



GENLIB

SPECIALISED INSURANCE & INNOVATIVE SOLUTIONS
FOR BROKERS

FSP 35482

PROFESSIONAL INDEMNITY COVER

(“PI”)

Insurer:	New National Assurance Company Limited	FSP No. 2603
Insurer:	Western National Insurance Company Ltd.	FSP No. 9465
Insurer:	Lombard Insurance Company Limited	FSP No. 1596

WHY YOU NEED TO CONSIDER PI INSURANCE

In today's service-driven economy, it's crucial for professionals, and those providing specialist advice, to employ specialised knowledge, skill and care in their business dealings with their clients.

These professionals must exercise a degree of care and skill which is reasonably expected of any competent practitioner in that particular profession.

If a person provides advice or a service to another and carries that work out negligently, they could be held legally liable for the consequences thereof.

Liability can arise because there has been a breach of duty of care or a breach of contract.

Accountants, architects, engineers, and lawyers, amongst others, include professionals who are often exposed to litigation. Many of the suits brought against these professionals are as a result of damages sustained due to the professional's failure to perform according to the generally accepted standards in their respective fields.

WHAT PI INSURANCE COVERS

Professional Indemnity Cover provides compensation for financial losses resulting from:

- ✓ Breach of professional duty
- ✓ Breach of warranty
- ✓ Breach of trust committed in good faith
- ✓ Defamation and/or injuria
- ✓ Infringement of copyright
- ✓ Destruction or loss of any documents entrusted to a third party
- ✓ Defence costs that may arise in the event of a third-party claiming against the insured
- ✓ Error or omission

Not all policies are the same so it's important to understand the policies and which extensions are provided for or not.

WHO IS EXPOSED AND WHAT IS AT RISK

WHO IS EXPOSED: Any company, organisation or entity providing a professional service as well as professional individuals.

WHAT IS AT RISK: The financial well-being of the company or organisation in the aftermath of a negligence / damages claim against them.



WHERE DO PI CLAIMS COME FROM

- Any third party with whom the client enters into a contract with.
- Any third party where injury or damage has been caused or alleged to be caused by the insured's negligence during the course of their professional duties.
- Depending upon the insured's type of operation, the source of the claim could be from anywhere in the world (USA and Canada excluded).



TERRITORIAL LIMITS

- Worldwide Excluding North America.
- Cover can be extended to include work performed in North America after due consideration and rating and subject to additional terms, conditions and exclusions.
- "North America" shall mean the United States of America (being the fifty states of the union plus the District of Columbia), Canada and any territory operation under its jurisdiction.



RETROACTIVE DATE & CLAIMS MADE POLICY

RETROACTIVE DATE

- The retroactive date indicates the date from which insurance was first incepted.
- This date will be lost in the event that there is a gap in cover and work performed prior to this date will not be covered.

CLAIMS MADE POLICY

- At the time when a claim is lodged, there must be a current policy in place and there must have also been cover in place at the time the work was performed.
- Therefore, the retroactive cover must be maintained and there must always be an uninterrupted Claims Made policy in place.



ADDITIONAL FACTS ABOUT PI INSURANCE

- Doctors require a Medical Malpractice policy not a Professional Indemnity policy.
- Professional Indemnity policies are sometimes called "Errors and Omissions policies" (E&O).
- The service provider needs to be negligent for a PI claim to be valid.
- The customer needs to hold the service provider liable for their financial loss before the PI policy can respond. This means they have to put this in writing.



STANDARD EXCLUSIONS

The Insurers shall not be liable to indemnify the Insured in respect of claims:

- ⊗ arising out of the death of or bodily injury to or illness or disease sustained by any person where same arises out of the execution of a contract;
- ⊗ arising from breach of contract;
- ⊗ for the cost of replacing or restoring documents;
- ⊗ arising out of loss of or distortion of computer data;
- ⊗ arising out of any property manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the Insured;
- ⊗ arising out of loss of money or theft or forgery;
- ⊗ arising out of defamation;
- ⊗ brought about or contributed to by the dishonest, criminal or malicious act or omission committed by or on behalf of the Insured;
- ⊗ made by any associated, parent or subsidiary company of the Insured;
- ⊗ In respect of which the Insured is entitled to indemnity under any other insurance;
- ⊗ arising from the conduct of the business in North America;
- ⊗ or circumstances which may give rise to a claim, which have been or should have been notified under any other policy or certificate of insurance attaching prior to the inception of this Policy;
- ⊗ for fines, penalties, punitive, vindictive or exemplary damages;
- ⊗ arising out of the insolvency of the Insured;
- ⊗ arising out of any act, error or omission, occurring prior to the Retroactive Date stated in the Schedule;
- ⊗ up to the amount of the Deductible;
- ⊗ as a result of any work carried out in connection with the Gautrain Project, unless specifically agreed to;
- ⊗ arising out of work undertaken in Tidal Waters, unless specifically agreed to;
- ⊗ due to unlawful competition, unfair practices, etc. as legislated;
- ⊗ relating to environmental impairment / pollution;
- ⊗ arising out of any advice given on North American Law (unless otherwise agreed);
- ⊗ arising from the depreciation in value of any investments



AVAILABLE EXTENSIONS (not necessarily exhaustive)

- Sub-Contracted Duties
- Liability Following Employee Dishonesty
- Fee Recovery
- Loss of Documents
- Claims Preparation Costs
- Defamation
- Joint Venture and/or Consortium Agreements
- Statutory Defense Costs
- Wrongful Arrest
- One reinstatement of limit of indemnity
- Breach of confidentiality
- Computer crime
- Support staff extension



NON-STANDARD EXTENSIONS

- Regulatory enquiry costs
- Directors and Officers liability
- Cyber Liability
- Public liability
- Fidelity cover