

ACE COMMERCIAL RISK SERVICES

MISCELLANEOUS PROFESSIONAL LIABILITY

BECAUSE SMALL COMPANIES ARE FREQUENT TARGETS

We can all agree that mistakes happen, but in our litigious society, you don't have to make one to be the target of a lawsuit. Unintended consequences and unpredictable clients fuel an avalanche of civil litigation aimed at competent firms doing quality work. The resulting distraction, reputational damage and defense costs can bring a small company to its knees.

Here are the facts*:

- A third of small businesses report being sued or threatened with a lawsuit in the last decade.
- The annual cost to defend and settle lawsuits targeting small businesses is more than \$105 billion.
- Companies with less than \$1 million in revenues bear more than half of these expenses.
- Nearly \$37 billion is paid out-of-pocket by small-business owners defending and settling lawsuits.
- The average cost to litigate a civil lawsuit today is between \$50,000 and \$100,000.

Professional liability insurance may keep you in business

A client may file a lawsuit to collect damages if they feel you:

- Failed to provide the service they expected.
- Overlooked important information.
- Didn't disclose or misrepresented facts.
- Mismanaged a project.
- Made any other errors or omissions.

Good News! There's no need to put your firm at risk. Professional liability insurance can be surprisingly affordable and may pay the costs of defending you (whether the allegation has merit or not) and indemnify your clients for real losses they may suffer.

Source: US Chamber Institute For Legal Reform, "Tort Liability Costs of Small Businesses." July 2010.

Lawsuit Scenarios

A management consulting firm is sued for negligence when a client alleges recommended staffing and process changes negatively impacted profits.

A temporary staffing firm is sued for negligence, when a client alleges the firm failed to properly check the skills of a temporary bookkeeper, who failed to pay several critical invoices resulting in damages of \$250,000.



insured.™

Not all professional liability policies are equal

Things to Look for...	Available From:	
	ACE	Others
Broad definition of professional services so your policy doesn't box you in.	✓	Ask your broker
Policy written on an "admitted" basis so regulators are watching and may step in if your insurer is unable to pay.	✓	Ask your broker
Policy non-cancelable except for non-payment.	✓	Ask your broker
Favorable "consent to settle" terms so you maintain more influence over settlements.	✓	Ask your broker
Severability of conduct so your coverage may be preserved if someone else behaves badly.	✓	Ask your broker

Why ACE?

- **Expertise:** We are one of the largest insurers of professional liability in the United States.
- **Reliability:** We consistently receive among the highest ratings for financial strength from the industry's principal rating agencies.
- **Experienced:** Our internal claims staff averages 10+ years of experience managing defense and settlements.
- **Competitive:** We work hard to keep our products and prices among the best in the business.
- **Well Represented:** We work with some of the best insurance brokers available.

Additional Products for Professionals

- International Advantage® – executive assistance, general liability, workers compensation, automobile, medical assistance and evacuation, kidnap and extortion coverage for professionals who travel or sell overseas.
- DigiTech® – data/network security and professional liability for technology companies.
- Directors & Officers Liability
- Employers Practices Liability
- Management Liability

TAKE ACTION NOW

Heritage Specialty Insurance

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ACE Commercial Risk Services is an operation within the ACE Group that is dedicated to providing specialty insurance products that offer solutions for small business insurance needs in North America. ACE Commercial Risk Services offers its products through retail agents and brokers, wholesale brokers, program agents and other alternative distribution models. Additional information can be found at www.acecrs.com

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