



Specialists at minimising risk exposure



Professional Indemnity Insurance

Policy Overview & Benefits

Professional Indemnity Insurance

Policy Overview and Benefits

Policy Overview

Organisations and individuals that provide services to a third party must be aware that they may one day face the prospect of court action. The rise in litigation in Australia in recent years is showing few signs of abating. There are ever-increasing regulatory burdens being placed on organisations and individuals that are leaving them exposed to the risks of compliance oversight. The ever-present threat of spurious claims or the problems caused by simple human error remains a risk for even the most sophisticated of organisations. With the costs of litigation and settlements always rising, the failure to purchase adequate insurance could spell financial disaster.

An Ansvr Professional Indemnity (PI) policy is the most effective means of providing your clients with the protection they need to avoid a claim. We work closely with you to ensure your clients have a solution tailored to meet their specific coverage requirements, and our broad range of expertise means that we can provide this service to a full spectrum of sectors and segments. Your client must have complete confidence in the ability of their insurer to provide the most effective and comprehensive insurance product to meet their needs. Ansvr's professional indemnity insurance product will provide cover for your client and their employees acting in a professional capacity in the conduct of their business or practice.

Policy Features

Insuring Clause: Provides cover for claims for loss in connection with your civil liability in the conduct of the business or practice including:

- consumer protection legislation ***updated previously trade practices acts***
- Libel, slander, defamation
- Intellectual property
- Duties owed ***new***
- Contractual liability ***new***

Policy Coverage

<h3>1. Covering Who</h3>	<ul style="list-style-type: none"> • any predecessor in business; • principal, partner or director; • employee of the insured (including trainee, volunteer, casual, part-time, seasonal, temporary and work experience personnel), • any former principal, partner, director or employee of the insured, • any consultant, sub-contractor or agent but only to the extent that they are indemnified under the policy. • estates, heirs or legal assigns, • consultant, sub-contractor or agent who work under your direct control and supervision, • spousal liability, • newly created / acquired subsidiaries (for up to 30 days), • past subsidiary organisations
<h3>2. Covering What</h3>	<ul style="list-style-type: none"> • Compensation, costs and expenses including your defence costs • Limits of liability up to a maximum capacity of \$25 million any one claim and an aggregate limit of liability for all claims. Please note the aggregate limit of liability is generally an equivalent to 2 times the limit of liability. This essentially gives the insured one automatic reinstatement in the limit of liability. • Legal costs are paid in addition to the limit of liability.
<h3>3. Automatic Extensions</h3>	<ul style="list-style-type: none"> • Advancement of defence costs *new* • Dishonesty of Employees *new* • Estates, heirs or legal assigns • Continuous cover • Malpractice cover • Loss or damage to documents • Investigations and inquiries • Waiver of excess *new* • Reinstatement in the event of a recovery *new* • Joint venture cover *new* • Good Samaritan Acts *new* (previously expenses incurred by you for first aid rendered to third parties) • Consultants, subcontractors and agents *new* • Court attendance costs *new* • Public relations expenses *new* • Merger / takeover / sale / winding-up of insured *new* • New created / acquired subsidiary *new* • Past subsidiary organisations *new* • Claims preparation costs *new* • Emergency defence costs *new* • Sixty day reporting period *new* • Extended claim and Reporting Period *new* • Spousal liability • Privacy breach response costs *new* • Severability and non-imputation (previously additional parties) • Vicarious liability *new*

Claims Case Studies

The following case studies illustrate potential scenarios in which Ansvar's Professional Indemnity Insurance policy could apply.

Counselling Advice- Implications

Mary and John had been married for 15 years. They have three children, Peter aged six years, Alex aged eight and Stacey aged 11 years.

The marriage was not a happy one with a history of domestic violence and drug taking by John. After years of promising to get help, John finally decided to seek counselling. John started a 12 week counselling program and the sessions had been going quite well. After about eight weeks of individual counselling with John, the Counsellor then asked John whether he thought that it would be helpful to have a separate session with Mary, John thought this was a good idea. Mary agreed to see the Counsellor on three separate occasions. After a number of months, with the separate sessions going well, the Counsellor invited Mary and John to a joint counselling session. Mary did not make that session. The police arrested John on suspicion of her murder. He was later convicted and sentenced to jail.

A claim was made against the insured by Peter, Alex and Stacey on the basis that the insured failed to follow its own internal policies dealing with situations of domestic violence. The children argued that there should have been more done by the insured to qualify the parents for a joint session and in particular, John should have been referred to an expert psychologist specialising in the management of domestic violence situations. It was argued that had the appropriate referral been provided in a timely manner, some months before the joint counselling session was even suggested, the children may still have had their mother.

Outcome

This matter was resolved on the basis of a compensation payment made to all three children. Due to the ages of the children, the policy also paid for the cost of a barrister's advice required by the Court prior to it approving the settlement. Payment of the insured's legal costs was also met under the Professional Indemnity policy.

Solution

Ansvar's Professional Indemnity Insurance policy would cover legal defence costs, fines and penalties allowed under the policy.

Disability Care

Jenny had fallen from a horse when she was only five years old. She suffered horrific injuries including brain damage which rendered her a quadriplegic. Jenny's parents had been caring for her for many years, however as they grew older this became increasingly difficult for them. Whilst the parents had access to some government funding and certain aids for Jenny, they decided that it was in Jenny's best interests to seek the assistance of an organisation that specialised in disability care. They knew that Jenny would have access to better medical care and her increasing needs would be met. It took the parents a number of months and multiple consultations with the facility in question to make the decision. Jenny was taken to the facility by both parents and she settled in well.

What the facility did not reveal to Jenny's parents was that it had a history of high staff turnover and it was employing a large number of staff who were not qualified in managing high needs patients. Jenny had been in the facility for just a week, when she was placed in a bath and left there. When the employee nurse returned, Jenny was found to have significant redness on her body with skin lifting. An ambulance was called and Jenny was taken to hospital. The burning was so severe that Jenny was placed in an induced coma. Fortunately she survived the incident.

As a matter of law, an employer is responsible for the negligent acts of its employees and has the responsibility to ensure that it has appropriately trained staff to care for residents and that appropriate policies and procedures are in place.

Outcome

The facility notified Ansvar on the day that the incident occurred. The timely nature of the notification allowed Ansvar to provide guidance to the facility and engage the family to explain the situation. The family was invited to a meeting to discuss what had happened and immediate concerns were addressed.

Solution

Ansvar's Professional Indemnity policy gives policy holders access to both experienced claims managers and expert legal advisors where circumstances require there is uncertainty about how to manage complex and stressful situations as well as providing indemnity for compensation. In this case, the family's claim made on behalf of Jenny was resolved without the need for costly litigation.

About Ansvar

Ansvar is a leading specialist commercial and consultative insurer offering tailored insurance products and services to the Care, Community Service (including Not-for-Profit), Education, Faith and Heritage sectors. With more than 50 years of experience in the Australian insurance industry we've developed a deep understanding of our clients' needs, risks and challenges they face, as well as the environments in which they operate.

Ansvar is owned by the Ecclesiastical Insurance Office plc, est. 1887, a leading insurer of heritage, religious and charitable organisations in the UK.

Our approach

Service is paramount at Ansvar, and our team is committed to consistently providing the best client experience possible.

Our dedicated Claims team are focused on quickly, solving the problems of our clients. With a compassionate approach they are always mindful of the reputation of our clients, particularly when handling sensitive claims.

Because Ansvar understands the varied and vast risk exposure of our clients in our core sectors, we offer expert Risk Management advice and practical solutions to help our clients protect their assets and importantly, their people.

Through our expertise and flexible underwriting approach, Ansvar offers tailored insurance solutions to provide the right cover to suit the unique needs of our client's within our core sectors.

Supporting our community

Our goal is to be a valued and recognised contributor to the community. This has been the ethos of Ansvar since our inception.

Each year, through our Community Education Program, Ansvar donates a percentage of our profits to organisations that provide valuable support to improve and enrich the lives of young Australians, so that they may contribute positively to the community in which they live.