

PI Forum Conference -The Edge of Reason-

The Avoidance of Professional Indemnity Claims through Better Business Practice

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The role of construction professionals

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The Role of Construction Professionals

- Traditional
- Design and Build
- Novation
- Partnering



Nature of Liability

- Negligence
- Breach of Statutory Duty
- Breach of Contract
- Joint and Several Liability
- Voluntary Assumption of Liabilities



Root Causes of Claims

- Ambiguous Duties
- Contractual Liabilities
- Joint and Several Liabilities
- Alternatives
- Resources

Better Business Practice

- Clear Objectives
- Know the client
- Limits of Liability
 - Financial Caps
 - Net Contribution
- Limited Duties
- Education and Training



The Case for Change

- Construction v Design
- Negligence v Legal Liability
- Aggregation
- Annual / Claims Made
- Policy Conditions
- Friction Costs

The Alternative

- Owner Controlled Insurances
- No fault
- No subrogation

PROJECT INSURANCE



European Perspective

- Limits of Liability
- Requirement for PII
- Services Directive



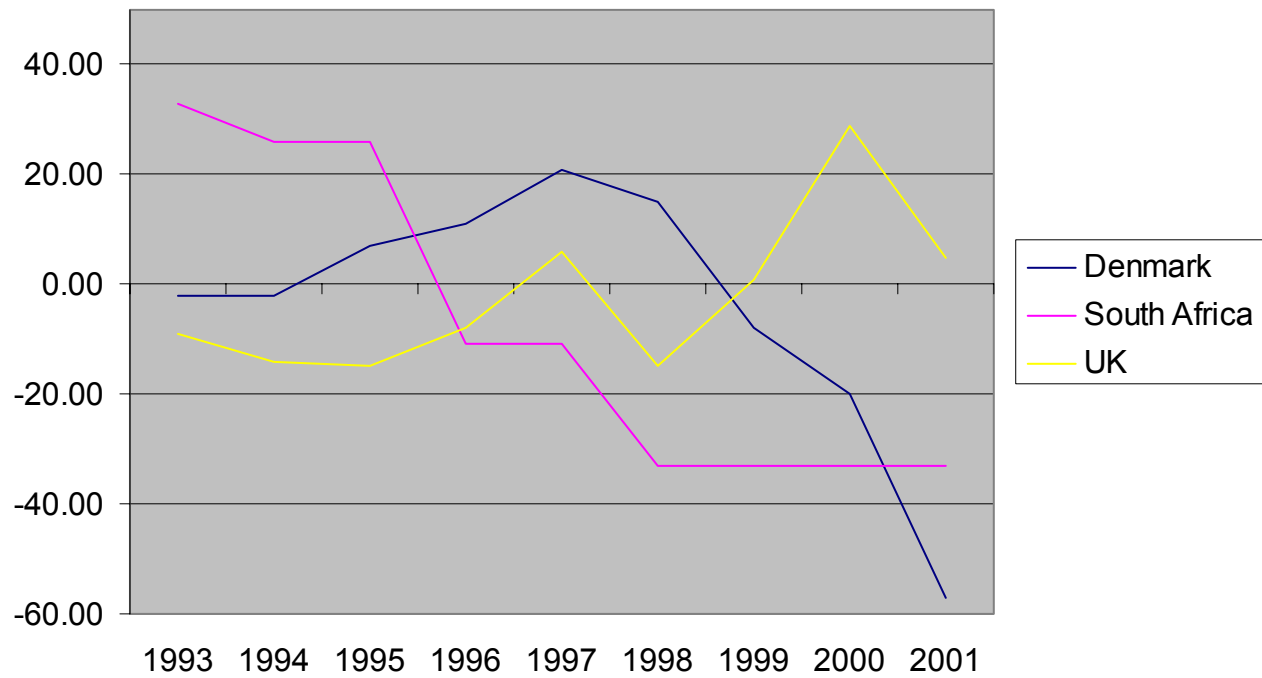
EU Directive on Services in the Internal Market

- Article 27

Member States shall ensure that providers whose services present a particular risk to the health or safety of the recipient, or a particular financial risk to the recipient, are covered by professional indemnity insurance appropriate to the nature and extent of the risk, or by any other guarantee or compensatory provision which is equivalent or essentially comparable as regards its purpose.



Claims made per € 1 million fees



The Avoidance of PI Claims through Better Business Practice

- Clear Objectives
- Legal Knowledge
- Commercial awareness
- Commitment

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