

If you think you are covered, think again!

There is no doubt that our Members are experienced at 'de-risking' their businesses, with one of the key methods used to offset risk being the purchase of adequate and appropriate insurance cover.

It is concerning to note, however, that there is one insurable exposure many Members simply *don't* understand, *don't* know about or *don't* think is relevant to their business. This exposure is Professional Negligence and, if you thought that only doctors, lawyers and accountants needed that sort of 'fancy' cover, think again!

Any business specialising in the provision of an expert service to consumers, whether they be private individuals or businesses, needs Professional Indemnity insurance cover. There is a common misconception that a standard Public and Products Liability cover provides an effective 'catch all' for claims that clients (or third parties) may make against you in relation to your work. Whilst part of this is true, there are many instances where cover is either greatly restricted and/ or excluded. Indeed, 99% of all Public and Products Liability policies have a specific exclusion written into them relating to Professional Indemnity claims, and that exclusion is there for a reason. There is a distinct difference between the cover provided by both types of policy.

So what is Professional Indemnity insurance cover?

Simply put, it will protect your business (financially) against any allegation of negligence brought against you in relation to work that you have completed in your capacity as an experienced, trained and suitably qualified thermographer. Clients rely upon the advice you provide; and the recommendations you give, in order to make informed business decisions.

For example, your business is engaged by a client to scan a switchboard. You produce a report detailing the results which confirms that no hot spots exist. Weeks later the building burns to the ground and the source of the fire is traced back to the switchboard you recently scanned.

Where to from here?

Of course it is up to your client to prove within reason that you did not pick up on a problem that could have likely caused the fire, and subsequently that you may be professionally negligent. You will then also have to contend with your client's building insurer. This insurer will pay the claim under the client's building policy, but will then come back to you to try and prove your negligence – thereby exposing you to a potential multi-million dollar loss. Insurers have deep pockets when it comes to pursuing the recovery of payments made to their clients where they think another party may be responsible for the damage caused. A Public and Products Liability policy will not respond in these circumstances, but a Professional Indemnity policy will.

At the very least, even if an allegation is raised and not proven, the cost of submitting documents, obtaining statements from experts and defending against ensuing litigation can be crippling. Again, a Professional Indemnity insurance policy will cover these costs.

So what's the catch - how much does it cost?

This is where we as a group have to be smart. Insurance is like any other product, if you effectively 'buy in bulk' savings can be made. Our Members all have similar profiles and perform similar work; this enables us to negotiate through our preferred insurance broker, InterRISK, the creation of a tailored product suited to our needs - at a cost much less than the market would normally command.

You can read more about InterRISK in this current edition of the AUSPTA Newsletter. Suffice to say, InterRISK has extensive experience in structuring the proven and very economic master policy concept which allows members of Associations like ours to share very high policy limits without paying a correspondingly high retail price for cover.

The Insurance Facility established by InterRISK for us is so highly individualised that is accessible only to AUSPTA Members. This effectively gives our Members a competitive advantage. Tailored coverage not only provides peace of mind for ourselves, but also strengthens client confidence. If we can insure economically against professional negligence exposures we will certainly be a step ahead of our competitors who *don't*, *won't* or *can't*.

The loss example given above is one of many scenarios that could see a Professional Indemnity policy come to the rescue of a Member. If you would like to know more, InterRISK is standing by to answer any questions you may have and to give you an indication of the preferential pricing you will enjoy by becoming part of the new Insurance Facility established to deliver long terms savings to AUSPTA Members.

InterRISK Australia Pty Ltd – endorsed provider of insurance broking and risk management services to AUSPTA Members

Call 1800 638 554

About InterRISK

InterRISK is an insurance broker with a difference. This difference has been so widely embraced by our clients that in 2008 and 2009 we ranked within the top twenty organisations appearing on the Business Review Weekly 'Fast Starters Listing'. Our growth has been underpinned by the tremendous confidence both our clients and our insurer partners have shown in the InterRISK approach.

InterRISK has an impressive institutional shareholder base. Our shareholders are focused on supporting us in our endeavours to change the environment in which members of progressive industry bodies have previously been able to purchase insurance cover.

Why select InterRISK as your Group Insurance partner?

We have created InterRISK Group & Affinity in response to the pressing need for adequate and affordable insurance coverage to be made available to members of industry bodies. Until now, available coverage has been limited or standardised, and the cost has often been higher because each purchase is made as an individual and not as part of a collective group. The InterRISK Group & Affinity model will provide members with a compelling benefit that will influence them to join or retain their membership with your group.

The key to 'getting it right' for industry bodies lies in a broker's ability to listen to what your group needs. Not to presume - not to anticipate - but to listen. This is exactly how we approach each new group opportunity. We actually talk to your members about their requirements before we even contemplate creating an insurance product. Your organisation then plays a key role in our model, and our strategy of working in partnership with your executive and board ensures that your knowledge of your industry's needs are put to the best use. This makes the insurance products we create together both relevant and cost effective for members.

How can an InterRISK Group Insurance Program work for your industry?

A structured and informed approach to identifying your core member requirements is critical to the success of your organisation's insurance program. Ongoing interest needs to be maintained by both parties to guarantee success and continued expansion. We can help keep interest levels high by providing regular information about the financial Underwriting performance of your program.

The key benefits for each stakeholder category include:

MEMBER BENEFITS

- Exclusive access to a range of insurance products that reflect the unique requirements of the industry in which members operate - eliminating uncertain areas of coverage and creating a more robust and reliable method of protection.
- Easy premium payment options designed to relieve pressure on cash flows at critical times of the year.
- Ability to realise premium savings by being part of a 'buying group' that can distance itself from the inconsistencies of the broader insurance market.
- Being part of a tailored risk management program that helps reduce industry specific exposures.

Each new program gives InterRISK the ability to improve its own buying power in the market and to, in turn, deliver cost savings back through to group members. Currently InterRISK place over \$80m in annual premiums for its clients.

ASSOCIATION BENEFITS

- A powerful membership service that differentiates itself from mainstream providers and enhances membership value.
- A business partnership that will provide a reliable and predictable income stream to your industry body.
- The opportunity to provide your members with advice on the unique risks that face your industry and influence the pricing of insurance coverage.

INDUSTRY BENEFITS

- The adoption of an appropriate risk management culture within your group will reduce the cost of claims and therefore lead to the sourcing of more competitive premium options for members.
- Providing more relevant insurance coverage will lead to quicker settlement of claims and less 'downtime' making the industry more responsive and resilient.