

Professional Liability (E&O)



What is Professional Liability (E&O)?

Errors & Omissions (E&O) insurance, also known as professional liability insurance, provides coverage and defense costs for claims that professional services caused economic damages due to mistakes (errors) or failure to perform a service (omissions), whether alleged or proven.

biBerk vs competitors

With up to 20% off market price, a broad appetite, and limited application questions, our process offers low friction, achieving up to a 90% real-time quote rate. While competitors often require lengthy applications, we maintain a ~5% referral and decline rate, with the added ability to sell other lines of business such as Workers' Compensation, Business Owners Policies, General Liability, and Umbrella coverage.

Why buy Professional Liability?

Protects business owners and may be required by contract, such as when consulting for another business. While not often mandated by governments, a few industries have exceptions, like legal malpractice, where around 25 states require lawyers to disclose to clients if they do not carry minimum coverage limits.

Common Claims

- Negligence or misrepresentation
- Violation of good faith and fair dealing
- Wrong advice
- Covering cost of defending a lawsuit for E&O claim even if it is groundless

Medical Malpractice

- Failure to diagnose
- Misdiagnose

Industries and Appetite

- Broad Appetite, but PL is not applicable to all industries.
- Professional Services – Office – White Collar.
- States: all 50 states + D.C.
- Industries not applicable (no professional advice given): restaurants, transportation, construction, farming, stores, manufacturing, etc.

Professional Liability vs General Liability

	Professional Liability	General Liability/BOP
Economic Damages from Errors & Omissions	Included	Not Covered
Bodily Injury/Property Damage	Only in context of advice/design: i.e. engineer designs a bridge that collapses but no slip & falls	Included other than due to professional services
Industries	Applicable only for businesses providing professional services	Applicable to any business
Coverage basis	Claims Made	Occurrence Based

Eligible industries

- Accountants
- Agencies
 - Real Estate Agents/
 - Brokers
- Architects & Engineers
- Business Consultants
- Counseling
 - Education/Life
 - Coach/Non-Clinical
 - Social Work
- Cosmetic Services
 - Barber shops
- Finance
- Fitness/Recreation
 - Personal Trainers/
 - Dance/Yoga
- Insurance
 - Insurance Agents/
 - Companies/Claims
 - TPAs
- Lawyers
- Technology
 - IT Consultant
 - Networking
 - Software Development
- Healthcare
 - Technicians
 - Home Health Aid
 - Registered Nurses
 - Nurse Practitioner's
 - Dentists

Professional Liability audits?

Revenue-based audits occur every few years, with tax document requests varying by entity type or industry, typically in May for a subset of the books, aligned with the April 15 tax due date.

