

# PROFESSIONAL INDEMNITY INSURANCE

Today's service and consultancy based businesses are operating in an increasingly regulated environment and there are risks associated with offering professional advice and services.

Professional Indemnity insurance is there to protect you and your business against allegations of professional negligence if you make a mistake and someone accuses you of causing them damage or financial loss.

Examples of service and consultancy based businesses include workers who perform manual labour, lawyers, accountants, engineers, architects, real estate agents, management consultants, public relations or medical and health professionals.

## When would you need Professional Indemnity Insurance?



If you are accused of professional negligence because of something you or your employees said or did.



If a client says you have provided professional advice or services to them that have caused them damage or financial loss.

## What does Professional Indemnity Insurance cover?



The cost of your legal defence to defend their claim.



Any cost for damages you are ordered to pay by the courts.

## Key facts about Professional Indemnity Insurance



In 2017, **\$100 million** was paid out in Indemnity claims in New Zealand.

The amount of Liability insurance taken out in New Zealand last year increased by **\$40million.**



## Examples where Professional Indemnity Insurance can help protect you



An accountant forgets to lodge his client's tax return by the due date and the client is charged thousands of dollars in late fees.



The accountant could be liable for the incurred costs as a result of his error.



A lawyer gives incorrect advice to his client leading to financial loss.



The lawyer could be held accountable for his actions and the loss.



An architect's design failed leading to increased building costs for the client to rectify and repair the error.



The architect could be liable for these costs.

In service and consultancy based industries it's easy to make an error. These mistakes can cause your clients and your business considerable financial and reputational loss.

That's why it's sensible to have a Professional Indemnity Insurance policy in place, should the unexpected happen.



If you work in a service or consultancy based business, talk to a Rothbury Insurance Broker today to ensure you have the right insurance protection in place.