



# PROFESSIONAL INDEMNITY PRODUCT OVEVIEW

“ In the ever-evolving landscape of professional services, the need to protect oneself from costly legal liabilities has become increasingly important. Professional Indemnity Insurance has emerged as a specialized form of insurance coverage that provides financial protection to professionals against potential claims made by their clients for professional negligence or errors and omissions.

Professional Indemnity Insurance, also known as Errors and Omissions (E&O) insurance, is a type of liability insurance that safeguards professionals against financial losses arising from professional negligence, breaches of duty, unintentional errors, or omissions in the execution of your professional services. It offers protection for legal costs and damages incurred due to claims made by dissatisfied clients.

## WHO NEEDS PROFESSIONAL INDEMNITY INSURANCE?

Professional Indemnity Insurance is crucial for individuals and businesses offering professional services. The table below sums up how professional indemnity insurance protects certain occupations.

SERVICE PROVIDER	WHAT PROFESSIONAL INDEMNITY INSURANCE TYPICALLY COVERS
Accountants	Claims arising from bookkeeping errors, missed items on a client's tax return, accusations of professional negligence, and other professional mistake.
Architects & Engineers	Claims arising from advice and design errors and oversight, breach of contract, and allegations of negligence.
Financial Consultants & Investment Managers	Lawsuits resulting from miscalculation and poor advice on stocks, mutual funds, and other investments leading to financial losses for the client.
Lawyers	Lawsuits arising from mistakes made when providing legal services to a client, breach of contract or professional services, and allegations of misrepresentation.
Medical Practitioners	Claims of negligence resulting in a patient's injury or death.
Real Estate Agents & Brokers	Claims arising from incorrectly describing a property in a listing - including not disclosing structural flaws - and failure to execute fiduciary duties to client.

## SCOPE OF COVERAGE

Common types of coverage include:

### Professional Negligence

Provides cover for any actual or alleged breach of duty, negligent act, error, omission, misstatement, misleading statement, breach of warranty of authority committed in good faith, or breach of confidentiality which occurs in the performance of or failure to perform Professional Services.

### Legal Defense Costs

Means reasonable fees, costs and expenses incurred by or on behalf of the Insured in the investigation, defence, adjustment, settlement or appeal of any Claim.

### Intellectual Property Infringement

Coverage may extend to claims related to unintentional infringement of intellectual property rights, including trademark, copyright, or patent infringement.

### Loss of Documents

Provides cover for the damages due to destruction or damage to, or loss, distortion, erasure or mislay of a Third Party's Documents for which the Insured is legally responsible, provided that the destruction or damage to, or loss, distortion, erasure or mislay of such Third Party's Documents.

### Defamation

Provides cover for any actual or alleged libel or slander committed without malice by reason of words written, spoken or broadcast in the course of providing Professional Services.

## WHAT IS THE SINGLE PROJECT PROFESSIONAL INDEMNITY INSURANCE (SPPI)?

The SPPI policy offers comprehensive coverage for professionals engaged in specific projects. The coverage extends to risks associated with professional advice, services, or design provided during the course of the project.

The policy can be tailored to the specific project requirements, ensuring that professionals are adequately protected. The policy can be customized based on the size and complexity of the project, addressing specific risks that may arise during its course.

## A COMPARATIVE ANALYSIS: ANNUAL PROFESSIONAL INDEMNITY INSURANCE **VS.** SINGLE PROJECT PROFESSIONAL INDEMNITY INSURANCE

### ANNUAL PROFESSIONAL INDEMNITY

An annual policy offers continuous protection throughout the year for the business's overall operations, irrespective of specific projects or contracts. ✓

Provides a broad and flexible coverage that matches professional needs holistically. It encompasses a wide range of services, projects, and contracts undertaken by the business. ✓

Annual policies are a fixed annual premium, considering the overall risk profile of the business, the number of projects undertaken, and the scale of operations. ✓

### SINGLE PROJECT PROFESSIONAL INDEMNITY

Single project insurance focuses solely on the duration of a particular project or contract, covering activities related to that specific endeavor. ✓

Designed to address the unique risks and liabilities associated with a particular endeavor, businesses to tailored coverage that aligns with the specific requirements of each project. ✓

Single project policies are usually priced on a per-project basis, reflecting the unique risks and complexities associated with the specific venture. To streamline insurance costs by excluding projects with lower liability exposures. ✓

## KEY ELEMENTS COMMONLY CONSIDERED BY INSURANCE COMPANY

### Professional Experience

Underwriters evaluate the level of experience and qualifications held by the individual or business seeking professional indemnity insurance. This includes assessing relevant licenses, certifications, and accreditations. The greater the experience and expertise in a specific profession, the lower the perceived risk for insurers.

### Nature of Profession

Professions with higher potential liability, such as doctors, architects, and engineers, may attract higher premiums due to the increased risk exposure.

### Coverage Limits

Higher coverage limits generally correspond to increased premiums, as more extensive protection implies potentially larger payouts in the event of a claim.

### Risk Management Procedures

The risk management practices and protocols, includes examining standard operating procedures, internal controls, and quality assurance measures put in place to reduce the likelihood of errors or negligent acts.

### Business Financials

Financial stability is a crucial factor for underwriter to determine your ability to fulfill any liability obligations that may arise from a professional claim.

### Project Duration

The duration of a single project can significantly impact the premium rates. Underwriters consider the timeframe within which a project is to be completed.

### Professional Fee or Value of Services

Underwriters evaluate the value and complexity of services offered by professionals when determining premiums. Higher professional fees typically indicate more valuable or intricate services, increasing the potential financial exposure in case of errors or omissions.

## ABOUT AMG

We are professional insurance broker and risk consultant. We advise businesses and individuals on how to prepare for the unexpected.

We provide risk management, risk consulting, insurance broking, insurance program management and claims advocacy services related advice, brokerage and associated services for clients across a wide range of business sectors.

We work with clients of all sizes to identify risks, create risk management, benefits optimization, insurance programs management and deliver innovative solutions to better qualify and manage risk.

## LEARN MORE

For more information about AMG, visit [amgib.com](http://amgib.com) or contact your AMG representative.

AMG Insure Broker Company Limited  
60 Amorn Building 5th Floor | Soi Chalermasuk  
(Ratchadapisek 42) Chandrakasem | Chatuchak  
Bangkok 10900 Thailand

Tel : +66 (0) 2-009-5955  
Fax : +66 (0) 2-512-1511

[www.amgib.com](http://www.amgib.com)

## CONTACT

For full details, please contact:



**Karnt Pumiresnawan**  
Chief Executive Officer  
[karnt@amg.co.th](mailto:karnt@amg.co.th)  
+66 (0) 2009-5961  
+66 (0) 81-808-6338

This information contained in this publication provides only a general overview of subjects covered, is not intended to be taken as advice regarding any individual situation, and should not be relied upon as such. Insured should consult their insurance, legal and other advisors regarding specific coverage issues. All insurance coverage is subject to the terms, conditions, and exclusions of the applicable individual policies. amginsure cannot provide any assurance that insurance can be obtained for any particular client or for any particular risk.

Professionalism . Integrity . Innovation . Development