



PROFESSIONAL INDEMNITY

ENGINEERS — PROFESSIONAL INDEMNITY INSURANCE

Engineers Professional Indemnity Insurance (PII) is important for consulting engineers to help protect against claims arising from the provision of engineering services. The intention of this insurance is to provide financial protection for legal costs and damages, allowing engineers to practice with confidence that they are not exposed to excessive liability.

WHY YOU NEED PROFESSIONAL INDEMNITY INSURANCE

- **Risk management:** Mitigates the financial risks associated with potential legal actions.
- **Client contracts:** Many clients and projects mandate that engineers have PII.
- **Regulatory compliance:** Required by professional bodies such as the Engineering Council and various institutions like the Institution of Civil Engineers (ICE) and the Institution of Mechanical Engineers (IMechE).

Ensure you thoroughly review contract and regulatory requirements to confirm if professional indemnity (PI) insurance is required, and if so, under what specific conditions.

COVERAGE DETAILS

Coverage limits:

- Typically, available from GBP250,000 to GBP5 million for any one claim, based on a broad Civil Liability policy coverage.
- Most small and mid-size practices, holding a limit between GBP1 million and GBP10 million for any one claim.
- Higher limits can be arranged based on specific needs and project requirements.

Excess:

- Typically start from GBP1,000 dependant on risk profile-disciplines, contract sizes, claims experience, etc. risk profile.

Typical coverage inclusions:

- Civil liability arising from the provision of engineering services.
- Defence costs and expenses.
- Breach of professional duty.
- Limited cladding combustibility/Fire safety coverage.
- Pollution usually on an aggregate basis.
- Asbestos usually on an aggregate basis.

Potential coverage extensions:

- Unintentional breach of intellectual property rights.
- Libel and slander.
- Court attendance.
- Loss of documents.
- Criminal prosecution defence costs.
- Joint ventures.

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Potential exclusions:

- **Intentional misconduct:** Claims arising from intentional acts or fraud.
- **Contractual liabilities:** Liabilities assumed under contract beyond standard professional duty.
- Claims related to employment practices such as wrongful termination, harassment, etc.
- Bodily injury and property damage not arising from professional services.
- Known claims at policy inception.
- Claims arising as a result of war and terrorism.

This is a guide to coverage provided under a typical professional indemnity policy. This is not an exhaustive list or policy-specific but is intended to provide you with a guide to common coverage under professional indemnity insurance. The applicability of cover will be determined by the actual policy terms, conditions, exclusions, and limitations in force at the time of a claim notification to insurers.

WHY GALLAGHER

Gallagher is a global insurance broker providing comprehensive PI insurance for engineers in the UK and internationally. We offer specialist advice, services, and products for risk management and claims handling. Gallagher has extensive experience placing engineers in the insurance market, giving us comprehensive insight into the challenges engineers face, allowing an efficient and smooth process. We cater to clients of all sizes with e-trade solutions for small businesses and place bespoke programs for some of the largest engineers in the world.

LET'S TALK

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SPECIALTY

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