



ADVICES ON PROFESSIONAL INDEMNITY RENEWAL

1. **Prepare your Application early.**

We know this is constantly being said but leaving your application until the last minute leaves you exposed to having to accept whatever terms you are offered.. None of us are particularly enamoured about the idea of preparing the application for Insurance but it is something that needs attention early on and certainly by the beginning of October your application should be in.

2. **The Common Proposal Form.**

The Law Society negotiates annually the Common Proposal Form with the Insurance Industry. The purpose of the Common Proposal Form and the reason that it was introduced is to relieve you from the task of having to fill out different Proposal Forms.


We are strongly recommending that you use the Common Proposal Form. You will be able to obtain same from the Law Society's website and you should use it.

One new area that you might want to consider is the control systems that you have now put in place for those of you working remotely so that you can satisfy your insurer that you have adequate supervision systems in place as its anticipated that this may come up on the new proposal form.

Thus we recommend that you **AVOID** using the Short Form which is often offered by Insurance Companies.

The reasons for this are as follows:-

- a. Even where your insurance premium is satisfactory you having used the insurance company's short form sooner or later you will have to use the Common Proposal Form. An Insurer who is happy with your short form for many years will eventually decide that they want the Common Proposal Form (or a long form) completed. The problem with that of course is that the amount of information that you have to collate on an annual basis will be multiplied by the number of years that you have not done it. We would strongly advise therefore that you complete the Common Proposal Form for that reason.
- b. If you use the short from, then you may be sending a signal to the Insurer you are asking a quote from that theirs is the only Company that you have gone to. They are therefore aware by implication that you have not completed the Common Proposal Form and that no other Insurers are on the field vis a vis yourself. If you find yourself with the short form having gone



in and a large quote coming out to you at the last minute you are in a very weak position.

- c. Using the Common Proposal Form means that you are now free to send your Proposal Form to as many Insurers as you want and frankly we would suggest that you send it to all of the Insurers.

Long Term Relationship

It has often been suggested to us that retaining a long term relationship with your Insurer is to your advantage and certainly that does appear to make sense. However what we have seen is that some Insurers feel free notwithstanding your long term loyalty to them that they can increase your premiums and they also feel free when it suits them to withdraw from the market and leave you high and dry.

For that reason therefore we strongly recommend that you approach all appropriate Insurance Companies in the market.

Brokers

Check with your Broker, if you are using one, as to what Firms they work with. There is no point in sending a Proposal Form to a Company that is already represented by the Broker that you have retained to look after your interests.

This avoids your Broker being informed that a proposal has been submitted by you separately.

You are hoping, if you have a good Broker, that he or she will go to bat for you and certainly they would be undermined in that respect if the Insurance Company was telling them that they received a separate proposal whether from another Broker or directly from you so make sure you avoid that particular pit fall.

Also many brokers don't deal with all insurers. If you need to go to a second broker if they deal with an insurance company you want a quote from.

The Current Insurers.

At time of preparation of this Article the following Insurers were in the market:-

Our recommendation is that you ensure the Common Proposal Form is submitted to all relevant insurers either via your broker(s) or directly. We set out our understanding of the type of firms that they cover but be aware that some may have restrictions on the type of practice they may quote for such as firms that have a very high amount of property work.

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- AIG Partnerships
 - Allianz Sole Practitioners & Partnerships
 - Berkshire Partnerships
 - CNA Sole Practitioners & Partnerships
 - Liberty Partnerships
 - QBE Partnerships
 - Starr Sole Practitioners & Partnerships

Summary

To Summarise therefore we would in simple terms advise as follows:-

1. Prepare your proposal early.
2. Use the Common Proposal Form.
3. Ensure that there is no duplication on your submitted proposals by speaking to your broker.
3. Send it to all of the Insurers currently operating in the market even if some insurers won't cover your kind of practice lest their position changes.

In any event, we hope that the above is of assistance to you. Unfortunately you may follow all these steps and still find yourself facing increased premiums through no fault of your own.