



PROFESSIONAL INDEMNITY INSURANCE

A professional indemnity policy is designed to offer protection to companies providing professional services against potential claims for injury or loss resulting from their professional actions, advice or failure to carry out their professional duties.

Professional indemnity insurance is required for many professions including engineering companies, lawyer firms, insurance broking houses and financial advisers. The cover can be arranged on annual or project specific basis.

COVERS INSURED

The persons covered by the policy include the insured, any employees/partners and any agent.

Features of professional indemnity insurances are:

- › An aggregate limit of indemnity for the policy period applies, including legal costs and expenses
- › Cover is on 'claims made' basis
- › Retroactive date may be imposed to exclude claims that result from acts which took place before that date

OPTIONAL EXTENSIONS

The optional extensions available include:

- › Extended reporting period
- › Investigation costs
- › Legal expenses
- › Loss of documents
- › Libel and slander
- › Dishonesty of employees
- › Contractual liability

MAJOR EXCLUSIONS

Professional indemnity policies contain a number of exclusions, including:

- › A policy excess or deductible
- › Death, injury or illness of employees
- › Damage to third party property, unless arising out of advice, design, specification or omission to perform a professional duty
- › Liquidated damages
- › Circumstances which might give rise to a claim which were known about prior to inception of the policy
- › War, sabotage, political risks and terrorism
- › Radioactive contamination and nuclear energy risks
- › Pollution of any kind
- › Communicable diseases