

# Insurance Brokers



**VANTAGE**  
PROFESSIONAL RISKS

Why would an insurance broker need the services of another insurance broker?

Surely they look after their own insurances?

It is fair to say that not all insurance brokers are specialists in professional indemnity insurance (PI) and it is the general consensus between many PI specialists that a broker, regardless of their expertise in the class, should not undertake the placement of their own PI cover directly.

Insurance brokers vary dramatically in size and services, from small sole practitioners through to multinational publicly quoted Lloyd's brokers and the needs and requirements of each differ greatly too based on their size and the type of work they do.

The Financial Services Authority (FSA) requires that all Insurance brokers carry PI cover to a minimum level however this may not always be suitable for their needs as the minimum limits of indemnity are only a benchmark. It is therefore important that the exposures are correctly considered in line with the type of work undertaken. Brokers undertaking large or complex placements will undoubtedly require a larger limit of indemnity and those brokers undertaking placement of behalf of overseas or multinational clients need to ensure their cover provides the correct protection.



Failing to place cover in compliance with the rules laid down by the FSA can leave the practice open to investigation and in some cases fines for non-compliance. However failure to ensure that cover is adequate for the work undertaken can leave a massive gap in cover so it is important to ensure that your broker is a specialist in brokers PI.

PI is a specialist class of insurance which if not understood and then placed incorrectly can leave your business exposed to potentially crippling costs if the policy does not respond due to a gap in cover.

For further information, contact one of the **Vantage Professional Risks** team members on 020 7655 8020 or [pi@vantageinsurance.co.uk](mailto:pi@vantageinsurance.co.uk)

**Contact the team on**  
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