

A Guide to Determining Professional Indemnity Requirements

Professional Indemnity insurance covers an organisation or individual for legal liability for an act, error or omission, breach of confidentiality, dishonesty of employees, breach of copyright or intellectual property that results in financial loss and the disruption suffered by a customer or third party. It also covers the legal costs associated with defending against such a claim.

A contractor or service provider to the ACT Government should only need Professional Indemnity insurance if there is a potential for the Territory or another party to incur financial loss by acting on Professional Advice given by the contractor or service provider.

The key element of determining the Professional Indemnity insurance requirement is the carrying out of a risk assessment to identify areas of potential financial loss.

The following flow chart aims to guide users in determining if Professional Indemnity insurance is required and to what level of coverage. It is for guidance only. If still in doubt please refer to the ACT Insurance Authority.

