

RESOURCE GUIDE

Six Ways to Limit Your Professional Liability Exposure

What to do today to protect yourself tomorrow



What is the risk?

The moment you position yourself as an expert, you assume new risks. In most cases, your expertise will help businesses thrive, but if a client perceives that you've fallen short of expectations or failed to deliver on a promise, you could end up having to defend your actions in court.

And it's not just about you. If one of your third-party partners doesn't provide the service expected by your customers, you could end up on the hook for their actions too.

Limit your exposure with these six best practices

1. CONDUCT RISK ASSESSMENTS AND ANNUAL EXPOSURE AUDITS.

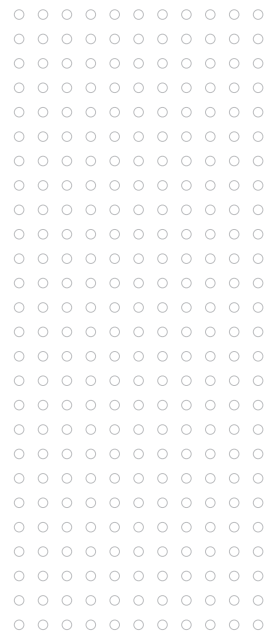
Use your annual review as an opportunity to discuss professional liability coverage with your insurance broker. Consider: What types of professional services does your organization offer? Has your business expanded into new areas? Has your corporate structure changed?

2. BE CLEAR AND CONSISTENT ABOUT EMPLOYEES' ROLES AND RESPONSIBILITIES.

Whether your organization is a business or a nonprofit, make sure to segregate duties. Verify and hire reputable internal and third-party service providers with the qualifications and experience to make key decisions. Be sure to have an effective monitoring system and quality controls in place.

3. MAKE TRANSPARENCY A TOP COMMUNICATION PRIORITY.

Today's marketplace demands transparency. Identify all the parties involved in a given business deal up front. Spell out the specific steps you will take to complete your client's project, and the anticipated results. Confirming with the client the scope of the work, along with its objectives and timelines, is essential in avoiding professional liability.



4. DON'T ALLOW CONFLICTS OF INTEREST.

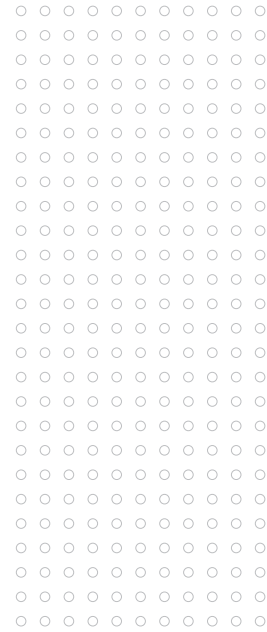
A conflict check may be required to ensure that neither you nor any members of your organization have a conflict of interest with regard to a potential business deal or nonprofit partnership. When applicable, make sure to have a conflict disclosure and your client's written consent to ensure that the guidance you provide is in the best interest of your business partner.

5. PROTECT YOUR INTERESTS CONTRACTUALLY.

The best way to protect against professional liability claims is to establish clear guidelines, including the rights and responsibilities of all parties, through contracts. Clearly defining your service offering will help prevent unfounded claims about your intentions.

6. BUILD STRONG CUSTOMER RELATIONSHIPS.

Business owners who continually demonstrate a genuine commitment to their business partners, and who build relationships based on trust and regular communication, are less likely to be named in a lawsuit, even when something goes wrong.



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