

Professional Indemnity Insurance

You are in the business of selling your knowledge or skills, so you should consider taking out Professional Indemnity insurance.

What you will be covered for

This protects your business against compensation sought by a client if you have made mistakes or are found to have been negligent. Professional Indemnity insurance will also cover any legal costs.

Most professionals carry Professional Indemnity cover. If you were a lawyer, accountant or financial adviser, then you must have Professional Indemnity insurance. Professionals such as architects, consultants and designers often opt for such cover as well.

Ensure you are properly covered

One important aspect to bear in mind when considering Professional Indemnity insurance is that, because there can often be a long delay between an event and a subsequent claim, you need to be covered both at the time of the event and when the claim is made.

This means that if you plan to cancel your policy when you close your business or retire you may need to arrange "run off" cover for a period of time afterwards.

Also, if you plan to change insurers, you will either need to arrange run off cover or (far more likely) get agreement from your new insurer to accept new claims for prior incidents.

Keep everything well documented

One way to minimise such claims is to make sure projects are well documented. Ensure that you set out specific responsibilities in your contracts with clients beforehand and deal with complaints promptly.

As this is a specialist area of insurance you should take advice from a suitably experienced insurance broker. You can contact Affinity Select Insurance Services Limited by post at Rams Cottage, Eastbourne Road, Lewes East Sussex BN8 6PS or by telephone on 0870 991 7777, Fax 0870 991 3778 or email pi@asisltd.co.uk

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