

## Professional Indemnity

Often when liability is discussed we talk about damage to property or injury. Should there be a financial loss but there is no damage or injury a Public Liability policy will not respond.

Those who act in a “professional” occupation are supplying a service rather than a product and accordingly they owe a professional duty to their customers as well as others who they provide advice to. This includes such as lawyers, architects, valuers, designers, engineers, technology providers and even insurance brokers!

Should the customer suffer a financial loss due to the failure of the service provider then they can sue for a breach of contract or for damages arising from negligence.

As with most actions the cost of defence can be substantial and when damages are added costs can become prohibitive.

Apex can provide Professional Indemnity insurance that will cover the costs of defence, damages and settlements and investigations. Further cover is provided following breach of intellectual property rights, loss of documents, and to protect employees as well as the company itself.

As with most insurance policies the idea is to protect the balance sheet of a business and ensure continuity and viability of that business. Should the business have to pay out of its own reserves or facilities then the balance sheet is weakened. Not insuring adequately or at all can potentially lead to the end of the business.

Apex can provide cover for all of your Liability needs, whether General Liability, Employers Liability, Statutory Liability, Employment Disputes, Crime, Fidelity, Directors & Officers and not-for-profit Associations.

We tailor-make to your requirements dependant on your business needs.

### Claims examples:

- A software company provided a program that was supposedly going to keep the customer’s own customers details protected on the customers e-commerce website. The security encryption failed and the customer took action against the software company for damages and costs following action being taken against the customer by its customers. Cover was available both for defence costs and damages under the software company’s Professional Indemnity policy.
- A valuer didn’t take into account the underground section of a building when supplying his valuation certificate and the property was subsequently underinsured by the owner. When the building was destroyed in the Christchurch Earthquake the property owner sued the valuer for his error as his insurance was insufficient to rebuild the property. The valuer’s Professional Indemnity policy responded to the investigation costs, defence costs and damages.

To discuss further or for any queries, please contact your Apex Broker or our Technical Manager, Mark Robb:  
[markr@apexinsurance.co.nz](mailto:markr@apexinsurance.co.nz)