

What is Professional Indemnity insurance?

A guide to protecting your business

Errors, omissions and misunderstandings

For businesses that are involved in giving advice or providing professional services there's always the potential for real or perceived incorrect or misguided judgments.

Depending upon the nature of the oversight it could lead to a claim for financial compensation, a legal dispute, bad publicity and even damage to your professional reputation.

Professional Indemnity (PI) is a type of business insurance that can step in when needed to help give you peace of mind and take away some of the worry.

How Can Professional Indemnity insurance help?

PI is designed to cover you for the costs of defending an allegation of financial loss arising from negligence, error, omission, misstatement or misrepresentation. It also pays any compensation due to the claimant if the allegation is substantiated.

Cover further includes:

- Breach of confidentiality, eg accidentally releasing confidential customer information
- Libel and slander, eg writing or saying something which is deemed defamatory
- Breach of copyright, eg unintentional use of unauthorised images, text or designs
- Loss of documents
- Dishonesty of employees

Some real world examples of claims

- An advertising agency prints the wrong telephone number on a client's advert
- Following a fire, a health & safety consultant is accused of breaching fire regulations
- An IT consultant is accused of leaking a website code which enables online shoppers to obtain large discounts
- A translator causes language errors in a company brochure
- An architect specifies inadequate materials for a construction project
- An accountant uses an outdated form which results in a customer underpaying their tax return
- A website hosting company accidentally deletes customers' websites
- Scaffolding approved by a health & safety consultant is found to be unsafe after a worker is injured
- A marketing consultant suggests a brand name that means something negative in another language

If there's blame, it can lead to a claim.

"As a professional business consultant I assumed you were giving us good strategic advice..."

"The IT technician who installed our printers said that our network security was up-to-date..."

"You recommended the contractors we employed. As our architect we relied on your advice..."

Which businesses should consider PI?

Business professionals who are selling their skills, services and specialist knowledge are often relied upon for their expert advice.

PI insurance isn't just for large organisations. It can offer peace of mind to a whole range of niche professions from accident investigation services to zoology consultants.

Businesses involved in some form of consulting, advising, teaching, training, specifying, translating, testing and inspecting, may also benefit from having PI insurance, such as:

- IT providers and IT consultants
- Marketing, advertising and communications
- Software & hardware supply and maintenance
- Social media management and search engine optimisation
- Website, software and app development
- Telecommunications installation and consultants
- Business and management consultants
- Specialist consultants (marketing, IT, training, safety, etc)
- HR and recruitment
- Estate agent and property management
- Language translation
- Teaching and tutoring
- Interior design and lifestyle consultants
- Landscape gardening and tree surgeons
- Specialist services (school inspectors, EPC assessors, etc)

Ask your broker about QBE Professional Indemnity insurance

As a business insurance specialist, QBE understands that when it comes to Professional Indemnity, every customer's risk profile is different. You need an insurance partner who can respond quickly to your unique challenges.

From issuing the policy to settling claims, the QBE approach is to use our market expertise to understand the needs of each individual customer. We don't believe one size fits all.

Ask your broker about QBE business insurance.

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