

A Professional's Quick Guide to Professional Liability Insurance – Part 2 of 2

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In our first segment, we discussed the basic coverage provisions of a professional liability insurance policy and the concept of wasting policy limits. In this second segment, we will talk about exclusions commonly found in a professional liability insurance policy.

Common Exclusions:

- **Bodily Injury and Property Damage:** Except for certain professionals such as medical providers and design professionals, most professional liability policies do not provide coverage for bodily injury or property damage. A commercial general liability policy should be obtained to provide coverage for bodily injury and property damage to another.
- **Dishonest Acts:** Professional liability policies often exclude coverage for fraudulent, illegal, intentional, or dishonest acts of the professional.
- **Partner Disputes:** Disputes between partners and other internal disputes between professionals covered by the policy are often not covered by professional liability policies.
- **Fee Disputes:** It is not uncommon for professional liability policies to exclude coverage for fee disputes between the professional and a customer.
- **Services provided under another business:** Unless specifically added, services performed under another business or organization (for example, serving on the board of directors of another company) may not be covered.
- **Copyright, patent, or trademark infringement:** This is a common exclusion, but coverage may be available under some policies.

When obtaining professional liability insurance, the key is to understand the scope of coverage and the various exclusions, as well as what types of risks the professional may face. This understanding will allow for the purchase of other types of coverage to fill any gaps that are insurable, and will leave the professional with an understanding of what risks are not insured so that the professional can plan accordingly.