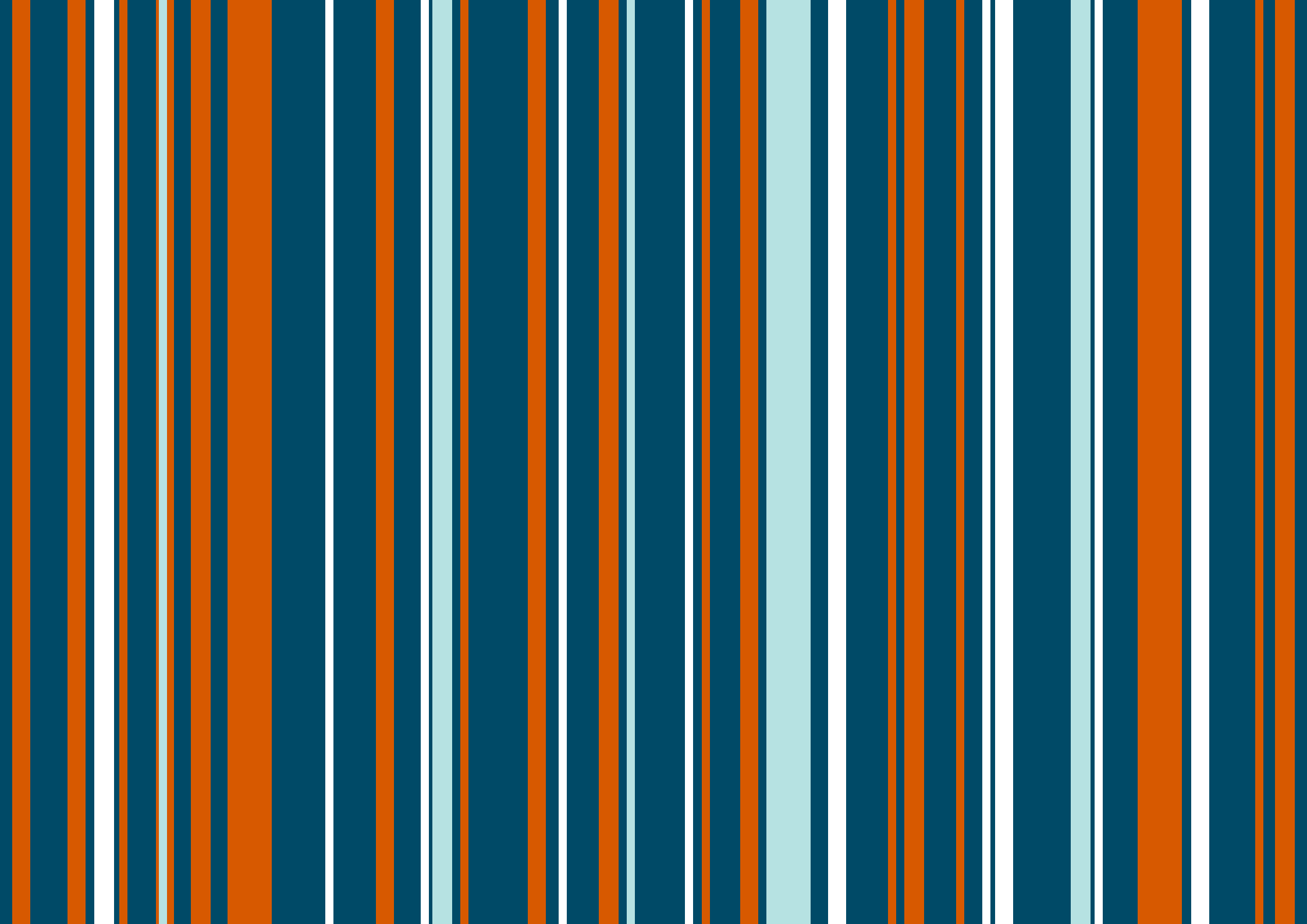
WWW.PROTECTCOMMERCIAL.CO.UK

PROKNOW 
INDUSTRY ACADEMY SERIES



UNDERSTANDING "PROFESSIONAL INDEMNITY" INSURANCE

To help understand the Professional Indemnity Insurance product offer, we have put together this simple guide to the covers available, what they are and why a business or practice owner would require them.



WHAT IS PROFESSIONAL INDEMNITY INSURANCE?



OVERVIEW OF PROFESSIONAL INDEMNITY INSURANCE

Our range of Professional Indemnity Insurance products help cover business/individuals' legal costs and expenses, incurred in the defence of a claim. The policy also includes damages and costs that may be awarded if you are alleged to have given inadequate advice or service and could include incorrect designs that cause a client financial loss. It is commonly purchased by those in the design, consultancy and building trades.

KEY POINTS OF COVER

- ✓ Limits from £1m to £10m+
- ✓ Full civil liability wordings
- ✓ Option to include Liabilities and equipment cover

CLAIMS MADE BASIS OF CLAIM PAYOUT

Professional Indemnity (PI) is insured differently to most insurance policies, in that it is on a 'claims made' basis. This means that when a claim is made, it is made with the insurer at the time of claim, not the time of the incident. It is therefore important that firms maintain cover on a continuous basis, and even when they stop trading they should consider run off cover for a reasonable period of time after they cease trading.

PI LIMIT OF INDEMNITY

When taking out a PI policy, the policyholder will select a Limit of Indemnity from £100,000 up to £10m, higher limits would be available with more specialist insurers. The limit will usually be driven either by a contractual obligation, or by the policyholders own internal risk management requirements.

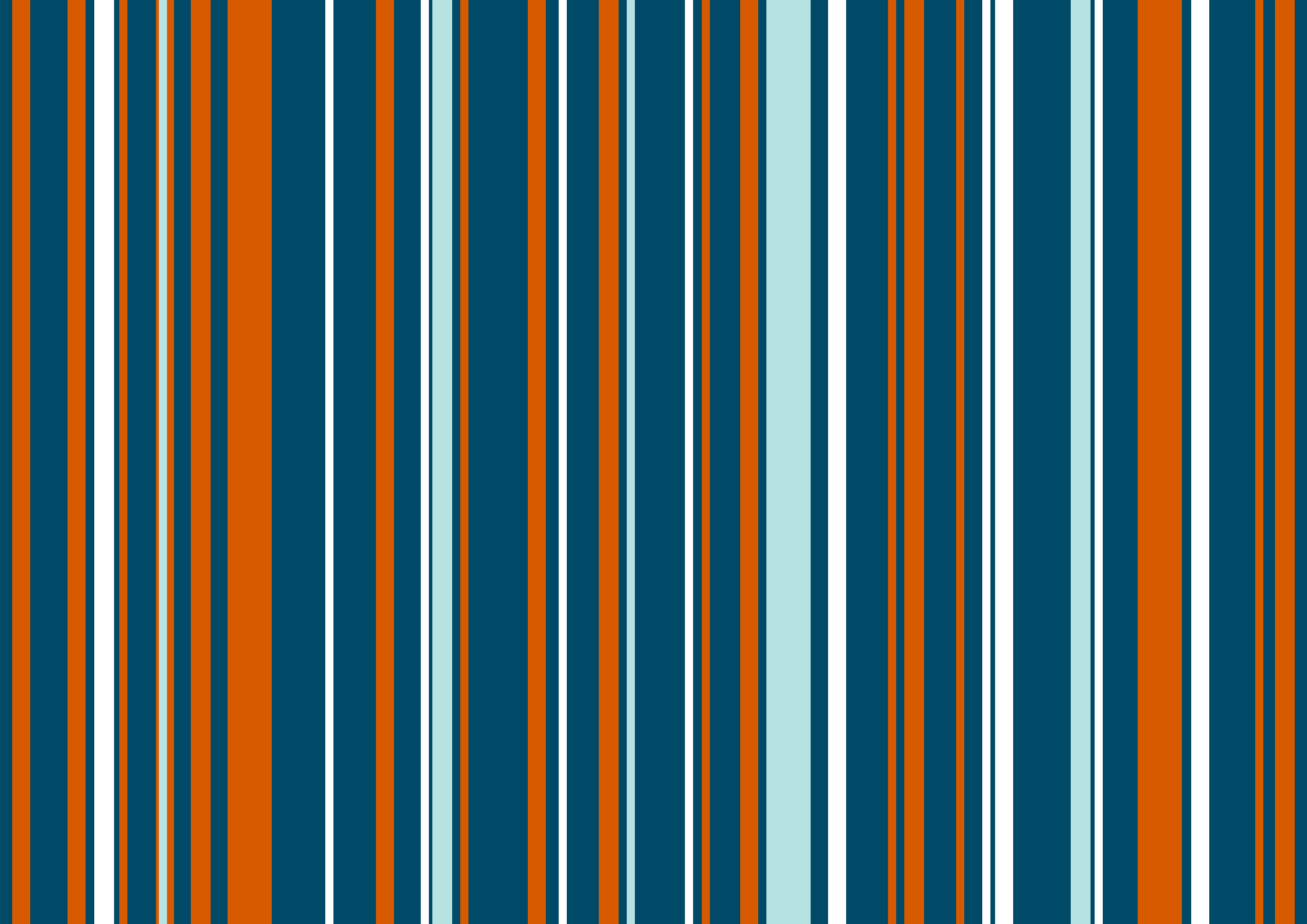
PUBLIC AND EMPLOYER LIABILITY COVER

Depending on the trade, some PI Policies will allow Public and Employer Liability cover to be added, usually just for clerical or consulting trades, manual trades would require a standalone Liability policy.

OPTIONAL EXTENSIONS

Depending on the insurer used, other optional covers may be available, for example Legal Expenses, HR support, Cyber and Property Insurance, i.e. Buildings, Contents and Business Equipment at an office.





UNDERSTANDING "PROFESSIONAL INDEMNITY" INSURANCE

WWW.PROTECTCOMMERCIAL.CO.UK

Protect Commercial Insurance is a trading style of Protect Commercial Insurance Solutions Limited.
Registered in England & Wales No. 08365670

Registered Office: 33-35 West Bute Street, Cardiff, CF10 5LH.
Protect Commercial Insurance Solutions Limited is authorised and regulated by the Financial Conduct Authority