

# PROFESSIONAL INDEMNITY INSURANCE

As service-based businesses operate in a highly regulated environment, there are risks associated with offering professional advice and services.

A mistake may cause your business and clients considerable financial loss. Professional indemnity insurance can help protect your financial security.

## WHY DO YOU NEED PROFESSIONAL INDEMNITY INSURANCE?

Any business or individual providing advice or services to their clients, such as Accountants, Architects, Engineers or IT consultants, can benefit from this insurance cover.

- If a client accuses you of providing advice or services in the course of your work resulting in damage or financial loss for your client.
- If you are accused of professional negligence, misconduct, fraud, or a breach of your duty of care. Defence and investigation costs can be significant.

**The Insurance Council of New Zealand reported that over \$151 million in liability insurance claims were paid out in New Zealand in 2023 including Professional Indemnity insurance.\***

## WHAT DOES PROFESSIONAL INDEMNITY INSURANCE COVER?

- Costs associated with defending allegations against you or your business, such as specialist legal assistance
- Costs to cover a compensation claim or damages you are legally liable to pay



## EXAMPLES WHERE PROFESSIONAL INDEMNITY INSURANCE CAN PROTECT YOU



- An accountant does not lodge his client's tax return by the due date and the client is charged thousands of dollars in late fees. The accountant could be held liable for the incurred costs as a result of this error.
- A lawyer gives incorrect advice to his client causing financial loss to the clients' business. The lawyer could be held accountable for his actions and the financial loss.

**Talk to your Rothbury broker about the right insurance cover for your business.**

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\*Market data, Insurance Council of New Zealand:  
<https://www.icnz.org.nz/media-resources/market-data>

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