

Professional Indemnity

As a professional, Professional Indemnity Insurance, sometimes known as PI insurance, is a must to protect you and your business against allegations of wrong-doing arising out of your provision of professional services. PI insurance protects against claims made against you for civil liabilities arising from, but not limited to:

- Professional misconduct, such as providing misleading advice
- Negligent advice
- Defamation, libel or slander
- Breach of duty, including confidentiality and other privacy issues
- Loss of or damage to documents
- Infringement of intellectual property rights

In our increasingly litigious society, unless you have really deep pockets or a solid plan to skip the country, PI insurance is an absolute must for all professionals. The financial cost of dealing with a potential claim can take a huge financial toll on your business. It can also consume a disproportionate amount of your time to defend yourself against a claim. And even if you are found not liable, defending yourself against an allegation will still drain you both personally and financially. Having PI insurance minimises the disruption to your business.

At ProRisk, we have specialised legal teams to fight in your corner. In the event that you are found liable, we take care of covered damages awarded to your client. Being covered demonstrates your professionalism to your clients and potential clients, allowing them to feel safe knowing they are in the right hands. Various government or industry regulatory bodies can reach hundreds of thousands, or even millions of dollars for very serious breaches. In addition, the cost of defending litigation can cripple otherwise healthy and profitable businesses.

Did you know?



In 2018, APRA-regulated general insurers paid PI claims totalling **\$1,925 million.**

In addition, PI claims accounted for \$3,842 million of claim estimates, **up 7.7%** from the previous year (\$3,566 million)¹.



PI Insurance is **mandatory** for some professions such as lawyers and accountants.

Even for professions where insurance isn't mandatory it is often a **contractual requirement** to hold Professional Indemnity Insurance.

1. APRA Statistics, National Claims and Policies Database, Overview for the period 1 January 2003 to 31 December 2019 (issued 25 September 2020) available at <https://www.apra.gov.au/national-claims-and-policies-database-statistics>

Suitability

ProRisk's Professional Indemnity Insurance Policy is suitable for organisations with:



Up to **\$25m**
in Professional Fees



Up to
500 employees

Available on a primary or excess basis

Limits up to \$10m

Higher Limits available upon request

Premiums starting from \$200 plus taxes and charges

A robust risk management framework is essential but isn't necessarily going to completely protect your organisation from the devastating fallout of a claim for professional negligence. PI Insurance is designed to protect you and your organisation in the event that the unthinkable were to occur. ProRisk's Professional Indemnity Insurance Policy is specifically designed to cover the professional risks associated with running a professional services business.

Available for:

- Accountants such as CPAs, Chartered Accountants and bookkeepers
- Design Professionals such as landscape architects, architects, engineers, interior designers and draughtsmen
- Management Consultants such as business coaches,
- Recruitment agencies, such as head hunters and labour hire
- Registered Training Organisations
- Franchisors, such as retail, hospitality or fast food franchisors
- Real Estate Professionals such as buyers agents, estate agents, property managers, auctioneers and holiday letting specialists
- Solicitors and barristers requiring top up insurance
- Other legal professionals, such as migration agents, court reporters, collection agents and process servers
- Miscellaneous consultants
- Many more occupations available online

What is covered

- Civil Liability cover for claims
- Investigation costs cover
- Fidelity sub-limit
- Statutory liability sub-limit
- Options to tailor each policy to add or remove cover

What isn't covered?

- Claims and circumstances that you knew about before the period of insurance
- Intentional damage
- Accidental injury and property damage
- Acts of fraud or dishonesty

Key benefits of cover:

- Public Relations Expenses
- Up to one(1) hour free legal advice from our panel firms
- Choice of limit
- Choice of excess
- Access to the ProRisk Whistleblower Hotline Service
- Access to the ProRisk Contract review Service
- Competitive Pricing

Claims Service from the Experts

Our dedicated In-House Claims Team includes qualified lawyers with over 30 years of industry experience. Our claims officers are dedicated to managing your claim from initial notification right through to resolution. We have negotiated a specialist panel of lawyers, accountants and forensic investigators based on our significant group purchasing power and are able to access some of Australia's best service providers to ensure that our policyholders get service second to none.

CASE STUDY 01: Tax error

Policyholder: Accountant, 6 staff, \$600k fees per annum

The Claim: A junior accountant made a simple error in calculating the amount of Capital Gains Tax payable on a transaction. The error resulted in an over payment of tax to the ATO by the client.

The Outcome: The client engaged a solicitor to write to the Policyholder demanding payment of the excess amount of tax that was paid to the ATO. The Policyholder made a claim on their ProRisk Professional Indemnity Policy. ProRisk appointed a solicitor to represent the Policyholder. The solicitor was able to liaise with the ATO in recovering the over paid taxes, whilst averting litigation. The legal costs in defending the matter, liaising with the relevant stakeholders and the ATO amounted to \$15,000 by the time that the matter was settled.

Professional Indemnity
is now available on
www.probind.com.au
More occupations
available online.

☎ 1300 PRO INS (1300 776 467)

✉ enquiries@prorisk.com.au

🌐 www.prorisk.com.au

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Disclaimer: The ProRisk Professional Indemnity insurance policy fact sheet is a brief overview of the insurance and indemnity issues that may impact a policyholder by entering into a contract. It is not intended to be a substitute for a comprehensive legal review of all the terms and conditions contained in a contract. We recommend that if a comprehensive legal review is required, the policyholder contact their solicitor to obtain this advice.

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