

## Professional Indemnity Cover

As a professional, you are expected to provide quality services within the accepted standards of your profession. But despite your best intentions, mistakes or misjudgements are bound to occur and can have serious consequences. Clients could sue you or your company, and in addition to paying to defend yourself in court, you would also be responsible for potentially extensive compensation costs if found at fault. If you fail to protect yourself against this liability, the consequences for your business could be financially devastating.

### Professional Liability Cover

First and foremost, you can protect yourself with professional liability insurance cover. In the event of a claim, this policy will cover defence costs in court and any monetary damages awarded to the claimant if you are found at fault.

However, just purchasing cover is not enough. You will also need to engage in effective risk management as well as report claims on first knowledge. Reporting and responding to claims immediately by developing an appropriate response plan can ensure that you have the best chance of a favourable outcome.

### Quick Response Plan

Your best risk management defence is to craft a very specific plan for responding to professional liability claims. The following elements should be addressed in your plan:

- Report the claim to your insurer as soon as possible and in accordance with the requirements of your policy. Does the insurer accept verbal notification, or is written notification required?

- Contact a legal professional and request that they represent you in the claim. You should determine who this is before a claim occurs. Your insurer may provide you with someone, otherwise look for one who has experience with claims in your industry.
- Consider gathering documents, taking notes and photographing anything relevant to the claim. When possible, this should be done in the presence of your insurer or legal professional.

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**Even the smallest error can have serious consequences. Professionals need to protect themselves with professional indemnity cover.**

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- Identify or hire an expert. The claimant will generally hire an expert witness to testify that you breached your professional duty, so you should have an expert to defend your work. This could be a third party or even someone from your firm.
- Designate a claims management project team within your office. Who will assemble and review documents, chronicle events leading up to the claim, communicate with involved parties, attend depositions and perform other necessary duties?
- Assemble documents and stay organised. A large claim can be very time intensive, but the more organised you are with documents and timelines, the less it will cost you in lost hours.

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Provided by Credon Insurance Brokers Ltd

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