



*Professional*

**INSURANCE AGENTS LTD**

*Independent Insurance Advisors*

## At A Glance

Professional Insurance Agents Limited are specialist brokers operating in the following fields:

- Professional Indemnity Insurance
- Directors and Officers Liability Insurance
- Intellectual Property Insurances
- Prospectus Insurance - IPO's/Warranties/MBO's
- Mergers and Acquisitions Covers
- Office Insurance Packages
- Commercial Insurance (Non-Motor)
- Public Liability Insurance
- Employers Liability Insurance
- Malpractice Insurances/Liabilities
- Clinical Trials Insurance
- Charities and Trustees Insurance



## Our Services

We have direct access to all the major suppliers of these types of insurances and use our Lloyd's connections to obtain terms for our more complicated and overseas risks.

Professional Insurance Agents Limited operates 60 dedicated websites to provide each profession and business with their own individual exclusive service. Each website has been specifically built to serve a particular business requirement and which includes "Live" video, sound and text help, where a prospective client can visually see and speak directly with one of our brokers about their insurances and obtain instant details of the policy wordings and proposal forms from anywhere in the world.



## Professional Indemnity Insurance

Professional Indemnity Insurance provides essential financial protection for a wide range of professional advisers. In the event that a client suffers financial loss as a result of alleged neglect, error or omission Professional Indemnity Insurance will meet the cost of defending claims and any damages payable.

Any person who gives advice, designs, or offers similar services in a professional capacity is seen by clients as an expert. In these times of high consumer awareness, clients will not hesitate to pursue a claim if they feel that they have received sub-standard service. The need for Professional Indemnity Insurance has never been greater.

While some professional people see Professional Indemnity Insurance as an expensive and unnecessary overhead, we know from experience that any professional can produce substantial claims. Court awards have risen sharply in recent years. Without insurance, the financial security of a business is threatened.

The following examples highlight the importance of Professional Indemnity Insurance:

A business wished to be known by a particular trade name. After consulting with company registration agents, it was told that there was no objection to its chosen name. Proceedings were issued by a company with a similar name and £20,000 was paid by the company registration agents.

Detailers prepared structural drawings for the erection of steelwork. It was subsequently alleged that the drawings contained errors and £110,000 was claimed for the costs of alteration and the resulting delays in construction.

An auctioneer sold property at auction over a number of years. It was alleged that the property was stolen and a claim for £250,000 was brought against the Auctioneer.

It was alleged that consulting engineers were negligent in their design of waste heating boilers. A claim for £4million was brought for the cost of extra work and the resulting delays.

An estate agent missed the opportunity to carry out a rent review because of a defective rent review notice. The claim was settled for £50,000.



## Professional Indemnity Insurance Continued

### How much cover is required?

Individual professions can assess the amount of cover appropriate to their business. However in many cases this is determined by an authorising professional body which lays down the criteria and covers required often with minimum levels of indemnity and excesses. If in doubt you should check with your own authorising body, although as a professional indemnity insurance broker, PIA Ltd generally will be able to advise you of the different requirements required for your particular profession.

For others trying to determine how much cover to effect, it is important that a realistic view is taken of the potential damages and legal costs for which the business could become liable. Being under-insured can be almost as financially disastrous as being without insurance at all - as the examples below reveal.

We recommend that no insurance policy is taken out with a limit of less than £250,000. We will, however, provide a quotation for lower levels of indemnity if asked to do so. We are also able to provide cover up to a limit of £20,000,000 in most cases.

Any professionals in doubt about the amount of cover they should take out should consult their legal advisers.

The following examples highlight the dangers of being under-insured.

**Case 1:** It was alleged that surveyors were negligent in their valuation of a property on behalf of a lender.

**Loss: £1.5million                      Insurance: £1million                      Shortfall: £500,000**

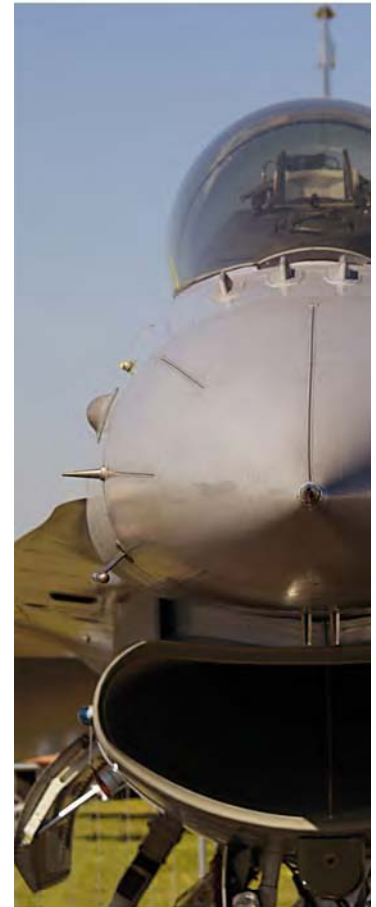
**Case 2:** A consulting engineer designed a roof which proved to be defective.

**Loss: £350,000                      Insurance: £100,000                      Shortfall: £250,000**

**Case 3:** A design consultant provided designs for tools to be used in manufacturing process. It was alleged that the designers were inaccurate.

**Loss: £150,000                      Insurance: £100,000                      Shortfall: £50,000**

For a quotation call 01323 648000 or download a proposal form at:  
[www.professionalinsuranceagents.co.uk](http://www.professionalinsuranceagents.co.uk)



## Directors and Officers Liability Insurance

Directors and Officers may be held personally liable to all parties that have any interest in the affairs of the Company.

In essence, a Directors and Officers Liability Insurance is a form of Professional Indemnity cover for Company Directors and Officers.

### *General Duties of Directors*

**Fiduciary** Not to act outside their own authority, not to commit the Company to transactions prohibited by law or outside the Company's Memorandum of Association and to avoid placing themselves in a position where their personal interests conflict with those of the Company.

**Care** That one might expect of a reasonable person.

**Skill** Although, "he need not exhibit a greater degree of skill than may reasonably be expected from a person of his own knowledge and experience", (**City Equitable Fire Insurance Company 1925**), a Director or Officer or anyone with a particular skill or qualification should exhibit a greater duty of skill than those without, eg. Finance Director, Company Secretary etc.

### *Statutory Exposures (Typical)*

- **Companies Act** (over 200 offences)
- **Insolvency Act** ("Wrongful Trading")
- **Health and Safety at Work Act**
- **Data Protection Act**
- **Consumer Protection Legislation**
- **Company Directors Disqualification Act**
- **Financial Services Act**
- **Company Securities (Insider Dealing) Act**
- **E C Directives and Regulations**
- **Racial and Sex Discrimination Legislation**



## **Directors and Officers Liability Insurance Continued**

Taking into account the duties and exposures highlighted, a Director has to be mindful of all of these when considering the following circumstances which quite often give rise to claims or legal proceedings:-

### *Circumstances*

- **Sale of Assets/Divestments**
- **Acquisitions/Investments**
- **Poor Performance**
- **Share Issues/Change of Share Ownership**
- **Expansion Plans or Rationalisation**
- **Liquidation**
- **Failure to Supervise**
- **Adverse Publicity**
- **Dishonesty of Fellow Directors**
- **Safety and Emergency Regulations**

Parties who have an interest in the affairs of a Company include the following:-

### *Interested Parties*

- **Shareholders/Investors**
- **Employees**
- **Creditors**
- **Customers**
- **Purchasers**
- **Vendors**
- **Competitors**
- **Contractors**
- **Government Departments**
- **Local Authorities**

For a quotation call 01323 648000 or download a proposal form at:

[www.directorsandofficersinsurance.co.uk](http://www.directorsandofficersinsurance.co.uk)



## Intellectual Property Insurance

Intellectual Property Insurance coverage protects companies for copyright, trademark or patent infringement claims arising out of the company's operation, and the defence or pursuit costs, (together with damages if proved) up to the policy limits.

### Why do I need Intellectual Property Insurance?

A competitor can financially ruin your company if you do not have the funds to hire a solicitor and pay the cost of all the legal fees associated with defending or pursuing your right to a patent or trademark.

The policy can offer cover for the following areas: -

- Legal expenses to defend your rights
- Legal expenses to enforce your rights
- Legal expenses to defend your agreements
- Damages awarded if your defence is unsuccessful
- Expert witness, enquiry and attendance expenses
- Intended to apply to UK registered companies, firms or individuals within UK law
- Claims against non-UK companies etc should be allowable if under UK law
- Cover for non-UK companies etc may be available
- Cover for Customs and Excise fees to monitor imports for surveillance of counterfeit goods

### When do I need Intellectual Property Insurance?

You need Intellectual Property Insurance should a competitor try to sue you for what they consider to be an infringement of their ideas or Intellectual Property, or if you need to protect your ideas themselves from being taken.

As long as you are not aware of any known infringements or violations, you can apply for insurance to protect your trademark or patent. However in order to get coverage, you will be required to prove that you have completed an Intellectual Property search, or have filed a registration for a trademark, service mark, copyright or patent.



## Intellectual Property Insurance Continued

More than ever before, intellectual property claims involving infringement of patent, copyright and trademark are being filed and litigated at a tremendous cost to both parties.

Few standard insurance policies protect businesses from loss or damage to their intellectual property; however, a growing range of policies aimed specifically at intellectual property are available and businesses would do well to consider whether such a policy is available that is right for them.

Criminal offences exist in copyright and trade marks law. The circumstances need to be studied carefully to determine if the behaviour amounts to a criminal offence or a matter that can be resolved using the civil law. Intellectual property law varies greatly in different countries. Many under-developed countries and certain countries in eastern Europe have insufficient protection (reluctance to police existing intellectual property laws or the non existence of such laws) for copyright and trademark holders.

For a quotation call 01323 648000 or download a proposal form at:

[www.intellectualpropertyinsurance.co.uk](http://www.intellectualpropertyinsurance.co.uk)

## Prospectus Insurance - IPO's Insurances

We can offer policies that are specifically geared to Prospectuses, whether a company is thinking of handling/floating on AIM or OFEX.

The policy covers both the company and its Directors.

Generally speaking this insurance cover is available for a six year period, during which claims can be brought. Premiums are subject to a "one off" premium payment.

## IPO & MBO Insurances

The terms of each policy need to be negotiated with underwriters and checked with your solicitors to ensure that there are no onerous exclusions for the directors or company's activities, call or email us to discuss.

Naturally if we are your representing brokers we will try our best to obtain the widest wording available.

For a quotation call 01323 648000 or download a proposal form at:

[www.ipoinsurances.co.uk](http://www.ipoinsurances.co.uk)



## Office Insurance Package

If you run a professional business from an office, much of your time maybe spent away from it, visiting clients, suppliers and business contacts. You will want to make sure that your business is properly protected but with little time to spare you often don't have the time to search for the right insurance cover. We can take care of your insurance needs, leaving you to concentrate on running your business.

Office insurance is a package that has been designed to meet the needs of all types of office-based businesses such as consultants, architects, solicitors and surveyors.

It includes Contents cover, Revenue Protection, Public Liability and Employers Liability cover and Commercial Legal Protection. You can also select from a broad range of optional covers and limits to tailor the policy to suit your individual business needs.

**Asset Protection** - protection for the tangible assets of the business.

- Building Insurance
- Contents Insurance

**Revenue Protection** - financial protection for the business

- Business Interruption covers loss of income and increased office expenses, in the event of fire, flood and natural disasters.

**Legal Liabilities** - defending legal action

- Employer's Liability
- Public and Products Liability
- Commercial Legal Protection: provides cover for legal action in relation to a whole spectrum of issues affecting businesses such as employment disputes, debt recovery and VAT disputes.

**Employee Benefits** - protection for a valuable asset (optional)

- Personal Accident
- Business Travel: provides cover whilst travelling on company business in the UK, Europe and Worldwide.

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## Commercial Insurance

All companies need insurance protection across a wide range of exposures, however, in some cases businesses may not be aware of all the insurance covers they require.

To name but a few:

- Buildings Insurance
- Contents Insurance
- Public Liability Insurance
- Employers Liability Insurance
- Product Liability Insurance
- Stock Cover Insurance
- Business Interruption Insurance
- Goods in Transit Insurance
- Legal Protection Insurance
- Intellectual Property Rights Insurance
- Directors and Officers Insurance
- Professional Indemnity Insurance
- Mergers and Acquisition Insurance
- Warranties Insurance

Very important insurance covers that a business or a company need to consider are Public and Employers Liability Insurance. In fact, Employers Liability Insurance is statutory and must be arranged if you are a limited company, PLC or indeed if you employ anyone, even if this is on a part time basis.

You should also retain your Employers Liability Certificate for a period of 40 years.

Other Insurances will depend on the individual needs of each business.

Professional Insurance Agents Ltd, deal only with Commercial Insurances, and act on behalf of companies wishing to obtain cover for their businesses in the U.K. or worldwide. We are able to obtain terms from most of the major insurance providers and from the Lloydss market, at competitive rates, offering worldwide Insurance covers and in some cases this will include cover extending to and incorporating USA/Canada.

For a quotation call 01323 648000 or download a proposal form at:  
[www.ukcommercialinsurance.co.uk](http://www.ukcommercialinsurance.co.uk)



## Public Liability

There are many areas where your business is exposed to risks. A Public Liability policy can cover you for the following:

- Injury to any person
- Loss of or damage to property
- Obstruction, nuisance, trespass or interference with, rights of way, of air, light, water or others.
- Wrongful detention, imprisonment, eviction, arrest, or invasion of the right to privacy.

The standard policies usually extend to cover UK , Northern Ireland, the Channel Islands and the Isle of Man, although we can place cover *worldwide* including USA and Canada with UK jurisdiction and in some cases we can place public liability risks with worldwide cover outside the jurisdiction of the UK.

A public liability policy can be extended to also cover the following:

- Health & Safety at work - legal defence costs
- Motor contingent liability
- Movement of obstructing vehicles
- Leased, hired or rented premises
- Cross liability
- Car park and Cloakroom liability - i.e. where a car or personal belongings of a person are held in trust by you or in your custody or control
- Data Protection Act - liabilities arising under the Data Protection Act to pay compensation for damages or distress
- Consumer Protection Act - legal costs & expenses
- Bona-fide sub-contractors
- Defective Premises Act
- Product Liabilities

So a Public Liability policy clearly helps you or your business protect against a vast number of possible exposures.

For a quotation call 01323 648000 or download a proposal form at:

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## Employers Liability

Employers Liability Insurance is a statutory requirement. If you run a business where people are working for you (even on a part-time or voluntary basis), there will be a certificate issued by the insurance company that must be retained for a period of 40 years. The current certificate must be displayed where your employees can see it.

The penalties for not holding an Employers Liability certificate can be severe with fines up to £2,500 per day.

The statutory requirement for Employers Liability is £5,000,000, however, cover is usually a minimum £10,000,000 and will protect the company or employers against claims that maybe made by an employee of a business. Claims can range from mental anguish to industrial injury and many more exposures besides.

Employers Liability Insurance is essential to most businesses and employers for their protection and to provide the employer with legal defence costs and damage awards, should an employee get injured or sustain losses because of an employers fault.

For a quotation call 01323 648000 or download a proposal form at:

[www.professionalinsuranceagents.co.uk](http://www.professionalinsuranceagents.co.uk)

## Malpractice Insurance

Malpractice insurance is for professionals to protect themselves from the financial effects and costs of being sued. A malpractice insurer agrees, through an insurance contract, to investigate claims, provide legal representation, and accept financial responsibility for payment of claims up to a specified monetary amount during the policy period.

Even the most competent professional can make a mistake and should protect against that possibility and even professionals who make no mistakes can be sued. Defending a malpractice lawsuit is often expensive even when the defendant wins. The costs include legal fees, expert witness fees, other expenses and, if a case is lost or settled, the payment.

Health care professionals win most malpractice lawsuits, but the legal system rarely allows for the recovery of expenses by the winner. Since the cost of defence is high and a loss can be devastating, this insurance product is essential to every practice.

For a quotation call 01323 648000 or download a proposal form at:

[www.malpractice-insurance.co.uk](http://www.malpractice-insurance.co.uk)



## Charities and Trustees Insurance

The senior officers and trustees of a charity have individual personal duties and responsibilities for the management and administration of that charity or association, bringing with it the potential of many liabilities. The fact that many people who give their time 'free' to charities, acting in either a management capacity or as a trustee, does not absolve them from these very real liabilities.

There are several publications explaining the duties and responsibilities of a trustee, which the charity commission has produced, giving out details on such things as protection and investment of charities assets such as property, the requirement of financial information to be prepared and available i.e. charity's accounts, together with guidelines in respect to employees and agents of the charity, as to how they are monitored.

The structure of a charity, where trustees are appointed and the duties of those trustees are formulated by a deed or document controlling that trust, from statute and from common law should a trustee accidentally be neglectful or be ignorant of these duties this could lead to a 'breach of trust' and leave that trustee/s personally liable which may be "unlimited liability".

The important issue for charities or associations to consider is the potential liabilities and exposures they subject their trustees, directors and officers to and itself becomes a 'duty of care' particularly to employees of that charity or association.

The best form of protection against potential liabilities (and there are many) would be to arrange an insurance policy, however, there are guidelines that you need to perhaps consider - the Charity Commission for England and Wales has summarized these in their publication 'CC49'.

In general the charity needs a broadly worded policy to indicate cover for the following exposures:

- Liability for Directors
- Professional Indemnity Cover
- Use of funds collected (not financial loss of investment themselves)
- Fidelity – dishonest, fraudulent, criminal, acts of a manager/s or employee/s
- Loss of Documents
- Executive covers – liabilities
- Employment practices liabilities i.e. employment disputes including costs for things such as official investigations, enquiries, health, safety, etc
- Indemnification of innocent trustees / directors of the charity

For a quotation call 01323 648000 or download a proposal form at:

[www.charitiesandtrusteesinsurance.co.uk](http://www.charitiesandtrusteesinsurance.co.uk)

