Single Project Professional Indemnity Insurance

Frequently Asked Questions

Who needs SPPI cover?

- Any construction related project where coverage is required for the entire team for a particular project to ringfence the project, whether it is a design only or a design and construct project.
- Where the project investors, project owners and developers want to ensure:
  - sufficient coverage is given for a particular project.
  - continuation of cover is provided even if there are multiple claims.
  - a well-integrated fast and efficient claims handling process.
  - cost saving on claims handling and disputes where normally more than one insurer is involved.
  - a safeguard against professional negligence across the lifecycle of a project.
- Design-Build Contractors – where design responsibility is integrated with construction delivery.
- Consulting Professionals – including architects, engineers, surveyors, project managers, and specialist consultants.
- Joint Ventures and Consortia – particularly those engaged in complex or large-scale developments.

How is SPPI different from annual PI insurance?

- **SPPI:**
  Covers one specific project from start to finish.

- **Annual PI:**
  Covers multiple projects over a set period (usually one year). SPPI offers non-cancellable, long-term protection tailored to the unique risks of a single project.

What does SPPI typically cover?

- **Professional Negligence:**
  Protection against mistakes or omissions in design, engineering, or consultancy services.

- **Design & Specification Errors:**
  Covers financial losses arising from miscalculations, defective drawings, or incorrect technical specifications.

- **Legal Liability:**
  Responds to claims made against contractors, architects, engineers, surveyors, or consultants for professional errors, including defence costs and any settlements or judgments.

- **Project-Specific Risks:**
  Tailored to the unique challenges of complex construction or engineering projects, ensuring protection throughout the entire lifecycle, from initiation to completion.

- **Joint Ventures and Consortia:**
  Extends coverage to multiple parties collaborating on a single development, providing unified protection for all stakeholders.

- **Long-Term, Non-Cancellable Assurance:**
  Unlike annual PI policies, SPPI cannot be cancelled mid-project, offering certainty and continuity for project owners, developers, lenders, and investors.

When should SPPI be arranged?

- SPPI should be secured at the earliest stage—ideally before any design or construction activities commence—to ensure uninterrupted, long-term protection for all stakeholders throughout the project.

How long does the coverage last?

- SPPI policies generally run from the start of a project through construction and include the Defects Liability period. After completion, an Extended Reporting Period can be arranged, allowing claims to be made for issues that emerge post-handover, such as latent design defects.

Can SPPI be customized?

- Policies may be adapted to reflect:
  - The scale and complexity of the project.
  - The number and type of insured parties involved.
  - Specific contractual obligations imposed by owners, lenders, or regulators.

Is SPPI mandatory?

- SPPI is not a legal requirement, but it is commonly mandated by contracts, especially by project owners, developers, and financiers on large or high-risk developments.

What are the benefits of SPPI?

- Stakeholder Assurance: Provides confidence and peace of mind to all parties involved in the project.
- Clear Liability Framework: Establishes a clear liability framework which ensures that when professional mistakes occur, responsibility is transparent, disputes are minimized, and claims are resolved efficiently under one unified policy.
- Strengthened Project Reputation: Enhances credibility with owners, financiers, and regulators.
- Contractual and Financial Alignment: Helps meet the insurance requirements set by contracts and funding agreements.
- Continuous, Non-Cancellable Coverage: Guarantees long-term protection that remains in force throughout the project lifecycle.

Why Choose SPPI?

- SPPI is a strategic risk management tool that ensures your professional reputation and financial stability are protected throughout the lifecycle of a project. It's especially valuable for complex, high-risk developments where multiple parties are involved.
- Provides project investors, project owners and developers with sufficient coverage for a particular project as the traditional limit of liability proposed in professional service agreements does not provide sufficient coverage.
- Save costs in legal fees where there is no contractual agreement between parties working on the same project.
- Ringfenced liability coverage for the entire project team which saves costs on claim negotiations, ensures efficient claims handling process and reduces standing time for the contractor.

LEPPARD

What are Leppard's requirements regarding SPPI?

- Contract Works (CW) Policy must be in place with minimum DE3 or LEG2 wording.
- CW Policy and SPPI Policy needs to run concurrently meaning that the 12 months defect liability period of the CW policy must end at the same date as the SPPI Policy defect liability period to ensure full coverage.
- Public Liability Insurance does not form part of an SPPI policy and can be obtained from Leppard's PL division or from other insurance companies.

What is the process that will follow when there is a claim?

- The insured will inform their broker about the claim or intention to claim.
- The broker will forward the correspondence to Leppard who will then investigate and immediately appoint a loss adjuster to inspect the site and evaluate the damages.
- Leppard will evaluate the loss adjuster's report, discuss the claim with the broker and then prioritise the settlement of the claim.

Your Project
Peace of Mind