

# Do I need Insurance?

## Why might it be relevant to me as a small business owner, sole trader or freelancer?

In a society where litigation is now so prevalent (Australia is the second most litigious country in the world behind the USA), it is now recognised that Professional Indemnity Insurance is an essential tool for risk management as it helps protect both your personal and business assets from allegations from a third party, regardless of their validity.

So, whilst you may be confident in your abilities and have a proven track record of satisfactory performance, that doesn't cancel out the possibility of legal action being taken against you.



## What is it?

Professional indemnity insurance is designed to cover the insured entity, its directors and employees from claims which result from an alleged breach of professional duty owed to a third party. It is important to recognise that the policy responds to both the allegations of a wrongful act (regardless of their validity) as well as indemnities paid to third parties which means the policy is essentially separated into two sections being:

1. The Indemnity Clause – provides payment for compensation owing to third party and
2. The Defence Costs Clause – those costs incurred in defending you against allegations made against the business.

Historically the cover was tailored to suit those industries that you would normally associate with 'expert' or 'tailored' advice such as Accountants, Engineers or Real Estate Agents but with an ever-increasing rise in litigation it is now seen as standard risk management practice to ensure all professional service-related businesses carry professional indemnity policy. The types of claims for damages against you include, but are not limited to, the following:

- Personal injury
- Property damage
- Failure to meet the terms of a contract (e.g. failing to meet a deadline or achieve the specified result of a contract)
- Financial loss
- Dispensation of incorrect advice/information
- Defamation

## What does it cover?

While policies vary among insurers, some typical elements of professional indemnity insurance cover include the following:

- The costs of investigating, legally defending or settling claims
- Costs associated with personal injury or property damage claims
- Civil liabilities — resulting from things like defamation, theft of intellectual property, copyright infringement, breach of contract duties, etc.

## Why partner with and FD Beck?

Defending yourself against allegations of a wrongful act is a time consuming and expensive process, and should a claim against your business be successful it can be financial crippling. Professional Indemnity Insurance allows you to focus on running the business with the knowledge that should you ever have need to make a claim under your policy, the claim will be handled by your insurer who will in turn appoint professional legal counsel at their own expense. Importantly the Professional Indemnity Insurance policy offered is tailored to meet the needs of business consultants, Trainers, Presenters and Workshop Leaders in the Australian market. Further benefits of cover are as per the following:

- Cover extends to include additional sums insured for defence costs incurred in defending any allegations or claims made against you
- Your sum insured or limit of indemnity carries with it an automatic reinstatement in the event of a full limit loss
- Broad cover for legislative based claims such as breaches of Consumer Protection Legislation, allegations of Intellectual Property breaches, and formal Inquiries from regulatory bodies.

**As a member of the Global Institute of Training and Presenting you can access your PI and PL insurance from \$456.50 (One of the best prices in the industry for this type of insurance)**

We have chosen FD Beck as our insurance partner for their solid reputation in the insurance industry.

To access this insurance log in to the membership vault and click on the “Get Your Insurance” link

[www.gitp.com.au](http://www.gitp.com.au)

Support, development and community for Exceptional Trainers, Presenters and Workshop Leaders



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