

Professional Indemnity Insurance



What to do in the event of a claim

All insurance policies contain conditions concerning the initial notification and general handling of claims. Failure to comply with these conditions may give Insurers the right to refuse cover for a claim. As conditions can vary significantly between different policies and Insurers, we would recommend that you take the time to familiarise yourself with the conditions of your own policies.

Conditions

As a general rule, all Professional Indemnity policies will include conditions along the following lines:

- Notify all claims or circumstances which may give rise to a claim as soon as you are aware;
- Do not admit liability or make any offer of payment in respect of any claim or circumstance without the prior written consent of Insurers.
- Co-operate fully with Insurers and provide further information as they may reasonably require;
- Failure to co-operate may result in Insurers taking over conduct of the claim.

Basis of Cover

It is important to note that Professional Indemnity insurance is arranged on a "Claims Made" basis and the requirements regarding notification are very strict. A claim or circumstance must be notified to Insurers during the period of Insurance when any issue is first raised. We understand that claims made against your professional business can be a stressful time and as such, we will work closely with you and Insurers to ensure the process is as smooth as possible.

General Guidance

In addition to formal claims, you are also required to notify circumstances which may give rise to a claim to Insurers. Failure to do so could impact on the cover provided.

- We understand It can be difficult to identify what constitutes a "circumstance". However, as an example, a circumstance could arise from: a) You becoming aware of an error in the services you have provided; b) Your client expressing dissatisfaction with the services provided; c) A dispute arising over any unpaid fees.
- While your views on a claim or a circumstance are important, they should not be a determining factor when deciding if a matter should be notified. Even if you consider a Client's claim to be spurious, this may not deter the Client from pursuing the matter.
- You must forward any correspondence from the Claimant and/or their representatives unanswered and as soon as reasonably practicable. Claim correspondence can often be intimidating, and may include demands for a response by return.
- Do not disclose the involvement of your Insurers unless this has been agreed in writing with Insurers.

If the Claimant has instructed Solicitors to pursue a claim on their behalf, they may issue a 'Letter of Claim'. A Letter of Claim will have specific timescales in which a response must be issued and, as such, we would always recommend that you notify the claim without delay and all legal correspondence is forwarded immediately for further consideration.

If you have any queries relating to the contents of this bulletin or anything further, please do not hesitate to contact one of the members of the team below.

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