

What is the difference between a “claims made” and an “occurrence” policy?

“**Claims Made**” is the basis of coverage on all Professional Liability insurance policies. This means that for the insurance to respond, the policy must be in effect at the time an allegation is first made, regardless of when the alleged error or omission may have taken place. Furthermore, when the policy lapses or is cancelled, there ceases to be any Professional Liability coverage available, even if coverage was carried when the alleged error or omission occurred.

Example:

- A policy is purchased May 1, 2024 to May 1, 2025
- The policy is not renewed at expiry on May 1, 2025
- A claim is presented in September 2025 for work done in June 2024
- The policy will not respond, as coverage was not in effect at the time the claim was made

“**Occurrence**” is the basis of coverage on a Commercial General Liability insurance policy. This means that for the insurance to respond, the policy must be in effect at the time of the incident that gives rise to a claim for third party bodily injury or property damage. If the policy was in effect when the “occurrence” happened, the policy will respond, even though the “occurrence” may show itself in the form of injury or damage months or even years later.

Example:

- Coverage is purchased May 1, 2024 to May 1, 2025
- The policy is not renewed at expiry on May 1, 2025
- An insured claim is presented in September 2025 for injury caused in June 2024
- The policy that was in effect for the term May 1, 2024 to May 1, 2025 will respond

For more information about the Professional Liability insurance program (and companion Commercial General Liability coverage) that has been arranged for you, please visit our website at www.hubprofessional.com or contact Jordan Fellner below.

**Coverages and limits may change, and are subject to policy wordings, conditions, exclusions, and limitations.*

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