



# Professional Indemnity

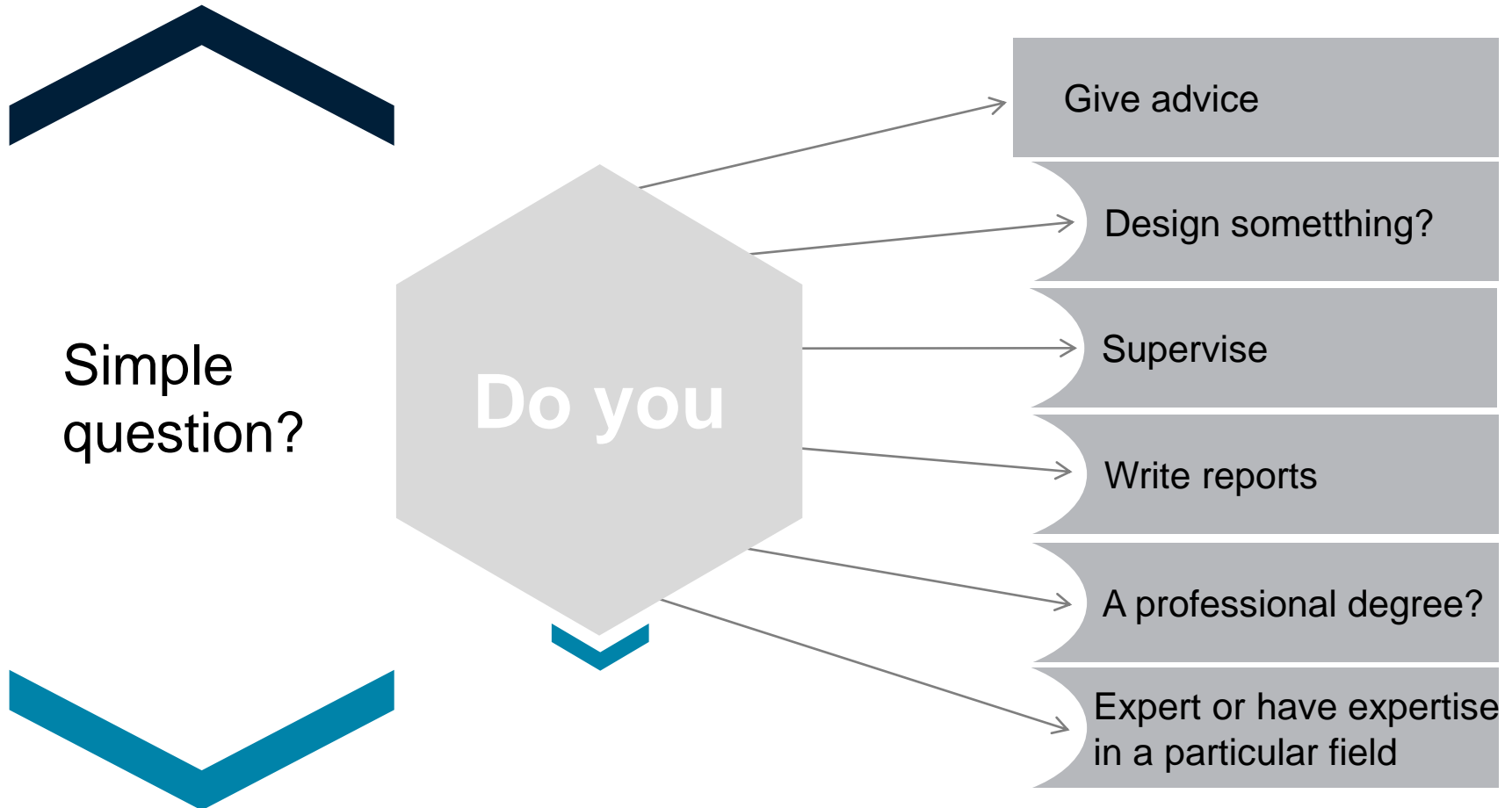
## State of the Market

*Presented by Clarissa Rizzo*



# Who needs PI?

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**If yes, than, you need PI cover!**

## Foundation of a PI policy

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**3<sup>rd</sup> Party  
Liability  
Policy**



**Legally  
obliged**



**Limit of  
Indemnity**



**Deductible**

# Foundation of a PI policy

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**Test for liability** → **reasonable professional**

- Damages
- Legal costs
- Expert expense
- Section 8 (8) VAT

**Third party** indemnity policy covering the **legal liability** of an insured in the event that his act, error or omission causes a third party **financial loss**

# When can a professional be sued?

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# Changes to Insurance market

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- HARD MARKET
- INCREASED PRICING
- SELECTION
- CAPACITY
- INFECTIOUS DISEASES / COVID-19



## Trends for the past 3 years

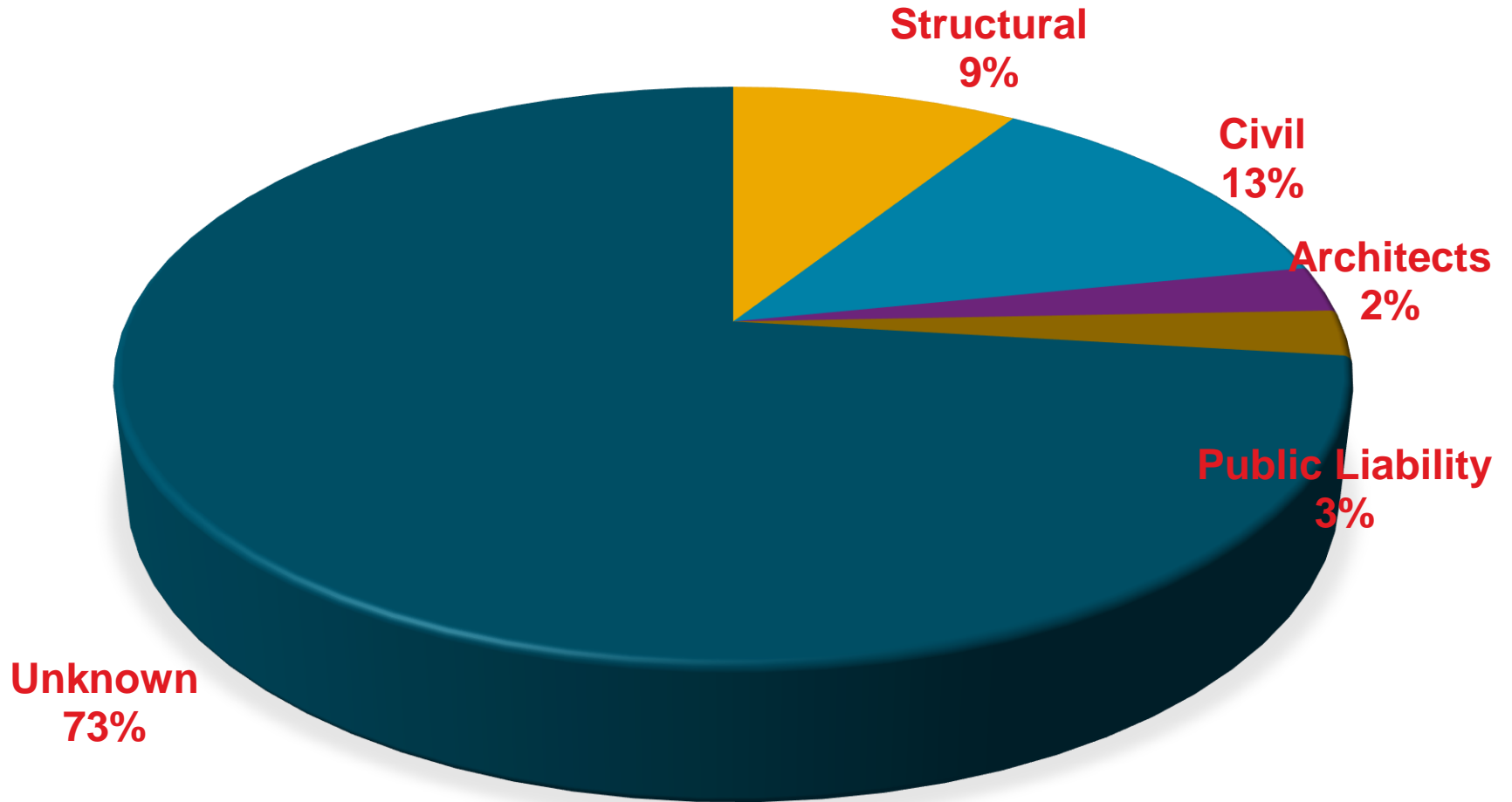
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- Defective designs
  - Inexperienced engineers
    - Design and budget overruns
      - Lack of site supervision
        - Late notifications
          - Fast tracking of projects
            - Failure to clearly define scope of services
              - Inadequate or lack of site supervision



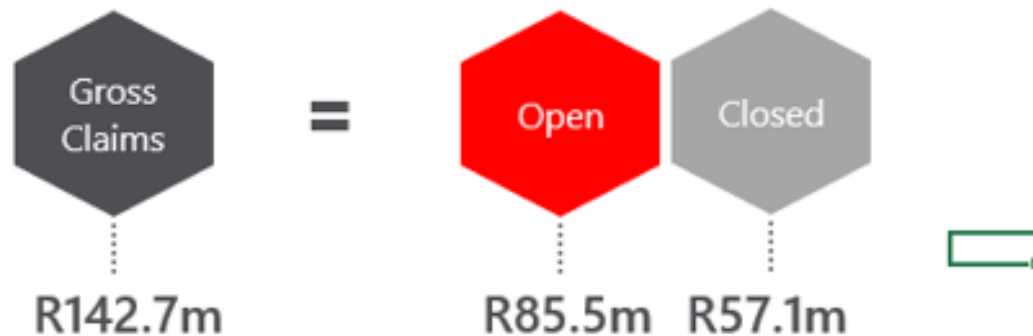
# Claims

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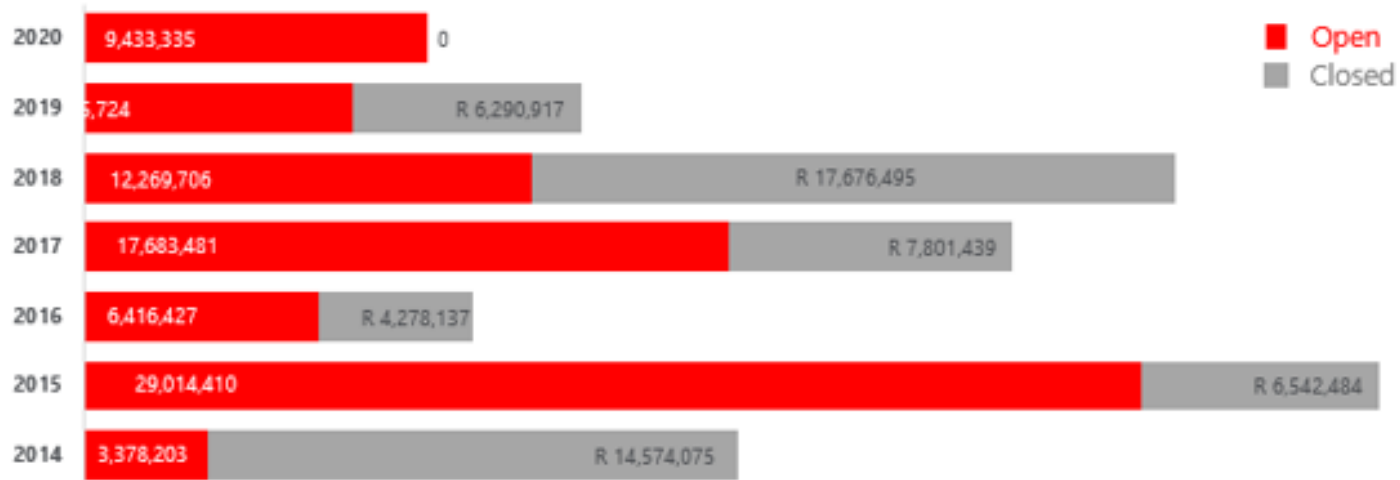


## Value of open claims vs Closed Claims – 2014 – 2017 - 2020



### Value of Open Claims vs Closed Claims - Per Year

This will give an indication in which year the most claims occurred and are still outstanding.



## How do we deliver it?

- Premium calculations
  - Rates
    - Annual Policy
      - Deductibles / excesses
        - 90% binders
          - Various markets
            - Wordings
              - Extensions



**Empowering  
Results**

# Why Aon Professional Risks?

We have the largest book of intermediaries, attorneys, engineers, architects and medical professionals



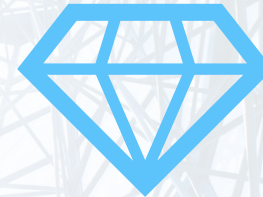
Expertise extends internationally – consult to FIDIC Risk & Liability Committee and UN.

Largest PI broking team in the country, incl. Africa



Consult to statutory governing bodies – ECSA, SAIA, CESA and so on

Write over 60% of the total PI placed in the SA market  
Client retention 96%



Insurers trust our expertise and allow us binding authority on more than 11 different binders, on some up to R500m

# Conclusion

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- Our primary focus is excellence
- Integral involvement In the development and refinement of the practice notes as we understand the importance of awareness
- Risk management is a core focus of our team providing professional indemnity cover
- Passionate, involved and dedicated to the built environment and the challenges faced therein

- A keen focus on Topics like :

- 
- **01** Liability for negligence
- **02** The importance of limitation of liability
- **03** Risk reduction and claims exposure
- **04** Liability aspects of the Construction Regulations
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# Everything starts with the client

The **Aon Client Promise**®, the foundation of all our client relationships, puts **listening** to the needs and objectives of our **clients** at the heart of everything we do.



# Contact

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\_Thank You

