

## Do you have any insurance questions?

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## What is the difference between Public Liability Insurance and Professional Indemnity Insurance?

It's easy to be confused about the difference between Public Liability Insurance and Professional Indemnity Insurance as both can cover claims for Personal Injury and Property Damage. The difference is what triggers the claim, and the following information should help to clarify this for you.

### Why do you need Public Liability Insurance?

Imagine if a baby fell off the change table because the carer was distracted by another child, and suffers a permanent head injury. The amount of this claim could be for millions of dollars as the child would need to be compensated for the permanent effect such an injury will have on the rest of their life.

To be a successful claim, the service must be held legally liable. To be held legally liable, the service must have been negligent i.e. the service did something or did not do something that caused or contributed to the Injury or Property Damage. In the example above, the service could be found negligent on the basis of inadequate supervision. Without Public Liability Insurance, the childcare service would be left to pay the claim out of their own pocket.

### Why do you need Professional Indemnity Insurance?

Professional Indemnity will cover you if someone sues you because they have suffered Personal Injury, Property Damage or Financial Loss as a result of your professional advice. To be considered professional advice you must be paid to provide expert advice that a person associated with your service relies on to do something or not do something and suffers Personal Injury and/or Property Damage and/or Financial Loss as a result.

When considering if you need this type of cover, ask yourself what professional advice you could give that would cause a person to suffer: a Financial Loss; an Injury; or damage to their Property. Childcare services are paid to provide care for children and most would not offer professional advice services. Offering an opinion is not the same as providing professional advice.

If you believe that the parent's are paying you to provide professional advice that may result in Financial Loss, Personal Injury or Property Damage then we recommend you take out a Professional Indemnity policy. If you believe that the parent's are paying you to provide professional advice that would cause them to suffer Personal Injury or Property Damage without any Financial Loss then we recommend you take out an Errors and Omissions policy. Errors and Omissions policies are usually cheaper than Professional Indemnity policies because Errors and Omissions does not cover Financial Loss.

So, the difference between Public Liability Insurance and Professional Indemnity Insurance is that:

- Public Liability Insurance covers Personal Injury and/or Property Damage if the service is negligent in their duty of care and is held legally liable.
- Professional Indemnity covers Personal Injury and/or Property Damage and/or Financial Loss that results from the provision of paid professional advice.

Altiora Childcare has more than 20 years experience working with the childcare sector. If you would like to work with an experienced and dedicated insurance partner that shares your passion for childcare, contact our childcare insurance team on:

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