

EIGHT QUESTIONS TO ASK ANY PI BROKER BEFORE YOU INSTRUCT

Reviewed by Matthew Bartlett, Director · Last reviewed 2026-06-22

If a professional services firm is reviewing their PI broker — at renewal, mid-term, or at the start of trading — these are the eight questions that separate a broker who will earn their commission from one who is hoping to invoice for it. The answers should be in writing, on broker letterhead, before any policy is bound.

1. WHAT IS YOUR FCA FIRM REFERENCE NUMBER, AND WHAT PERMISSIONS DO YOU HOLD?

The FCA register at register.fca.org.uk is public, free, and authoritative. Any broker who hesitates to give you their firm reference number is not the broker you want. Look for insurance distribution permissions for general insurance, the trading names registered, and whether any restrictions or supervisory measures are recorded against the firm.

2. WHICH INSURERS DO YOU CURRENTLY PLACE PROFESSIONAL INDEMNITY WITH FOR FIRMS IN OUR PROFESSION, AND AT WHAT FINANCIAL STRENGTH RATING?

Most reputable UK PI brokers can name five to ten insurers they actively place each profession with. The answer should include the insurer name, whether they are a Lloyd's syndicate or company market, and their current financial strength rating. A broker who cannot give you that list in writing is either inexperienced in the class or is placing all business through a single binder they do not want to disclose.

3. ARE YOU REMUNERATED BY COMMISSION, FEE, OR BOTH — AND IF COMMISSION, IS THE RATE CONSISTENT ACROSS THE PANEL?

ICOBS 4 requires brokers to disclose remuneration to commercial clients on request, and pre-emptively where material. If the broker is paid 25% commission by one insurer and 12% by another, that creates a placement bias the client is entitled to know about. The straight answer is in writing, identifying any volume agreements, profit commissions, or PSCs that may apply.

4. WHO HANDLES A CLAIM NOTIFICATION, AND WHAT IS THE TYPICAL ACKNOWLEDGEMENT AND RESPONSE TIME?

The placing broker is often not the claims handler. Ask for the name of the individual who would handle a notification in your profession, the typical acknowledgement time, and how the client is kept updated during the life of the claim. A broker without a named claims contact is a broker who treats claims as administrative overhead.

5. WHAT IS YOUR POLICY ON CIRCUMSTANCE NOTIFICATION?

This separates careful brokers from careless ones. Circumstance notification — flagging a matter to insurers that has not yet crystallised into a claim — protects the policy that was on cover at the time. Some brokers under-notify, leaving clients exposed

when a later claim falls outside the policy period. Some over-notify defensively, creating a paper trail that prejudices future renewals. Ask for the broker's written policy.

6. HOW ARE CONFLICTS OF INTEREST MANAGED WHEN ONE CLIENT'S CLAIM INVOLVES ANOTHER CLIENT OF YOURS?

This is unavoidable in a small market. A broker handling PI for two architects on the same job, or two solicitors in opposing positions on the same matter, has a structural conflict. The answer should describe Chinese walls, separate teams, and a written conflicts policy. "We don't get conflicts" is not an answer — it's evidence of inexperience.

7. ARE YOU LISTED ON ANY PROFESSION-SPECIFIC PI BROKER REGISTER OR RECOMMENDED LIST?

ARB, RICS, ICAEW, BIBA, IIB, IPA — most of the relevant UK professional bodies maintain broker lists or recommendation schemes. A broker who appears on the appropriate list for your profession has gone through that body's vetting. Verify each listing independently rather than taking the broker's word for it.

8. CAN YOU GIVE ME A TERMS OF BUSINESS AGREEMENT, DEMANDS-AND-NEEDS STATEMENT, AND IPID BEFORE I COMMIT TO ANY PLACEMENT?

These three documents are non-negotiable under FCA rules for any commercial PI placement. A broker who cannot produce them on request is not operating to FCA standards. The TOBA sets out scope and remuneration; the demands-and-needs statement records why the cover is suitable; the IPID is the insurer's product summary required under the Insurance Distribution Directive.

THE FOLLOW-UP

Ask all eight in a single email. Date the request. Give a reasonable response window — five working days is generous. The broker who answers all eight in writing within that window is operating to professional standards. The broker who answers selectively, calls instead of writes, or asks why you are asking, has told you what you need to know.

ABOUT APEX INSURANCE BROKERS

Apex Insurance Brokers Limited expects clients to ask these questions and will answer all of them in writing before any policy is placed. We are FCA-authorized firm reference number 724952, Companies House number 07014570. Director Matt Bartlett holds SMF3, SMF16 and SMF17 approvals. We place UK professional indemnity for architects, solicitors, surveyors, accountants, IFAs, IT consultants, engineers, and design-and-build contractors through named insurers including Lloyd's syndicates. If you are reviewing your PI arrangements and want a structured response to all eight questions, we will provide it.

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