



# COVERAGE INSIGHTS

Provided by Winters-Oliver Insurance Agency



WINTERS-OLIVER  
INSURANCE AGENCY, INC.

## Professional Liability Insurance

Professional liability insurance covers liability for damages arising from the rendering of or failure to render professional services. Protect yourself and your business from claims not covered by commercial general liability coverage.

Professional liability insurance, also referred to as professional indemnity insurance, protects professional personnel against negligence claims made by their patients or clients. Professionals who commonly turn to this type of liability insurance for coverage include architects, home inspectors, lawyers, physicians, real estate brokers and accountants—among others. Specific professional liability insurance carries different names depending on the profession. For example, professional liability insurance in the medical profession may be called medical malpractice insurance, while real estate brokers fall under errors and omissions insurance coverage.

### Professional Liability Considerations

The need for professional liability coverage developed due to typical general liability insurance policies only responding to bodily injury, property damage, personal injury or an advertising injury claim. Because professionals such as architects, lawyers, physicians, real estate brokers, technology consultants and others can cause claims without bodily injury, property damage, personal injury or an advertising injury claim, additional coverage is needed to fill this gap.

Common claims made on these policies include negligence, misrepresentation, violation of good faith and fair dealing, and inaccurate advice. For example, if a web design platform fails to perform

properly, it would not cause bodily injury, property damage or advertising injuries. Because of this, the general liability policy would not be triggered. But because the web design platform not performing correctly could directly cause financial losses, and may be attributed to a misrepresentation of the platform's capabilities, the professional liability coverage would be triggered.

### What Exactly Does Your Business Need?

When buying professional liability coverage, there are considerations that will help you determine exactly what you need:

- Is the insuring agreement broad enough to capture all of the current and future work of the policyholder? Determine if the policy covers the scope of your organization's professional tasks and services by reading the definition of the covered services in the policy. For example, in a medical professional's professional liability coverage, the operative definition would be "medical services" or a comparable phrase. Winters-Oliver Insurance Agency can help you determine if all professional tasks would be covered under the operative definition or if additional clauses would need to be added.
- What if there is a sale, merger or change in position at your organization? Discuss what these possible changes in services mean for your coverage. Is there approval needed to continue coverage?
- Are there any exclusions? Look at the list of exclusions that resist coverage. Review the list to make sure it does not preclude coverage for



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any professional services or tasks that you need covered.

- Is an extended reporting period an option under the policy? These provisions offer extensions of time to report claims that would otherwise fall outside the policy period—as long as the act/omission resulting in the claim occurred during the policy period. Find out what extended reporting period options are available and discuss how much time the policyholder may need to report a claim.
- Can the policy be customized or modified? Can extensions be added? Common additional coverage includes disciplinary proceedings or reduced retentions and may be of importance to your business.
- Have there been any past tasks or activities at your business that could potentially result in a claim? Have there been past instances where a claim was filed? What was the result?  
Discussing the specifics of these with Winters-Oliver Insurance Agency can help determine what coverage specifications you need now, to prepare you for the future.

Other ways to protect your business, in addition to professional liability insurance include the following:

- Establish a high standard for product and service quality control at your organization.
- Keep all company records up-to-date and accurate.
- Train employees thoroughly and properly.
- Ask Winters-Oliver Insurance Agency for safety and compliance information.

Contact 804.746.5178 to learn how professional liability insurance can be utilized as part of your total risk management program.