

### When should I notify a circumstance or claim under my TripleA Professional Indemnity policy?

Over the next couple of months, we will be sharing with you some topical information pertaining to what constitutes a Professional Indemnity (PI) notification or claim, including when and how to notify these, and some fish-hooks to be aware of.

The value of your Professional Indemnity (PI) Insurance cover as a TripleA member should not be underestimated or taken for granted. As an adviser, there may have already been, or potentially will be, a time in your career as an adviser that something doesn't quite go to plan, resulting in a complaint or claim being brought against you for the advice and/or services you provided to a client resulting in a financial loss. Your PI policy can provide much needed financial assistance for legal and compensation costs in the event of an action taken against you or your business from your actions as well as your employees.

Like all insurance policies, there are several important conditions and obligations under your insurance contract that you need to understand to ensure your policy provides the cover you're expecting, so that you won't be left high and dry when you come face-to-face with the unexpected.

PI insurance is issued on a 'claims made and notified' basis, which means the policy responds to claims first made against the insured during the policy period and notified to the insurer during the policy period. In short, for a claim to be considered by your Insurer, your policy must have been in place at the time the allegation was made against you, and when the claim is lodged.

#### Notifiable Claims and Circumstances come in all shapes & sizes

In particular, one of the most important conditions of Professional Indemnity policies involves the requirement that circumstances which may give rise to a claim are notified to your insurer. As the policyholder you are

obligated to inform them as soon as practical after you first become aware of a situation which could potentially result in a claim being made, even if your client hasn't yet formally made an official complaint or engaged a lawyer. So, in other words, you must advise your Insurer via your Aon broker if any of the following occur:

- Any mistake, oversight or omission in your or an employee's work, that you are aware of that could possibly lead to a claim being made, even if your client is not yet aware of it
- An indication by a client, former client or third party, whether expressed or implied, of an intention to claim against you.
- A client has criticized or complained about your work, even if you feel the criticism is unjustified
- A client is refusing to pay you for work you have completed that they are unhappy with
- Any comments or remarks a client makes that indicates that they may make a claim against you, either now or in the future, even if you feel they are empty threats
- Any instances where you are accused of failing to provide a service as promised or advertised
- If a complaint is made about you to a disciplinary body (FDSR).

**If you become aware of any of the above, then you must notify Insurers via your Aon broker immediately otherwise if the matter develops into a claim it may not be covered under the terms of your policy, thereby leaving you uninsured.**

Should you have any questions regarding the above article, please do not hesitate to contact your Aon broking team:

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