

QBE Insurance

# Professional Indemnity Cover



## More professionals face litigation

In today's world where skills are becoming increasingly specialised, more and more professionals are earning a living by charging fees for sharing their expertise. This means they are also exposed to litigation from unhappy customers who may allege poor advice or service.

## An increasingly litigious environment

As individuals and companies become more aware of their rights, they are increasingly turning to litigation to recover loss. They can hold their advisors or service providers accountable if something goes wrong. This means those professionals may face severe financial loss and damage to their reputation through litigation.

## QBE Professional Indemnity Cover highlights

It is designed to protect you and your company against professional negligence and includes many valuable automatic and some optional extensions. The QBE Professional Indemnity Cover (PI) is available on either a 'negligence' or 'civil liability' basis.

PRODUCT FEATURES - AUTOMATIC	SOME EXAMPLES OF WHAT THEY CAN MEAN FOR YOU
<b>Cost and expenses in addition to limit of indemnity</b>	Payment of your legal costs and expenses on top of your limit of indemnity when defending a claim.
<b>Breach of contract</b>	Failure to fulfil obligations expressed in a written document, implied under common law and/or prescribed by law resulting in injury or damage.
<b>Consultants, subcontractors and agents</b>	Protection for you when some of the work you contracted out to third parties resulted in injuries or damage to your client.
<b>Defamation</b>	It was your honest opinion based on personal experience and knowledge but it was found to be libellous.
<b>Continuous cover</b>	Provides protection for late notified circumstances where your PI policy has been continuously insured by QBE.
<b>Fair trading legislation</b>	There was no deliberate misrepresentation, but a client assumed otherwise.
<b>Intellectual property (civil liability basis only)</b>	You loved the work produced by your design team and failed to check whether it was unique. Unfortunately someone else had already patented a similar design.
<b>Joint venture liability (civil liability basis only)</b>	Your joint-venture partner failed to rise to the expectations in the project resulting in your company being dragged into a string of problems.
<b>Loss of documents</b>	During relocation of your office, some of your customers' files and documents were lost. You have to deal with the expensive replacement costs.
<b>Previous business</b>	You are a partner in a new company. One of the clients in your previous company sues you for professional negligence. Luckily you have the 'previous business' extension in your present policy.

PRODUCT FEATURES - OPTIONAL	SOME EXAMPLES OF WHAT THEY CAN MEAN FOR YOU
<b>Automatic reinstatement</b>	With this extension, when your policy limit of indemnity is exhausted by claims, the cover is automatically reinstated, effectively giving you full-limit cover again for future claims.
<b>Cost of representation at registration board proceedings</b>	This option pays for the cost of securing necessary representation at your profession's registration board proceedings when there is a claim.
<b>Fraud and dishonesty of employees</b>	Cover for claims arising from the actions (or omissions) of dishonest, fraudulent, criminal or malicious acts of employees.

## As a professional, can you afford not to have professional indemnity insurance?

Clients can hold professionals accountable for possible mistake or negligence. Here are some examples:

AREA OF EXPERTISE	EXAMPLES OF POSSIBLE MISTAKES OR NEGLIGENCE
Legal professional	Incorrect legal advice or failure to provide legal advice.
Accountant	Late submission of tax returns, resulting in fines against their clients.
Healthcare service provider	Mistakes in dispensing the medication prescribed by the doctor.
Business consultant	Recommendation of a business development process that allegedly results in losses for their client.
Property developer	Failure to obtain the required approvals from regulators.
Financial planner	Alleged negligence in provision of advice.
Construction/Engineering service provider	Error in calculating the weight of an equipment required on site which results in structural damages to the construction project.

## Critical examples

### Scenario one

An engineer inspected the foundations of a building project that he designed, and certified them as satisfactory for the next stage of construction, the pouring of concrete. Due to bad weather and tardiness of the building contractor, the concrete was not poured for two weeks. Some time later, parts of the building that were supported by the foundation collapsed, unfortunately leading to the death of a construction worker and significant reconstruction costs. Actions were brought against both the engineer and building contractor.

Legal representation was required to prove the engineer's innocence and demonstrate the soundness of the engineer's work, including the inspection and the integrity of the design. QBE appointed expert legal representation and engineering assessors to conduct the successful defence. The engineer can now continue his work with an unblemished record.

### Scenario two

An accounting firm provided services and advice in relation to the acquisition and selling of shareholding in a restaurant. Their client alleged that the firm misled them while providing advice and failed to perform their duties as an accountant. The client also maintained that the shares were sold at an undervalued amount based on the misrepresentations by the accounting firm. The accounting firm claimed for defence costs and the negotiated settlement against their Professional Indemnity policy.

## Do not delay

As an expert in your field, you do your job with extreme care and diligence. But are you on top of the constantly changing requirements that affect your area of expertise? Mistakes can happen. Clients can sue. When they do, you need to have the peace of mind that comes with knowing you have adequate insurance to meet the costs of legal advice and court awards. QBE Professional Indemnity Cover provides such confidence and financial security to professionals. It is designed to preserve their reputation and the viability of their practice. Call us today to discuss your situation.

This product sheet, including any scenarios, is provided as a guide only to the types of cover available and which may apply to certain claims. It does not take into account matters specific to your needs. QBE will assess each claim in accordance with the terms and conditions of the policy, the level of cover chosen and the particular circumstances giving rise to the claim. For full details of the terms and conditions and levels of cover available, please read our QBE Professional Indemnity Insurance policy wording, which is available on request from your local QBE office or insurance advisor.



#### **Fiji**

#### **QBE Insurance (Fiji) Limited**

QBE Centre  
Victoria Parade  
GPO Box 101, Suva  
Fiji  
Tel: +679 331 5455  
Fax: +679 330 0285  
Email: [info.fiji@qbe.com](mailto:info.fiji@qbe.com)  
[www.qbepacific.com](http://www.qbepacific.com)

#### **Papua New Guinea**

#### **QBE Insurance (PNG) Limited**

QBE Building  
Musgrave Street  
PO Box 814, Port Moresby  
Papua New Guinea  
Tel: +675 321 2144  
Fax: +675 321 4756  
Email: [info.png@qbe.com](mailto:info.png@qbe.com)  
[www.qbepacific.com](http://www.qbepacific.com)

#### **Solomon Islands**

#### **QBE Insurance (International) Pty Ltd**

Panatina Plaza  
Prince Philip Highway  
PO Box 764, Honiara  
Solomon Islands  
Tel: +677 38884  
Fax: +677 38887  
Email: [info.sol@qbe.com](mailto:info.sol@qbe.com)  
[www.qbepacific.com](http://www.qbepacific.com)

#### **Vanuatu**

#### **QBE Insurance (Vanuatu) Limited**

Level 2, Office 2a-2c/2g  
Tana Russet Complex  
PO Box 186, Port Vila  
Vanuatu  
Tel: +678 353 00  
Fax: +678 355 10  
Email: [info.van@qbe.com](mailto:info.van@qbe.com)  
[www.qbepacific.com](http://www.qbepacific.com)