

Response from Society of Licensed Conveyancers

Dear Sir/Madam

I am pleased to provide the response from the Society of Licensed Conveyancers to the Consultation on insurance arrangements that was released on 6th May.

Opening comments:

The Society of Licensed Conveyancers (SLC or the Society) is the professional body that represents the interests of individual Licensed Conveyancers and regulated Licensed Conveyancer practices. The SLC was instrumental in creating a competitive market for the provision of Professional Indemnity (PI) Insurance through the introduction of the SLC PI scheme provided by RKH (now Howden) in 2015.

By way of general comment:

- Against a backdrop of the clear intention of the CLC to proceed with the proposed changes in insurance arrangements, and the attendant aggressive timeline, this Consultation appears to be an exercise of 'going through the motions'. Indeed it would seem that the CLC has allowed only two days over a weekend to review and publicise the responses to the consultation, consider any potential changes to the proposals (and documentation), implement those changes and prepare and submit an application to the LSB.
- Is it feasible that a submission to the LSB can be turned around within a week?
- The consultation does not make it clear that the changes to the run-off requirements and cessation of the Master Policy arrangement are entirely separate issues.
- The SLC is sympathetic to the CLC moving away from the provision of the master policy.
- The SLC supports the concept of wrapping run off cover into the PI Insurance policy of the Participating Insurers and congratulates the CLC on this move.
- The SLC's main concern is that PI insurance should be available for all Licensed Conveyancer practices regardless of size or claims history (always provided that they hold a current a licence to practice from the CLC). Whilst the SLC will always attempt to mandate that the provider of its own PI Insurance scheme will quote for every CLC regulated entity, the Society would favour the Participating Insurers Agreement making provision for this for every insurer entering into an Agreement.

In respect of the specific questions.

A. Do you agree with the proposal for the CLC to permit insurers who sign up to its Participating Insurers Agreement to provide professional indemnity insurance for CLC practices incorporating the CLC PII Policy Wording at Annex 3?

The SLC would agree, and without reservation, the proposal for the new Participating Insurers Agreement arrangement, provided there is a requirement within the Agreement that the insurers will always provide a premium quote for all CLC regulated entities. Without such a requirement the Society is concerned that at some point in the future, individual firms (particularly small firms) may find it difficult to obtain a quote at such a premium that enables them to continue to trade – or indeed to obtain a quote at all. This would raise the question of how the regulator would deal with such a circumstance.

B. Do you agree the proposal for run off cover to be provided to practices which close at no additional cost to those practices when they close?

The Society agrees with this proposal, and it should be an attraction for solicitor firms considering switching regulator.

C. Do you agree the proposed amendments to the CLC's Professional Indemnity Code and Guidance and to the CLC's Professional Indemnity Insurance Framework at Annex 1 and 2 respectively?

The Proposed amendments appear fit for purpose subject to the proposed requirement as outlined under A above.

We would be delighted to discuss the foregoing with the CLC if this would be useful.

With regards

Mike Ockenden
Head of Secretariat
The Society of Licensed Conveyancers