

Professional Liability Insurance Coverage

Professional liability insurance (PLI), also called professional indemnity insurance (PII) but more commonly known as errors & omissions (E&O) in the US, is a form of liability insurance that helps protect professional advice- and service-providing individuals and companies from bearing the full cost of defending against a negligence claim made by a client, and damages awarded in such a civil lawsuit.

Professional liability insurance coverage gives your business protection from the risks you face in delivering your professional services such as:

Alleged or actual negligence

Protects your business against errors and omissions, actual or alleged, which occur while providing your professional services. This includes giving incorrect advice, an omission, or failing to deliver your service.

Defense costs

When a covered claim is reported, insurance company immediately defend you. They also appoint an attorney if necessary, even if the claim is groundless.

Personal injury (e.g., libel or slander)

Professional liability insurance coverage will protect you against both libel and slander if committed as part of your professional services.

Copyright infringement

Coverage for damages and claim expenses relating to this risk.

Worldwide professional liability insurance coverage

Covers claims arising from work done around the world as long as the claim is filed in the United States, a U.S. territory or Canada.

Temporary staff and independent contractors

Your professional liability insurance coverage protects you from claims arising from services done by your employees, temporary staff and independent contractors.

Claims and damages

If you lose a large claim, the costs associated could close your business. Professional liability insurance policy covers claims for damages, including punitive damages where allowed by law.

What's typically NOT protected by Professional Liability Coverage:

Bodily injury or property damage ***

Professional liability insurance coverage won't cover damages or claims expenses if you injure or damage someone's property.

Fraudulent acts

Any fraudulent, dishonest, or criminal acts will not be covered. However, insurance company will defend these actions until they're proven to be fraudulent, dishonest or criminal by proper process in court. If this happens, they will kindly request that you reimburse them for those costs.

Employment matters

Claims alleging any improper employment practices committed against your employees or for any workers' compensation claims or employer's liability claims will not be covered.

False advertising

Professional liability insurance will not cover you for any false advertising claims.

Patents and trade secrets

Any claims that allege an infringement of a patent or theft of a trade secret will not be covered.

Personally identifiable information

Your failure to protect any personally identifiable information in your care, custody or control will not be covered.

***Medical professional liability insurance, sometimes known as medical malpractice insurance, is one type of professional liability insurance which protects physicians and other licensed health care professionals (e.g., dentist, nurse) from liability associated with wrongful practices resulting in bodily injury, medical expenses and property damage, as well as the cost of defending lawsuits related to such claims.

Professional Liability Insurance (Errors & Omissions) for architects, engineers and design professionals such as landscape architects, land surveyors, environmental consultants, and miscellaneous construction consultants, provides coverage against claims of negligence or mistakes that cause financial harm to another person or company such as negligence, misrepresentation, design errors, and inaccurate advice, and covers both the obligation to pay damages for covered claims and the cost to defend against such claims.