

AP  **X**
INSURANCE





Welcome To Palestine

Tareq Marea



Professional **I**ndemnity **I**nsurance





Professional Liability Insurance (PLI), also called **Professional Indemnity Insurance (PII)** but more commonly known as **Errors & Omissions (E&O)** in the US.





Is a form of liability insurance that helps protect professional advice- and service-providing individuals and companies from bearing the full cost of defending against a negligence claim made by a client, and damages awarded in such a civil lawsuit.





HISTORICALLY

Professional Indemnity Insurance was a very restricted market and was focusing on the traditional professions. And carriers (insurers) were limited to a few specialist insurers.





In the 30 years or so, since Professional Indemnity Insurance moved from its traditional home within the accidents department, it has taken off to its own specialist class of insurance and become a highly profitable line of business.





Nevertheless, some underwriters became more focused and withdrawn from high-risk areas such as Med-Mal (Medical Malpractice) – which is a separate line of business – or from high-risk professions such as independent financial advisers (IFAs).





NOW

PI CAN BE FOR



























THREE

**Related Factors Underpin
This Growth In PI Insurance**



NUMBER 1

- The readiness of more people to seek professional advice and to become involved in litigation to achieve redress when expectations have not been met.





NUMBER 2

- The availability of “after the event” legal expenses insurance and the use of contingency fees.





NUMBER 3

- The requirement laid down by professional bodies that their members have PI insurance to defined minimum liability.





HOW

does liability arise?





- Duty of Care.
- Breach of Duty of Care.
- Loss or Damage due to that breach.





Definition

The insured's legal liability due to breach of any agreed profession by reason of any negligent act, error or omission committed or alleged to have been committed



Professional Indemnity Types

- Professional indemnity for architects and engineers.
- Professional indemnity for doctors and hospitals.
- Professional indemnity for accountants.
- Professional Indemnity for any kind of consultancy.
- Professional indemnity for financial brokers and insurance brokers .
- Professional indemnity for lawyers.
- Professional indemnity for computer specialists.
- Any specified profession to be agreed by underwriter.





Who is the Insured

Professional business name (official commercial name) and their employees and any other affiliated offices related to the insured.

(If required and mentioned in the proposal form).





Basis of Coverage

- Annual Basis.
- Single Project Basis.





Proposal Form and Risk Underwriting

- Scope of works.
- Annual turnover.
- Territorial limits.
- Choice of law and Jurisdiction.





Proposal Form and Risk Underwriting

- Experience & staff.
- Limits of indemnity
- Retroactive Date.
- Deductible/Excess.





Extensions

Standard

1. Loss of document.
2. Loss of computer records.
3. Dishonesty of employees.
4. Liable and slander.





Extensions

Additional

1. Principal's previous business.
2. Outgoing partners.
3. Joint-venture and consortia.
4. Public relations expenses.
5. Legal consultation.
6. Run-off cover.
7. Former subsidiaries.
8. Newly created or acquired subsidiaries.
9. Spousal liability.





Limits of Indemnity

- Any one loss/ occurrence/ claims.
- Aggregate limits during insurance period.





Claims Trigger

- Claims Made / Claims Discovery.
- Claims Occurrence.



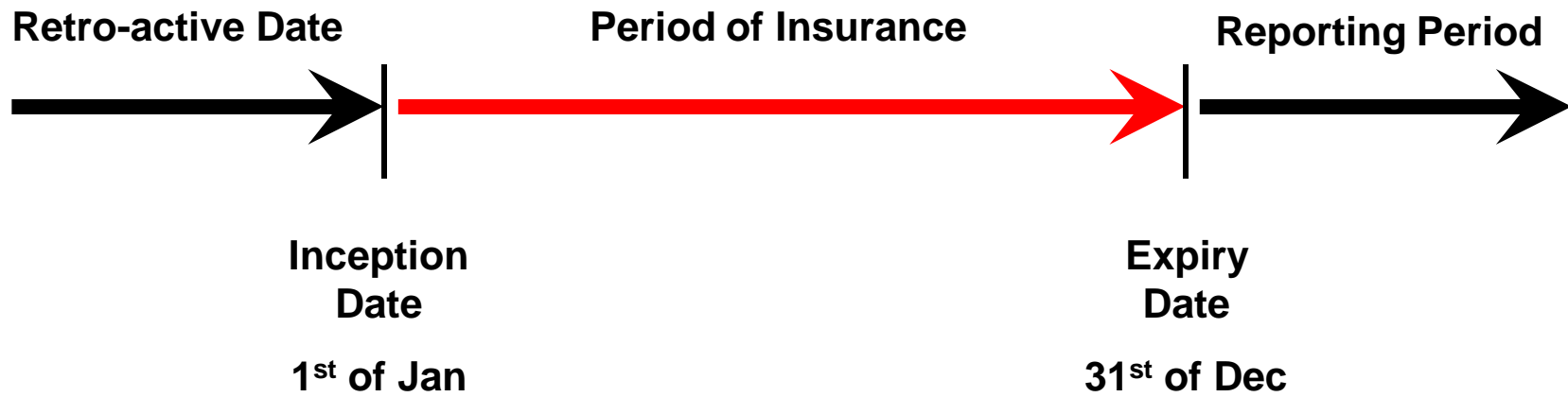


Professional Indemnity Policy is a Claims Made policy

What is *Retro-active* date and its benefits?



Insurance Time Line



Some General Exclusions

- Any negligent act, error or omission in connection with services or activities going beyond the scope of professional services typically performed as an architect and/or consulting engineer under domestic legislation, ethical codes and rules.





- Any neglect, error or omission by the Insured in effecting or maintaining insurance or in providing finance or advice on financial matters.
- Financial loss resulting from exceeding cost estimates and time limits.



- Liability assumed by the Insured by contract or any other agreement or any express warranty or guarantee given by the Insured which increases the Insured's legal liability.
- Any claim made against the Insured as the result of any intentional, dishonest, malicious, criminal or illegal act on the part of the Insured or his employees.





- The ownership, use, occupation or lease of property, mobile or immobile, including waterborne vessel or craft or aircraft or motor vehicle, by, to, or on behalf of, the Insured.
- Any liability of whatsoever nature, directly or indirectly caused or contributed to by, or arising from, pollution of air, water or soil.





- Liability resulting from asbestos or any related disease (including cancer) resulting from the existence, production, handling, processing, manufacture, sale, distribution, storage, deposit or use of asbestos, asbestos products and/or products containing asbestos.





- Any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, terrorism, rebellion, revolution, insurrection or military or usurped power.



- Liability due to force majeure (for example, but not limited to, earthquake and flood).
- Fines, penalties, punitive or exemplary damages or any other damages resulting from the multiplication of compensatory damages.



- The costs of revising or redesigning drawings, plans, specifications or schedules of specifications as a consequence of a claim indemnifiable.
- Infringement of patents, copyrights, trade names, trade marks or registered design or the allocation of licenses.





- Bodily injury sustained by any person arising out of and in the course of his employment by the insured under a contract of service or apprenticeship with the insured.





- Claims failed by the insured under the policy against each other or filed by a party,
 1. Which is directly or indirectly owned, controlled, operated or managed by an insured,
 2. In which any insured is a partner, consultant or employee.



- Loss or destruction due to :
 1. Ionizing radiations or contamination by radioactivity.
 2. The radioactive, toxic, explosive or other hazardous





Thank You

Tareq Marea