

Small & Midsized Contractors Need PI Cover. **Here's Why.**

In today's challenging UK construction environment, Design & Construct Professional Indemnity (D&C PI) Insurance is more vital than ever, especially for small and midsized contractors. Following are five reasons firms should consider coverage now:

1. Financial pressures intensify the risk.

Inflation, supply chain strains, material shortages, and tariff uncertainties are all increasing financial pressures and squeezing margins for contractors. At the same time, when defects or other issues arise, rectification costs can create significant liability and further strain balance sheets. D&C PI cover can protect a firm's finances in claims arising from actual or alleged negligence in work performed or advice delivered.

2. Contracts mandate cover.

As contract requirements become more onerous, D&C PI insurance is increasingly required even for modest projects. Insurance not only protects a contractor's business, it equips them to compete and win business in a competitive market.

3. Liability can arise from the errors of others.

If a sub-contractor makes a costly error and lacks insurance -- or becomes insolvent -- liability may attach more indirectly. Even if the contractor had no direct involvement in the issue, they could still face legal action and financial loss. D&C PI provides protection not only for direct exposure, but also for contingent liability that can originate beyond the contractor's immediate control.

4. Regulatory scrutiny is up.

Since the Grenfell Tower tragedy, the UK has implemented rigorous new safety and compliance standards. Adapting to them can require major investment, from training and new technologies, to improved materials and compliance processes. Failure to comply can result in legal consequences, reputational damage, project delays -- and PI claims. D&C PI cover can provide essential protection for contractors navigating this evolving regulatory landscape.

5. Technology raises efficiency and risk.

As BIM, AI and automation transform the construction sector, they also introduce new risks. Was software used incorrectly? Could it have prevented an error or delay? Did underuse or overreliance contribute to a loss? These are the types of questions that can arise in PI disputes. Wherever a firm is on its digital journey, D&C PI cover can help manage risks that arise -- or are exacerbated -- by the use of technology.

Berkshire Hathaway Specialty Insurance (BHSI) provides fast and efficient underwriting of D&C & Miscellaneous PI cover for small and midsized businesses. Primary and excess coverage is available, with premiums starting from £1,000 and limits up to £5 million. BHSI policies come from a trusted brand, with stellar financial strength and a commitment to excellent service from underwriting through claims.

BHSI

**To learn more or
request a quote, contact
alex.fell@bhspecialty.com and
adelina.boci@bhspecialty.com.**

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