

## Two Thirds of Small Business Owners In The UK Don't Have Professional Indemnity

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New research by a construction and small business insurance specialist [constructaquote.com](http://constructaquote.com) has discovered that as many as 64% of sole-traders and small business owners within the UK don't own Professional Indemnity Insurance, with those working as building contractors, engineers and estate agents revealed as the top culprits.

Construction and small business insurance specialists [constructaquote.com](http://constructaquote.com) have re-launched their Professional Indemnity Insurance product this New Year, designed to protect business owners when a claim is made against them. Professional Indemnity insurance is there to protect businesses that offer professional advice which could lead a customer to lose money.

The research was inspired after [constructaquote.com](http://constructaquote.com) spoke to its customer Adrian Buckmaster, the owner of cladding contractors Terraclad Limited, who employs six people. Adrian took out professional indemnity insurance with [constructaquote.com](http://constructaquote.com) last month; he spoke of his decision to invest in the policy:

"Terraclad LTD is a very new venture, at just two months old, and it is a vital requirement within the cladding industry to have professional indemnity insurance. I have previously worked with and for companies that have not invested in professional indemnity insurance and witnessed them struggle with the limited cover when incidents have occurred. As I already have both employer and public liability insurance with [constructaquote.com](http://constructaquote.com), they were the obvious choice for help with the important investment of taking out professional indemnity insurance. I have found working with them to be both a straightforward and simple process."

In a bid to determine just how many other British employers know about the importance of Professional Indemnity Insurance, the team polled 2,165 small business owners in the UK and sole-traders aged 21 and over, all of whom stated they had owned their own business for a minimum of 3 years, for the purposes of the study.

All respondents were initially asked 'Do you already own Professional Indemnity Insurance?' to which almost two thirds of respondents, 64%, admitted 'no', with the remaining 36% stating 'yes'. Respondents who stated they didn't own insurance were asked to state what industries they worked in. When provided with a list of possible sectors and asked to select the answer most relevant to their business, the top 5 results were:

1. Building/construction - 13%
2. Engineering- 11%
3. Property- 9%
4. I.T. - 9%
5. Health/Fitness- 8%

When asked why they didn't yet have the insurance, respondents stated 'I don't feel as though I'll ever require it' (39%), 'I don't know enough about what the insurance policy would guarantee me' (33%) and 'I don't think I can find the budget to pay for it' (12%) as the top reasons why.

According to the poll, more than two fifths (41%) of the 36% who stated that 'yes' they did have the insurance, said they bought the insurance as a precaution', when asked how they had come to own. Other reasons given include 'We knew others who had been sued without it, and lost their business as a result' (35%) and 'A claim was previously made against my businesses and I needed to protect my assets' (17%).

Re-launching on January 1st 2016, British business owners can purchase Professional Indemnity Insurance from as little as £80 per annum, with levels of cover ranging from £50,000 to £1,000,000, for businesses with fees or turnovers of up to £1,500,000.

Lyndon Wood, CEO of [constructaquote.com](http://constructaquote.com), commented:

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"We're shocked to hear just how many small business owners in the UK don't have this insurance; it's absurd. Those who say they haven't invested because they'll never require professional indemnity insurance are those who are most likely to one day be in a position to use it. Those who say they don't own it because they can't afford it should really do a little research – it's affordable, and business owners have the ability to pay in either monthly or annual instalments, depending on preference.

Ultimately, it's better to have indemnity insurance and not need it, than the other way around. If a claim was to be made against someone who didn't have the insurance, it would cost them much more to cover the fees, which could prove particularly damaging for small businesses. For as little as £80 per year, it's worth getting to settle any fears or concerns."

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