

## BUYING PROFESSIONAL INDEMNITY INSURANCE AFTER A CLAIM

*Reviewed by Matthew Bartlett, Director · Last reviewed 2026-06-23*

A notified PI claim affects renewal pricing, market access, and sometimes cover availability. UK firms with claims history aren't uninsurable, but the renewal process changes materially. This entry explains the disclosure mechanics, the premium impact, and the options for firms negotiating renewal after a notification.

### THE DISCLOSURE DUTY

Under the Insurance Act 2015, commercial policyholders must make "fair presentation" of risk at renewal. This means:

- Disclose every material fact — including all claims, circumstances, and complaints in the period the insurer asks about (typically six years)
- Present the disclosure in a manner that would alert a prudent underwriter to material facts
- Update the disclosure if anything changes between proposal submission and renewal completion

Failure to disclose a claim or circumstance — even unintentionally — can void the policy at claim stage. The insurer can refuse to pay a future claim, or pay only proportionally.

### WHAT COUNTS AS A "CLAIM" OR "CIRCUMSTANCE"

For renewal disclosure purposes:

- **Claim** — a written demand for compensation, a formal letter of claim, an issued claim form, a regulator's award against you
- **Circumstance** — a matter where you have reason to think a claim might be made, even if no formal claim has yet arrived
- **Complaint** — a formal complaint from a client about your service, even if no compensation demand has been made
- **Regulator's investigation** — even if no fine or order has resulted

If you are unsure whether something is a "claim" or "circumstance", disclose it. The insurer can determine the category; you cannot retroactively cure non-disclosure.

### WHAT DISCLOSURE LOOKS LIKE IN PRACTICE

At renewal, the broker provides:

- A claims experience statement from each insurer that has been on cover during the disclosure period
- Your own description of any current circumstances

- Documentation supporting any "no claims" assertion
- If a claim was paid by a prior insurer, that insurer's statement of quantum, settlement date, and the claim's status

Some insurers' renewal proposal forms ask "have you had any claims?" — answer fully even if you think the question is poorly worded. Some forms ask separately about complaints and circumstances. Treat the highest-disclosure interpretation as the right one.

## THE PREMIUM IMPACT

The impact depends on what the claim was, how it was resolved, and how recent it is:

Scenario	Typical renewal premium impact
Notified circumstance, no claim, dropped after 12 months	+0–15%
Claim notified, defended successfully, no payment	+5–25%
Claim notified, settled within excess	+10–30%
Claim settled at modest cost above excess	+25–60%
Claim settled at large cost (£100k+)	+50–200%, with possible cover restrictions
Claim still open at renewal	Insurer may decline to renew or offer at materially higher rate
Multiple claims in 3-year window	Specialist underwriting required; some insurers won't quote

## MARKET ACCESS CONSIDERATIONS

UK PI insurers segment broadly into:

- **Standard market** — accepts clean records and modest claims history
- **Sub-standard market** — accepts adverse history at higher rate
- **Lloyd's specialist syndicates** — write difficult risks with bespoke wording

A firm with significant claims history may need to move from standard to sub-standard or Lloyd's. The broker's job is to find the insurer with the appetite for your specific situation.

## COVER RESTRICTIONS THAT CAN APPLY POST-CLAIM

- **Higher excess.** An insurer may offer renewal at higher excess (say £25k instead of £5k) as a condition of quoting.
- **Specific exclusion.** The work giving rise to the claim may be specifically excluded going forward.
- **Lower limit.** The maximum limit available from a single insurer may reduce.
- **Reduced reinstatement.** Reinstatement of the aggregate limit may be reduced or removed.
- **Specific conditions.** The insurer may impose risk management conditions (file peer review, supervision arrangements).

## WHAT YOU CAN DO

1. **Notify the broker as soon as a renewal proposal is being prepared** — they need time to market to multiple insurers
2. **Provide a written narrative** alongside the claims data explaining what happened, what was learned, and what controls have been put in place
3. **Ask the broker which insurers have appetite for your profile** — there is no single answer for the market; it varies by profession and claim type
4. **Consider longer-term commitment to one insurer** — some insurers offer multi-year deals to firms with claims history if the insurer has confidence in the relationship
5. **Don't change broker just to escape the disclosure** — the new broker will ask the same questions and the same disclosure rules apply

## ABOUT APEX INSURANCE BROKERS

Apex Insurance Brokers Limited places PI cover for UK professional services firms with claims history. FCA firm reference number 724952. We market to multiple insurers including standard market, sub-standard market, and Lloyd's specialists, and document the narrative around any prior claim. If you are facing a difficult renewal, call early — the more time we have, the better the outcome.