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What is Professional Indemnity Insurance?

- A special form of insurance that covers you for claims arising out of your written or verbal advice, if that advice is wrong and causes your client a financial loss or someone a physical or mental injury.

If you give advice written or verbal whether for a fee or not, under the law you are strictly liable for the consequences of that advice, irrespective of whether you try to limit your liability in contract.

What does it cover you for?

- Defence costs defending a claim made against you
- If one of your clients makes an acquisition against you we appoint solicitors to protect you and the costs of those solicitors is covered by the insurance
- An award made against you by court or arbitration
- If at the end of the day you are found wanting in the advice you gave and an award is made against you the insurance also covers that cost

It can also cover

- If you lose clients documents and they have to be replaced
- You have some client papers in your office and they are the only copy, your assistant shreds these thinking they are scrap. The insurance pays for the reinstatement of these.
- If you inadvertently breach a copyright
- Your office is developing a new form of engineering product or IT programme or management consultancy paper and someone does not properly check to see if these procedures have been previously copyrighted, the insurance pays for the defence and possible claim
- Dishonesty of your employees or fraudulent acts
- One of your employees has been fiddling the petty cash, or an accounts employee has been paying in cheque into their own account, the insurance can reimburse you.

Main Exclusions

Any claims made before the commencement date of the policy (and/or the continuous previous policies start date) – this start date is known as the retroactive date.

Any claims made after the end date of the policy or after any discovery period granted by underwriters

Any claims assumed under contract Any criminal claims

If a Policy excess (self insured retention) is applied this must be paid by the insured before the underwriters start to pay their contribution

VAT costs of solicitors defense bills

In an increasingly litigious world where do you hide, you may not have the time or money to defend an aggressive action Professional Indemnity Insurance provides the Professional the security they deserve.

If you have any questions you can contact us on

info@legalrisks.co.uk

