

Professional Indemnity (PI) insurance protects a registrant against claims for loss or damage made by a client or third party. These claims can arise for numerous reasons, including:

- Negligence: or breach of duty of care
- Intellectual property: unintentionally infringing on others' copyrights, trademarks, broadcasting rights, any act of passing off
- Loss of documents/data: damaged, lost or stolen data and documents belonging to your clients
- Dishonesty: liability arising from the theft of your clients' money

Many professions require PI insurance cover as a regulatory requirement or as part of professional authorisation, including solicitors, accountants, architects, mortgage intermediaries, insurance brokers and financial advisers. Many consultants and designers also choose to have this type of insurance.

Registrants must exercise reasonable skill and care in the discharge of their services and a failure to do so could result in a negligence claim.

Requirement

A *practising* security professional admitted to the Register of Chartered Security Professionals is, with some exceptions, required to be covered by PI insurance, tailored to the practitioner's work, with a minimum cover of £100,000 per claim.

Registrants are required to confirm they have PI insurance in place by signing a declaration as part of the application process, and to confirm it remains in place annually when registration renewal takes place. The Chartered Security Professionals' Registration Authority and/or the Security Institute may ask for confirmation of PI insurance whilst the data provided during application processing.

Exceptions

PI insurance is not required where:

- A registrant is no longer a *practising* security professional.
- A registrant's services are limited to internal clients i.e. employees of the same organisation such as a Chief Security Officer working for a company advising employees and not external third parties.

We recommend that:

- A registrant seeks professional advice in advance of ceasing to practice, or intends to change insurer in order that adequate arrangements are made during a transfer to alternate insurers, such as run-off cover or agreement from the new insurer to accept new claims for previous incidents.
- PI insurance should also cover legal costs.

Management

The applicant's failure to hold appropriate PI insurance cover may result in their application being rejected or registration being suspended or revoked.