

# Client Bulletin – Product Information

## PROFESSIONAL INDEMNITY INSURANCE – Actual/Potential Claim notification conditions



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All insurance policies contain certain conditions concerning the notification and handling of claims. Failure to comply with the relevant conditions may entitle the insurer to refuse cover for the claim. Conditions differ significantly between policies and you should familiarise yourself with requirements of your own policies. In the event of any uncertainty, it is important that you contact Rowlands & Hames and we will be glad to provide guidance.

All Professional Indemnity Insurance will include the following conditions:

- **You must notify all claims and potential claims as soon as you are aware of the problem;**
- **You must not admit liability to anyone;**
- **You must co-operate fully with your PII insurer, who will be entitled to take over the conduct of the claim**

Professional Indemnity insurance is arranged on a “claims made” basis, different from most other liability insurances. The policy requirements for notification are very strict. There are subtle differences between policies each PI insurer varies in the way in which it handles claims. In view of this, as claims can affect your professional reputation, we will work closely with you in handling claims of this nature.

By way of general guidance:

- **It is most important that you report not only actual claims, but also potential claims, to insurers. Failure to do so can result in the loss of cover for any actual claim that subsequently materialises. This issue probably gives rise to more disputes between PI policyholders and their insurers than any other. We suggest that if you are in any doubt, you consult us for advice.**
- **PI insurers generally do not use report forms. We can assist you in assembling the information that will be needed by your insurers.**
- **In considering whether to report any particular matter, do not have regard to either to the merits of the claim, or to the policy excess. If a potential or actual claim exists, it should be reported irrespective of your views on the case.**
- **You must report any claim or potential claim regardless of the level of excess.**
- **You must forward any correspondence from claimants or their representatives unanswered.**
- **Most insurers prefer that their interest is not disclosed to claimants. In your dealings with claimants or their representatives, do not refer to the involvement of insurers unless this has been agreed.**
- **The legal conduct of Professional Indemnity claims is governed by protocols under the Civil Procedure Rules. There are very short timescales in which to investigate and formally respond to claims if legal action is taken against you. To protect your position you must:**
  - **Report all potential claims without delay**
  - **Forward immediately all legal correspondence**
  - **Co-operate fully with insurers.**
- **Special and very urgent reporting requirements apply to claims brought under the adjudication provisions of the Housing Grants, Construction and Regeneration Act 1996. If this is relevant to you, the position will be set out in your policy. We will be happy to advise in more detail if necessary.**

### **How Rowlands & Hames can assist you**

Please report all claims or potential claims to Rowlands & Hames as soon as you are aware of their existence.

If you are in any doubt, please discuss with your usual Account Director or Account Handler.

Please contact your usual Rowlands & Hames by telephoning 01253 594211, via email to [mail@rowlands-hames.co.uk](mailto:mail@rowlands-hames.co.uk) or via our website at [www.rowlands-hames.co.uk](http://www.rowlands-hames.co.uk).

### **Please contact Rowlands & Hames for further information.**

**Rowlands & Hames Insurance Brokers Ltd.**  
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