CLAIM EXAMPLE
An acoustic consultant failed to adequately design the acoustics of a concert hall. As a result of the negligent design, when the concert hall was fully constructed, those patrons sitting at the rear of the auditorium could barely hear what was happening on the stage. The claim was settled for £35,000.

CLAIM EXAMPLE
A marketing agency was commissioned to print brochures for a client. When the brochures were printed, the agency realised that they had made a mistake in the spelling of the web address and contact details. The reprinting costs of over £12,000 were met by the PI cover.

01 MISTAKES CAN HAPPEN
Companies will avoid mistakes and give the best advice or services possible to ensure good client relationships. However, mistakes can happen, leaving the company open to large legal costs and compensation claims. Negligence is a core cover for PI and would provide protection against allegations made.

02 COMPULSORY OR OPTIONAL?
For many professions, such as chartered accountants and chartered surveyors, it is a regulatory requirement to have PI insurance to practice. Not having this cover could mean a business being stripped of its regulated status, making it difficult to operate.

03 INTELLECTUAL PROPERTY
Unintentionally producing materials that infringe intellectual property rights, e.g. using online images without the owner’s permission, could lead to litigation for copyright. PI can protect a company against legal costs and compensation.

04 NO PI INSURANCE, NO CONTRACT
It’s becoming more common for clients to request that PI cover is in place before a business relationship commences. Having PI gives confidence to clients that businesses are run professionally.

05 VULNERABILITY IF A CLAIM IS BROUGHT AGAINST YOU
Each time a professional gives advice or offers a service for a fee, they are potentially vulnerable. From SME’s to large corporations, having no PI insurance could leave a company’s financial position exposed.

06 HANDLING CLIENTS’ INFORMATION
Even with adequate data protection and policy procedures in place, data can sometimes accidentally get lost. PI would cover the cost to replace or restore any damaged, distorted, erased or mislaid documents including electronic or digitised data.

07 EMPLOYEE NEGLIGENCE
Even with an extensive training programme for new and experienced staff, the way employees carry out their work activities is ultimately beyond the company’s control. This could leave the company exposed to liability claims. PI cover gives peace of mind in the event of an employee’s negligence.

08 A DUTY OF CARE
Professionals could owe a duty of care to anybody who may rely on the service or advice they have provided. In today’s world, clients expect high standards of service and are more inclined to resort to litigation when this has not been met. PI insurance would provide protection against such claims.

09 PEACE OF MIND
There’s a lot to consider when running your own business, especially the responsibility of getting things right. PI cover takes away the legal and financial worries should a PI claim arise to ensure businesses continue to operate as usual.

10 DEFAMATION COVER
PI cover will provide protection against an accidental lapse in judgement resulting in a defamation claim. For example, sharing information via social media about a client which can be perceived as negative or slanderous.

These claims examples are for illustrative purposes only.

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