

Professional Indemnity

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What is Professional Indemnity Insurance?

Important Considerations

- Claims made
- Run off
- Limit of Indemnity
- Retroactive Cover
- Disclosure

Why is it so expensive?

- FAIS
- Investments
- Average number of claims over past 3 years as a %
- 2007
 - Short term insurance related claims: 85%
 - Investment related claims: 12%
 - Other 3%
- 2008
 - Short term insurance related claims: 75%
 - Investment related claims: 20%
 - Other 5%
- 2009
 - Short term insurance related claims: 61%
 - Investment related claims: 32.5%
 - Other 6.5%

Why is it so expensive?

- Average Capital Payments or Reserves over past 3 years
- 2007
 - Short term insurance related claims: R281 191.32
 - Investment related claims: R417 521.51
 - Other R219 915.92
- 2008
 - Short term insurance related claims: R204 871.06
 - Investment related claims: R527 338.78
 - Other R134 945.89
- 2009
 - Short term insurance related claims: R296 791.13
 - Investment related claims: R875 219.95
 - Other R291 915.68
- FAIS Ombud

Compulsory PI vs Compliance

- Consumer Protection
- International Experience