

Professional Indemnity Resilience Guidelines for Brokers





Is my business at an increased risk of a PI claim due to Covid-19?

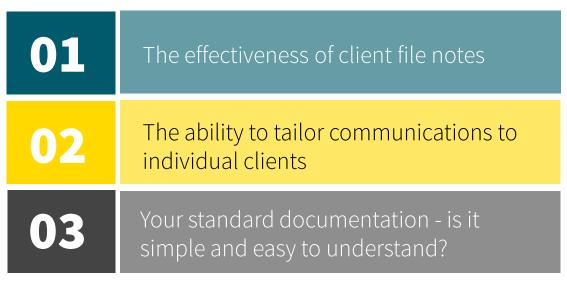
The Covid-19 pandemic has raised many concerns for the insurance industry but there are few that worry our brokers more than the risk of a Professional Indemnity claim. The potential for an increase in customer compensation claims is a common issue we're hearing as businesses seek to recover their business interruption losses.

You can't ever completely prevent errors and omissions from occurring or the chance of a professional negligence claim being made, after all that's why you purchase Professional Indemnity Insurance. But you can take steps to reduce the chances of them arising. There are a number of proactive measures you can take to make sure you're fully prepared to defend a claim should the worst happen.

Why review your existing systems and processes?

It's about checking you're getting the basics right. But failing to adopt good standards of record-keeping and information-giving can leave your business exposed to a PI claim. And the increase in home-working has served to magnify the issue further. That's why we recommend having a PI Risk review checklist and making sure you revisit it regularly to highlight any gaps in process adequacy or lowering of standards. Ensure you are looking at the effectiveness of your pre-sale, sale and post-sale processes as well as your client file audits and overall training & compliance regime.

Areas that should come under most scrutiny include:



...and never make assumptions. We'd recommend you check, check and check again to ensure the client information you hold is accurate and up to date.



Do you need a plan to close those gaps?

We'd strongly recommend it. So, once you've identified areas of weakness or gaps in your processes, start the journey of taking action to make the improvements needed. Having a clear action plan on professional standards has never been more important. It's an obvious thing to say, but without a clear action plan you run the risk of failing to tackle all the issues flagged by your PI Risk Review – leaving you exposed and more vulnerable to the likelihood of a claim.

"Effectively demonstrating what your business is doing to manage its risk, in order to mitigate and sometimes even eliminate the chance of a claim occurring will be central to successfully placing Brokers' Professional Indemnity Insurance in the current hard market. As with any class of business, Insurers value proactivity from their broker clients and are comforted by an effective risk management strategy rather than the broker regarding their professional indemnity insurance as simply the purchasing of insurance protection. I strongly advise you to team up with an expert to assist you in what is one of the most challenging insurance climates most of us have ever seen."

- Andrew G Scott ACII, Andrew Scott Business Consultancy Ltd



Does that finish the job?

Not really. The ever-changing regulatory world can be confusing and time-consuming, which is why you need to continue to track and monitor your processes and overall business compliance on a regular basis. And, whilst it's important to maintain your own regime and oversight on good professional standards, we'd strongly recommend you do that alongside a compliance partner who will ensure you stay one step ahead of regulatory changes and give you that expert guidance before a problem occurs.

Need more support?

To find out more about the additional expert help available from Aviva's partners, get in touch with us by emailing: brokerpropositionssupport@aviva.com

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