

Why PI?



Coverholder at **LLOYD'S**

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Mistakes can happen in business that can lead to disputes and possibly result in a claim by a third party for breach of professional duty. If this happens where and who can the business turn to for advice and protection?

What Is PI?

This is where purchasing a **professional indemnity insurance** policy can help. A professional indemnity policy covers costs if a client sues for losses, as a result of negligent advice. Typically, policies also include losses for libel and slander, breach of copyright and loss of documents.

Policies can be written on an any one-claim limit, or on a total limit for the policy period (aggregated). Defence costs can be within the overall limits or in addition to the indemnity limit.

Who Needs PI?

Professional firms who are regulated, such as accountants, solicitors and surveyors are required to have professional indemnity insurance by their regulator. The regulator will dictate a minimum limit of indemnity and a specific scope of cover is required before they are able to trade.

Other professional firms may not need to purchase a specific policy but a customer may insist they hold professional indemnity cover before they will trade with them. The customer may also insist on a minimum limit of cover within their terms of business/contract.

However, anyone providing advice for a fee should be purchasing a professional indemnity policy as part of their business protection risk management strategy. Even if a claim proves to be unsuccessful, the cost of defending such a claim could run in to thousands of pounds.

TLO Risk Services Ltd are specialist insurance brokers. We have been helping a wide range of professional firms with their professional indemnity needs for over twenty years and have access to a number of specialist insurers. We have also recently launched our online quotation platform through our website tlorisk.com. For more information and guidance on professional indemnity insurance ***please contact us:***

London Office:
40 St James's Place
London, SW1A 1NS
Tel: 0207 183 4925

Birmingham Office:
Victory House, 26-28
Ludgate Hill, B3 1DX
Tel: 0121 212 9090

Follow Us:
@ TLO Risk Services
Email Us:
contactus@tlorisk.com

