

FECIF finds harmony with PI move

Federation has moved towards realising incoming EU legislation with major pan-European professional indemnity deal

The European Federation of Financial Advisers and Financial Intermediaries has struck a deal to assure all its members can get professional indemnity cover.

On Tuesday, the federation confirmed it had struck a deal with Quantum Insurance and Allianz of Germany to jointly underwrite professional indemnity for financial intermediaries belonging to FECIF.

The federation represents the interests of close to 300,000 financial advisers throughout the EU.

Vincent Derudder, secretary general of FECIF, said the deal had been struck as PI cover will become compulsory for all intermediaries operating in the European Union by 2012.

However, he noted PI cover was already compulsory in some countries, notably the UK where many advisers initially had difficulty finding an insurer willing to underwrite the risk posed by the type of business conducted.

The requirement that all advisers have PI cover is being steadily rolled out in the rest of the EU.

For example, Mr Derudder said in May this year PI cover will become compulsory for insurance intermediaries operating in Germany. Therefore, the association had to look forward to providing its members with a one-stop bespoke solution for their PI cover needs.

Mr Derudder said: "Our service will be enhanced by the fact that we will be working closely with Quertus Limited, a specialist PI administration company based in Belgium.

"Quertus has more than 10 years experience in underwriting and administering PI business in Europe and will be a key component of the scheme.

"On top of that, the FECIF PI programme is clever as the scheme design gives FECIF a financial incentive to ensure that its members adhere to the highest professional standards."

Peter Gobel, the chairman of Quantum Insurance, said: "We are already in discussions with affiliates of FECIF, representing more than half of our membership. We are therefore very excited about the programme.

"It does more than merely help FECIF to provide a better service to its members. It is playing a leading role in assisting intermediary associations in a number of the new EU accession states with its unrelenting efforts to implement the various EU legislation applicable to their members.

"The new PI programme will be a very valuable aid to FECIF in this effort."

Individual federation members, or their affiliate organisations, should email FECIF or visit its website for further information.

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