

This is important – READ IT

Professional Indemnity Insurance (Pi / PII) - Aka – professional insurance and the way it works

All Professional indemnity is underwritten on what is termed a Claims Made basis.

What does this mean?

It means that if / when a claim is made against you – you must have a current and live policy at that time to cover you.

It is the current policy which responds **not** the one you had when you did the work.

So if you did work last year and a claim is made because of a mistake, or something else being wrong with that work, this year then it is this years' policy which will respond. You must have a live policy in place to respond.

If you want to retire or just do not want the insurance any more you have to keep this in mind. If you just stop the insurance you will stop any cover.

Whilst you are continually working in any sector there is usually no problem as you will have insurance per annum - the concern is when you stop working, because a claim may arise from prior work even though you are no longer trading.

So I recommend what is known as a run off or discovery period – usually a minimum of a year - from the last work date. If there are any circumstances these normally lead to complaints within a year of the work. There are some situations which mean a longer discovery period and we can discuss these.

If you have any questions or want to chat about this please do not hesitate to contact me.

