



PROFESSIONAL INDEMNITY

MISCELLANEOUS – PROFESSIONAL INDEMNITY INSURANCE

OVERVIEW

Miscellaneous Professional Indemnity Insurance (PII) is important for a wide range of professionals and consultancies in the UK who provide advice, services, or expertise to clients. The intention of this insurance is to provide financial protection for legal costs and damages, allowing businesses providing professional services to practice with confidence that they are not exposed to excessive liability.

ABOUT MISCELLANEOUS PROFESSIONALS

These professionals may not fall under traditional categories such as Lawyers, Engineers, Architects, or Accountants, but they still face a very potential risk of claims for negligence, errors, or omissions.

Due to the varied nature of activities of risks that fall within 'Miscellaneous PII' it is important to drill down into the activities being undertaken by each proposer. These activities can be highly specialised and very individual to the proposer. We always recommend embellishing any proposal form with a wider submission that details activities supported by any marketing literature. In addition, it is crucial to highlight the proposer's background in undertaking these activities, as any potential insurer will want to be satisfied that they are experts in their area.

Historically, Miscellaneous PII has always enjoyed a relatively low rate on premium compared to the more mainstream professions, as claims in this area tend to be of low frequency and severity.

As there are no defined minimum requirements set down by a regulator regarding PII wordings for miscellaneous professions, wordings can vary greatly from insurer to insurer. Great care should be taken when comparing policy wordings for coverage and exclusions.

WHY YOU NEED PROFESSIONAL INDEMNITY INSURANCE

- **Client Contracts:** In today's world, many clients require professionals to have PII as a condition of doing business.
- **Regulatory Compliance:** Required by various professional bodies/trade associations and industry standards.
- **Risk Management:** Mitigates the financial risks associated with potential legal actions arising from professional services.

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

PROFESSIONAL INDEMNITY

COVERAGE DETAILS

Coverage Limits:

- Typically, available from GBP100,000 to GBP10 million per claim.
- Higher limits can be arranged based on specific needs and client requirements.
- Limits can be for 'Any one claim' or be aggregated on an annual basis.
- Limits can include underwriters' costs and expenses or may also provide cover for this in addition to the indemnity limit.

Excess:

- Typically ranges up to GBP10,000, depending on the policy and risk profile.
- Excesses can apply to costs and expenses.

Potential Coverage Inclusions:

- Claims arising from professional negligence. Coverage provided can vary greatly from negligence only to policies that provide cover on a full Civil Liability basis.
- Legal defence costs.
- Unintentional breach of intellectual property rights.
- Defamation, including libel and slander.
- Loss of documents.

Typical Exclusions:

- Intentional misconduct: Claims arising from intentional acts or fraud.
- Contractual liabilities: Liabilities assumed under contract beyond standard professional duty.
- Employment practices: Claims related to employment practices such as wrongful termination, harassment, etc.
- Bodily injury and property damage not arising from professional services.
- Fines or penalties.
- Claims arising directly from the insolvency of the insured entity.

This document 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 PII for all manner of professions in the UK and internationally. Gallagher offers specialist advice, services, and products for risk management and claims handling. Gallagher's experienced brokers have unique insight into the challenges of finding the correct coverage for a wide variety of businesses that suit their specialities.

LET'S TALK

T: +44 20 7234 4025

E: UK.PI@ajg.com