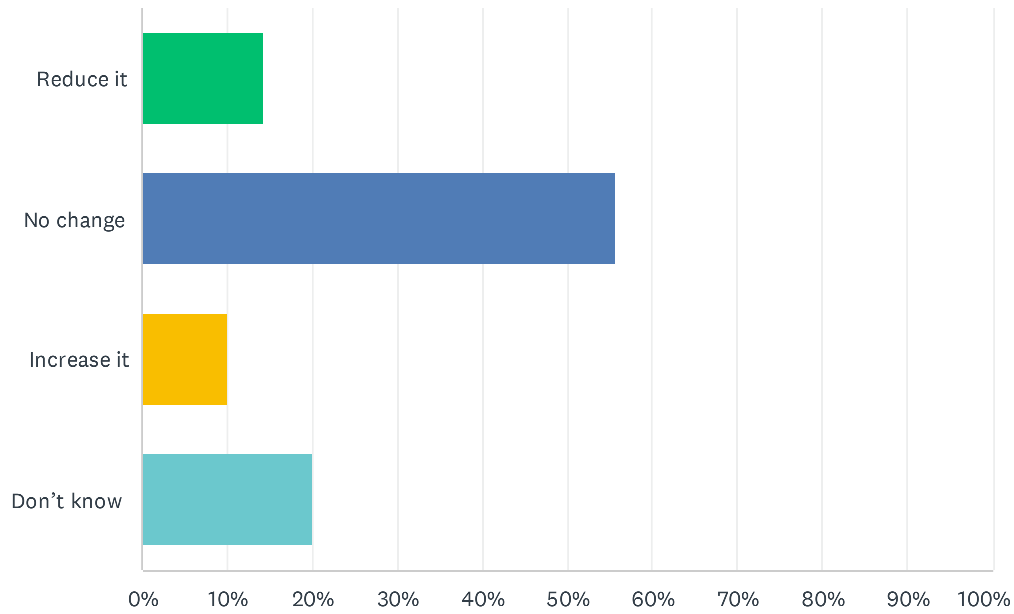
Q1 The CLC could change its scheme so that closing practices were expected to pay separately for run-off cover but that the last insurer must provide the cover whether or not the premium is paid. Would this change the level of client protection?

Answered: 70 Skipped: 0



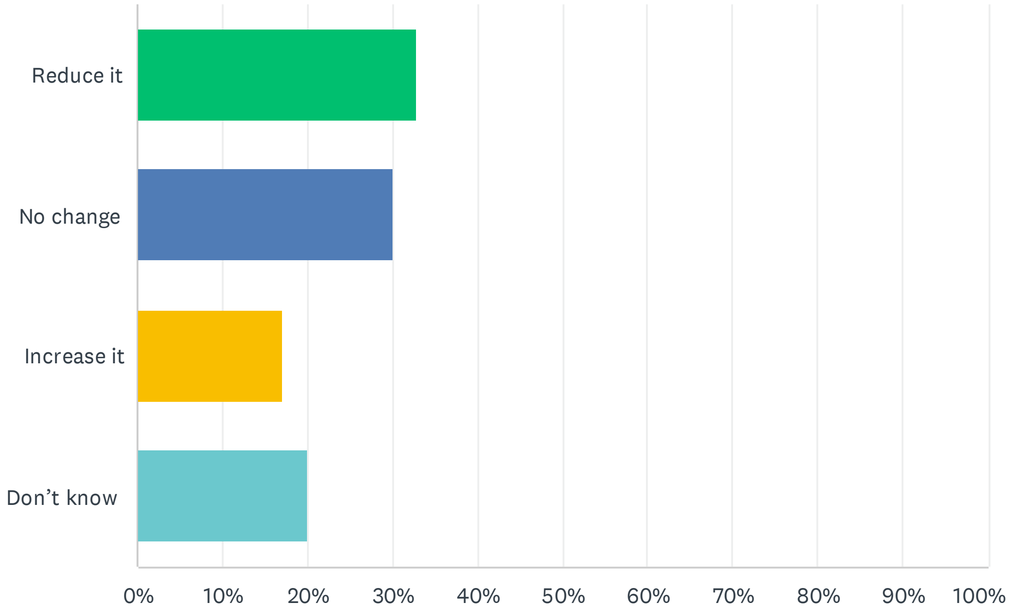
ANSWER CHOICES	RESPONSES	
Reduce it	14.29%	10
No change	55.71%	39
Increase it	10.00%	7
Don't know	20.00%	14
TOTAL		70

#	TELL US MORE IF YOU LIKE	DATE
1	may reduce the input from insurer if the premium was not paid and that then may have an impact on client protection (quality of protection).	2/23/2022 1:35 PM
2	however would not support this change, a closing practice is usually in financial difficulties, therefore would prefer run off to remain as currently is and built in to the premium	2/23/2022 8:43 AM
3	If the insurer is obliged to provide run off cover even if the premium is not paid, the customer is still protected to the same extent.	2/22/2022 4:18 PM
4	If the insurer knows they might not get paid aren't they likely to include any additional fees in the annual premium as if it were integrated anyway?	2/22/2022 3:30 PM
5	Surely the insurer to be responsible is the one who covered the practice at the time of the act giving rise to the claim.	2/22/2022 2:14 PM
6	One big advantage that CLC regulated firms have over SRA regulated is the inclusion of run-off cover in PI policies. Without it, many older practitioners will find it impossible to retire, leaving clients and themselves at risk.	2/22/2022 10:19 AM
7	At present the inclusion of run off cover in PII cover is a substantial incentive for small	2/22/2022 9:53 AM

	firms to be regulated by the CLC and should remain	
8	I fail to see how it would change the level of client protection if the insurer was required to provide the cover irrespective of payment of the premium	2/20/2022 7:52 PM
9	But this assumes that the insurers would accept this change. If, as you say, insurers have not been charging fully for the run off cover since 2016 it seems likely that they would not accept the liability to provide the cover whether or not the premium is paid.	2/15/2022 5:16 PM
10	Some closures would mean there was no money to pay for it so presumably that would fall back on the rest of the paying community. But it should also reduce general premiums if it is no longer being paid for by everyone effectively, only by those who require it.	2/15/2022 10:49 AM
11	What would happen if the closing practice cannot afford to pay the premium for the run off cover? Will the insurer continue with cover or would it fall to the CLC compensation fund	2/14/2022 12:46 PM
12	The current situation makes it very difficult for lawyers to retire or close their business	2/14/2022 9:53 AM

Q2 If practices had to pay separately for run-off cover, do you think this would have any impact on the price of PII?

Answered: 70 Skipped: 0



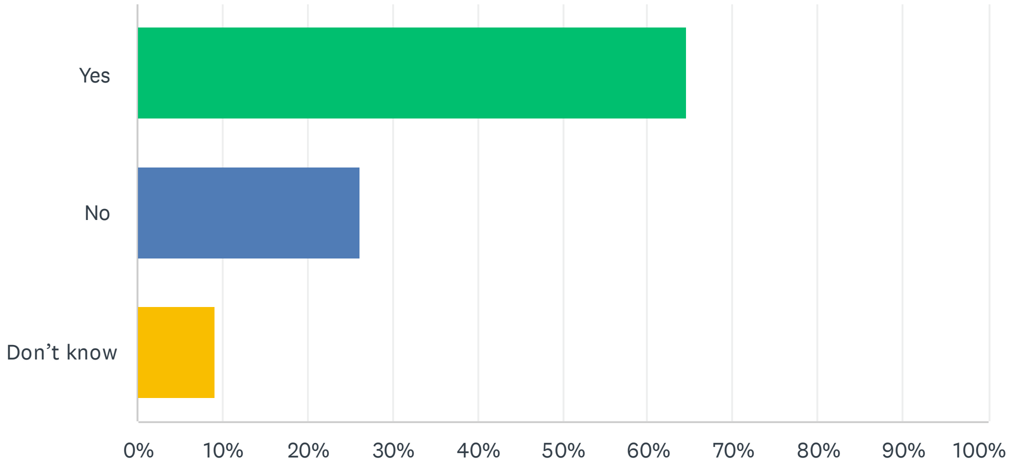
ANSWER CHOICES	RESPONSES	
Reduce it	32.86%	23
No change	30.00%	21
Increase it	17.14%	12
Don't know	20.00%	14
TOTAL		70

#	TELL US MORE IF YOU LIKE	DATE
1	It would simply be an excuse for them to say "well the premium was going to increase to X but because run off cover has been removed it is only going to increase to Y but you get less bang for your buck. It will be another "add on" extra and smacks of Ryan Air tactics. It certainly will not reduce Pii premiums because they (the underwriters) know the market will (has no choice but to) stomach the premiums with it already included so there is absolutely no incentive for them to reduce premiums if that cover is removed. If it were to be removed, would the cost of run off cover be a crystalised amount fixed on the amount of the final year premium - or would that be an elasticated figure? Sorry (not sorry) if I sound cynical. The big "sell" for my firm starting up under CLC regulation was the fact that run off cover was included. It was a risk setting up a new business but I had the security of knowing that if I could not grow a client base and needed to become an employee somewhere I knew exactly what my costs were. Conversely if I had set up under the SRA and decided that having my own firm was not for me and decided to close just 6 months later the cost consequence was severe because I would have had to have paid a run-off premium of 2.5/3 times of the initial premium. Removing it would therefore be a massive barrier to entry for small start ups. There is a reason why many solicitors who started their careers in the 1970's keep working until they die or become bankrupt - it is because they cannot afford the run-off cover and are trapped.	2/25/2022 5:32 PM
2	The risk of non-payment but with the insurer having to provide cover anyway would likely increase premiums	2/23/2022 10:22 PM

3	should reduce as no doubt there is an element of this being built into premiums at present	2/23/2022 1:35 PM
4	We are all paying for the possible cost at present, regardless of the likelihood of us needing run off. Also, adding the run off cost should make the market more attractive to insurers and should increase choice and competition.	2/22/2022 4:18 PM
5	But only if the insurers were forced to provide cover if its not paid - but also, the firms that need to close are unlikely to be able to afford to pay for it separately which would put the onus on the compensation fund to pay which would likely in turn increase firms' contributions to such fund	2/22/2022 3:30 PM
6	Insurers would continue to charge the same or higher premiums would it not be better for a mutual insurance scheme to be implemented providing cover for only CLC regulated practices and not insurers who underwrite not only SRA regulated firms but also claims arising in other areas such as flooding etc.	2/22/2022 2:14 PM
7	Many retiring practitioners could not afford run off cover, so keep it in the annual PI policy without a moment's further thought on the topic. Covering the risk in the annual policy spreads the cost over a practitioner's working life and over the profession as a whole, and must surely mean that the cost of claims, to insurers, will be better covered. This appears to be inescapable logic.	2/22/2022 10:19 AM
8	My expectation would be more insurers would provide quotes thus increasing the competition for practices to actually obtain insurance quotes. It would not necessarily decrease the amount of cover but ensure open, transparency and more choice.	2/22/2022 7:22 AM
9	No - after being closed down after building a business for 7 years due to this complete farce, I joined an sra firm and I am Currently Going through the renewal Process and the prices are no different!	2/21/2022 9:56 PM
10	Experience of run off cover under the SRA regime is that premiums tend to increase where the insurer is on notice that the practitioner is considering closure or sale.	2/21/2022 9:08 PM
11	In theory	2/17/2022 11:48 AM
12	Strictly it should reduce it but given that there was no noticeably increase when run off cover was included automatically this may not happen. Run off cover is an extremely expensive item for any firm that is closing and if the automatic run off cover were to be removed it is likely that firms would hasten closure so that they could close under the automatic run off cover provisions. Finding a successor firm is nigh on impossible and most firms would be unable to dispose of their business for anything more than the cost of the run off cover. A sad state of affairs.	2/15/2022 5:16 PM
13	Lower risk should translate to lower premiums. A good Conveyancing business should not close but should be bought out. A bad Conveyancing practice will not be bought out but currently all firms have to subsidise their run off cover. There is a greater incentive for older Conveyancing business owners to maintain a good saleable business if they would otherwise have to pay run off cover if they simply close. Perhaps all owners/partners/directors should personally guarantee the run off cover in the event of closure.	2/15/2022 9:26 AM
14	Cannot imagine insurers would provide any reduction!	2/15/2022 7:33 AM
15	in the event some practices don't pay, if the last insurer has to cover anyway	2/14/2022 3:07 PM
16	Are you suggesting that a firm paying separately for run off cover runs along side the annual PI insurance premium or when a practice closes	2/14/2022 12:46 PM
17	It should reduce premiums but I suspect insurers will eventually just see it as an opportunity to increase their profit margins	2/9/2022 6:04 PM

Q3 Do you think insurers and practices should be free to agree their own approach to excesses?

Answered: 65 Skipped: 5



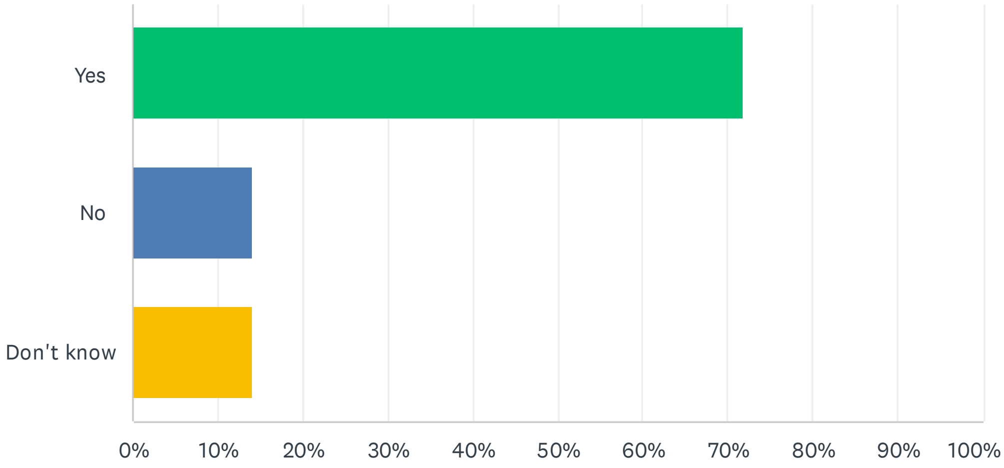
ANSWER CHOICES	RESPONSES	
Yes	64.62%	42
No	26.15%	17
Don't know	9.23%	6
TOTAL		65

#	WHAT POSITIVE OR NEGATIVE EFFECTS COULD REMOVING EXCESS LIMITS HAVE?	DATE
1	I feel the percentage approach is better - I was aware that I had a one off large invoice this last year which would trigger my entry into a double the amount excess had I continued with my growth plans for the year but I also knew that due to the one off large invoice I would not exceed that double excess turnover price band the following year. As a consequence I consciously decided to take on less work during the period so that I did not get penalised for tipping over an excess band as a one off. Obviously that stifles growth. However, I also feel the percentage changes at the higher end of the scale will cause disparity. If I were to bill £200,000 my excess would be £10,000 but if I billed £200,001 my excess drops to £6,000, which is totally unfair and will disproportionately affect small firms. By comparison have you considered how stamp duty drops at different levels - so EVERYONE pays the same rate up to a certain amount and then a lower rate on amounts above each banded tier of reduction. I suppose in comparison to car insurance people can chose their own excess depending on their own appetite for risk, but the option has never been presented. I feel the CLC capped threshold prevents underwriters from abusing their position within a limited pool of potential insurers.	2/25/2022 5:32 PM
2	I do agree as this could reduce insurance premium, the only one concern is whether those practices have a sufficient pot of funds to cover that excess when and if required.	2/25/2022 7:17 AM
3	Positive- reduce premiums Negative - diminution in consumer protection through absence of cover for a greater number of claims	2/23/2022 10:23 PM
4	higher excess for lower premium seems a good idea, but high excesses could render a firm insolvent if unlucky	2/23/2022 1:36 PM
5	danger is that high excesses are imposed that a practice is obliged to accept to stay in business	2/23/2022 8:44 AM
6	CLC supports the polluter pays principle? This is a good example of this allowing insurers	2/22/2022 4:20 PM

	and practices to risk assess the likelihood of claims and price the excess and cover accordingly.	
7	This could leave some firms with ridiculous excess limits thereby making any insurance worthless	2/22/2022 3:30 PM
8	By removing the excess limit would put insurance companies in a better position as they could insist on higher excess being implemented as a requirement for cover thus reducing their potential exposure and increasing the practices.	2/22/2022 2:16 PM
9	Any conscientious practitioner will always want to do his/her best for a client, and those who do not generate claims will benefit from lower premiums.	2/22/2022 10:23 AM
10	Whatever the excess, a well run practice will still wish to have strong risk management policies in place as a poor claims record will have an affect on future premiums and insurability	2/22/2022 9:57 AM
11	Negative effects - firms may rely on PI more. Positive - Firms may improve their complaints handling	2/22/2022 9:26 AM
12	We should be able to negotiate an excess in a range and get 3 quotes that reflects those excesses	2/22/2022 8:22 AM
13	Existing, cash rich businesses that have performed well over years could be offered the choice of bandings for excess as the business model is proven. This would be after stringent audit process by the CLC, low complaints,claims etc. Start up businesses or with higher complaints, claims, staff attrition rates should be on lower bandings. This would provide incentives to reach a higher band whilst always providing consumer protection based on performance of the business. However this picture changes when consider widespread issues such as cyber. The ranges would need to consider - what does secure cyber system look like?	2/22/2022 7:27 AM
14	Yes - Let us run our Businesses!	2/21/2022 9:57 PM
15	Some firms may agree high excesses with a view to reducing premiums. They may then not be in a position to pay the excess on a claim should it arise. This puts the claimant and the firm at risk.	2/21/2022 9:09 PM
16	in practice we do anyway but its dictated by the insurance company namely higher excesses lower premium	2/21/2022 12:05 PM
17	Individualised negotiations could be beneficial to well run practices. High excesses keep firm’s mindful of risk and encourage compliance teams to feedback to colleagues so they learn from mistakes and improve. Unreasonable excess charges could be off putting for law firms to handle conveyancing.	2/18/2022 9:53 AM
18	I believe it would allow more flexibility around premiums	2/17/2022 11:49 AM
19	Again this assumes that the insurers would be reasonable - at least by setting the excesses there is a level playing field. High excesses might just mean that in the event of a claim, the firm would be unable to met the excess.	2/15/2022 5:19 PM
20	It would be too tempting for some firms to accept high excesses to keep premiums down and risk not being able to meet the cost of claims.	2/15/2022 10:50 AM
21	Subject to a reasonable formula regarding the financial standing of the firm and its owners. If you have a firm making very little profit and directors that have very few assets or other income there is a much higher risk of default compared to a good profitable Conveyancing business and directors with plenty of capital behind them.	2/15/2022 9:31 AM
22	It will allow a practice to have a degree of self insurance. This is a positive step	2/9/2022 6:07 PM

Q4 Should the CLC mandate stand-alone cyber insurance for all practices?

Answered: 64 Skipped: 6



ANSWER CHOICES	RESPONSES	
Yes	71.88%	46
No	14.06%	9
Don't know	14.06%	9
TOTAL		64

#	TELL US MORE IF YOU LIKE	DATE
1	The nature of my business (probate only) whilst if there were to be a cyber incident, the impact is different to conveyancing chains where a cyber incident would affect contractual obligations. Mandating it for all practices such as stand alone probate practices would cause disproportionate cost to the risk. Whilst a cyber incident would cause operational difficulties, it would not cause a mass conveyancing chains to collapse. The impact profile is therefore very different and so it would be inappropriate to mandate as a blanket requirement. By way of example:- My firm already holds cyber cover which is included within our cover for public liability and employers liability. The premium is a fraction of the premium being quoted by the PII brokers at renewal time. While I appreciate the amount of cover is lower it is sufficient for the needs of the business. Furthermore a cursory quotation for the amount of comparable cover on the open market at the same level of the PII brokers cover is still much lower than that offered by the PII broker last year. If it is made mandatory by the CLC it will simply be used as an excuse to hike premiums again. It should therefore not in anyway be tied to the PII renewal date/requirement for the underwriter to issue PII. Regarding consultation question 5b - I would encourage the CLC to offer regular cyber cpd courses for all employees as a pre-emptive approach (carrot) rather than the "stick" mandate.	2/25/2022 5:32 PM
2	Think it gives the right impression for consumers and it is a specific policy which can then be built around the individual practice	2/23/2022 1:36 PM
3	Cyber attacks present potentially catastrophic risks to the firm, the ongoing transactions and to the clients themselves. It stands to reason that firms should be required to take the proper cover for it.	2/22/2022 4:25 PM
4	This is probably one of the highest risks to conveyancing firms. Making it mandatory will likely provide more options and thereby a more competitive premium for this cover.	2/22/2022 3:31 PM
5	Cyber incident cover is more applicable to those firms who build and maintain their own networks and case management. Smaller firms very often rely on cloud based software	2/22/2022 2:19 PM

	which is hosted by the likes of Amazon on their servers which provide a higher level of security and automatic back up/disaster management	
6	I think one policy should cover all appropriate risks. This should simplify a claim by an unfortunate practitioner who might be affected by a cyber outage etc and avoid arguments between insurers as to which insurer meets which aspect of a claim.	2/22/2022 10:26 AM
7	Whilst I think it is important to have Cyber cover and it is probably essential in today's climate of cyber crime, I think if it is to become mandatory then the price of cover needs close monitoring because it would allow for insurers to increase their premiums.	2/22/2022 9:29 AM
8	A block policy would be good, but paid for by a levy across all CLC firms with the levy determined by turnover.	2/22/2022 7:39 AM
9	With everything online cyber insurance should be mandatory to protect consumers.	2/22/2022 7:28 AM
10	The recent Simplify crisis points to cyber risks continuing to increase. The impact on clients in the event of a cyber breach is considerable.	2/21/2022 9:12 PM
11	My practice had to take this out this year through Howden as it was a requirement of theirs. Bearing in mind what has happened recently with the Simplify Group it is clear it is ever more important that firms have this type of cover.	2/20/2022 7:53 PM
12	It would be good if the PII Company could be made to just include cyber insurance as standard	2/15/2022 3:16 PM
13	It is a fundamental part of managing liability to clients these days and should be seen as an essential part of overall protection for the public.	2/15/2022 10:51 AM
14	Because cover will increase again and it is already too high. Only yes if it is going to become mandatory by all insurers across the board.	2/14/2022 3:09 PM
15	Could it be a mandatory bolt-on to existing PII cover, rather than a stand-alone cyber insurance? Could CLC pre-approve the cyber insurance cover provided so that all insurers offer the same cover?	2/14/2022 9:52 AM

Q5 Is there anything else you'd like to tell us about professional indemnity insurance?

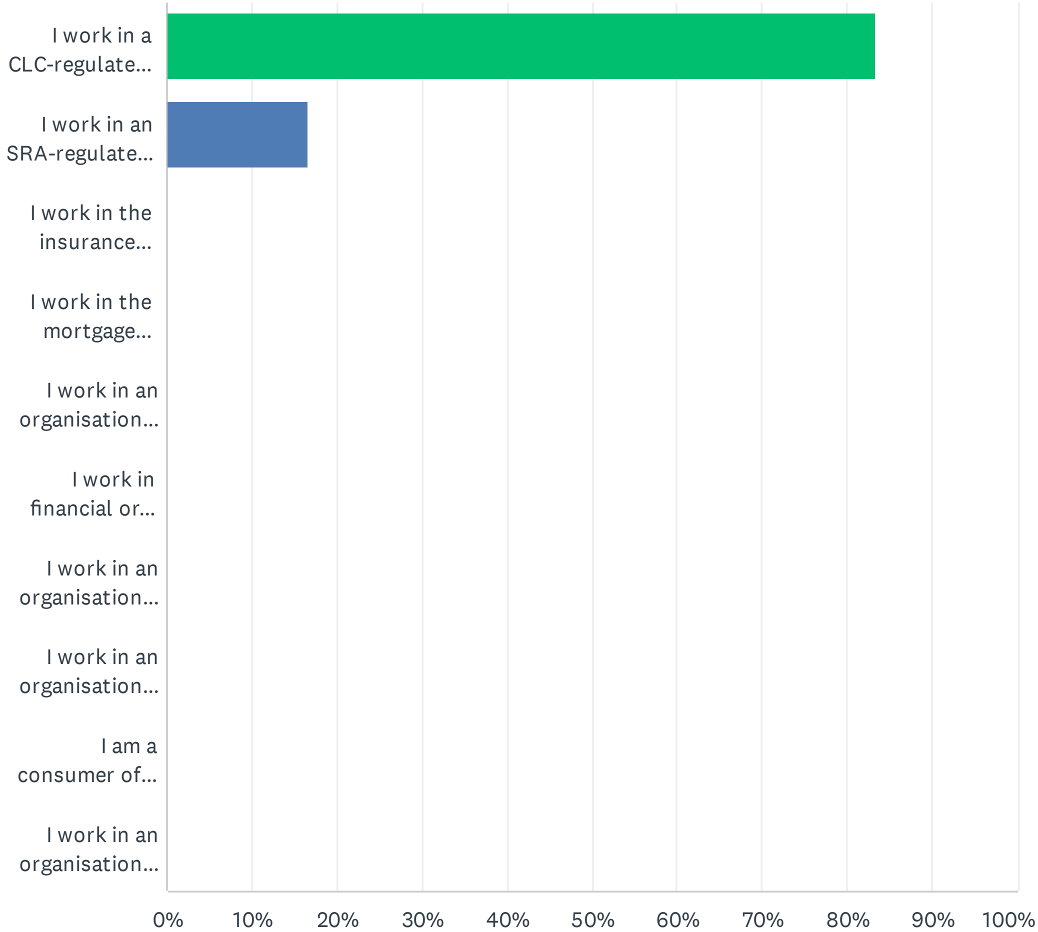
Answered: 26 Skipped: 44

#	RESPONSES	DATE
1	Consultation Question 1 There should be a three month automatic window in the event that renewal is not possible. However, this gives rise to massive concerns that insurance underwriters will spike the premiums on the basis that they are having to potentially cover 15 months insurance rather than 12. However the PII company is already on the hook for the company to provide cover for 12 months and for six months run-off, so there should simply be provision to recover the extra three months cover as a fixed pro-rata amount of the 12 month cover in the event that the three month window for an orderly close down is required. Afterall it would be in the insurance company's benefit that things are closed down in an orderly way rather than simply falling off a cliff because falling off a cliff is more likely to give rise to claims. So - yes provision for cover at 'fixed' amount if the event is triggered only and recover of the costs could be recovered the same way there is a way to recover licence fees.	2/25/2022 5:37 PM
2	Insurer always far too slow causing major worry and delays in renewing. Providing quotes a week or a day or so before expiry is not good for anyone and certainly more risk to the CLC should the firm not be able to arrange insurance. Not good for the business, the staff, the clients or the CLC.	2/25/2022 7:19 AM
3	The fact that the insurance renews all at the same time for every firm floods the market and creates a very uneasy time trying to secure a new policy when the brokers are also busy for everyone else	2/24/2022 2:40 PM
4	No	2/23/2022 3:05 PM
5	there was not sufficient insurers last year, the effect was that you were stuck with your existing insurer. CLC needs to obtain more insurers with some flexibility if needed in order to do so	2/23/2022 8:45 AM
6	I know the CLC wants to protect us by refusing to change the run off requirements but I think that really does not serve us well in the long run. We were forced in to a corner with our renewal this year due to limited choice. I would rather accept a run off payment that hopefully will never be needed for the sake of increased choice and reduced PII costs on an annual basis.	2/22/2022 4:28 PM
7	Every year we wait until the very last minute to get a quote through, leaving us with no choice but to accept the terms offered. Surely this can't carry on like this forever?	2/22/2022 3:32 PM
8	The premiums keep increasing in a way that seems to have no bearing in relation to inflation. All we are told is that there is a worry some form of deluge of claims in relation to any particular aspect expected on the horizon whether those claims actually arise is unknown. As mentioned before would it not be beneficial to have a mutual insurance for the benefit of CLC members which automatically provides run-off cover and is possibly based upon a percentage of turnover making insurance fair and putting it on a level playing surface between different sizes of firms	2/22/2022 2:36 PM
9	I wonder whether a profession-wide mutual scheme, such as SRA regulated practices bemoan the loss of, might be a better alternative to the exigencies of the open market (which can be affected by all sorts of losses and claims on insurers, which have nothing to do with our profession.	2/22/2022 10:31 AM
10	As the regulator, the CLC should strike a balance between the premiums payable by practices and insurers' requirements thereby encouraging as many insurers into the market as possible which in theory should create more competition in the market. I suppose this is stating the obvious.	2/22/2022 10:07 AM
11	It’s difficult to get enough information out of the current insurer to get other quotes	2/22/2022 8:23 AM
12	As a new start up the process was frustrating and stressful. I would like to see the market open and timelines and SLAs agreed with the insurer industry. Opened and visibility of progression of renewals, discussions (if necessary) with underwriters in a timely fashion. It is all very much a run for the deadline and wait. We need to break that cycle.	2/22/2022 7:31 AM

13	Level of Indemnity premiums are the biggest threat to practices-the lack of capacity in the market and the knowledge that practices have to have insurance means that there is a complete lack of competition and this needs to be addressed at high level-new entrants to the market can of course bring premium demands down but new entrants are discouraged as the companies in the market apear to be operating almost a closed shop aproach-it would appear only half the market is available to firms operating on levels of work in excess of 70% for convetyancing which is not good	2/21/2022 12:11 PM
14	Insurers should be required to provide quotes well in advance of renewal - last years renewal process was extremely late and very stressful.	2/21/2022 11:42 AM
15	No	2/20/2022 7:53 PM
16	Firms with poor claim records which arise from inherently bad practice shouldn't be allowed to impact those firms that have strong good practice. Law firms should not be allowed to charge fees for conveyancing that do not reflect a proper level of service.	2/18/2022 9:59 AM
17	It would be helpful if there was either a standard form for all insurers or a portal where information could be submitted.	2/17/2022 11:50 AM
18	Insurers should be mandated to offer terms (or refuse terms) within a month of receipt of the proposal rather than leading firms to a cliff edge.	2/15/2022 5:20 PM
19	the renewal round of spring 2021, CLC encouraged us to get quotes from as many as 7 or 8 potential brokers. This led to multiple approaches being made to Insurers who rejected the proposal for reason of duplication. At least 4 brokers failed to even say "yes" or "no". The extra work involved was quite a waste of time.	2/15/2022 1:15 PM
20	yearly 20% premium increases despite a perfect claims record is absolutely unreasonable.	2/15/2022 9:25 AM
21	yes it is far too high forcing many small practices to close or consider closing	2/14/2022 3:09 PM
22	The insurers should provide final quotes prior to the day of renewal	2/14/2022 12:49 PM
23	The premiums are just too high, even for a no claim (ever) sole practitioner.	2/14/2022 9:55 AM
24	I do find that the renewals are always deliberately late form the insurers to not allow time for any choice.	2/14/2022 9:51 AM
25	The current situation of having a cliff edge situation each year as renewal comes round is simply not a viable business !	2/9/2022 6:13 PM
26	Insurers should have to provide quotes for new firms otherwise it is a closed shop	2/9/2022 9:08 AM

Q6 Which of the following best applies to you?

Answered: 60 Skipped: 10



ANSWER CHOICES	RESPONSES	
I work in a CLC-regulated practice	83.33%	50
I work in an SRA-regulated practice	16.67%	10
I work in the insurance industry	0.00%	0
I work in the mortgage industry	0.00%	0
I work in an organisation representing the mortgage industry	0.00%	0
I work in financial or insurance regulation	0.00%	0
I work in an organisation regulating lawyers	0.00%	0
I work in an organisation representing lawyers	0.00%	0
I am a consumer of legal services	0.00%	0
I work in an organisation representing consumer interests	0.00%	0
TOTAL		60

#	OTHER (PLEASE SPECIFY)	DATE
1	I owned a practice and was caught up in this mess last year!	2/21/2022 10:00 PM

2	I currently work in an SRA regulated practice and I am seeking to open a CLC regulated firm, having spent 11 years in a CLC regulated firm.	2/21/2022 9:13 PM
3	Service provider to conveyancing lawyers	2/16/2022 1:52 PM
4	I am unemployed	2/14/2022 10:02 AM
5	sole practitioner	2/14/2022 9:55 AM

Q7 If you would like to be updated about the outcome of this consultation, please leave your email address.

Answered: 26 Skipped: 44

#	RESPONSES	DATE
1	liz@autumnyearslaw.co.uk	2/25/2022 5:38 PM
2	Pedwards@conveylaw.com	2/25/2022 7:19 AM
3	rob@elite-conveyancing.com	2/23/2022 10:24 PM
4	dm@davidmanning.co.uk	2/23/2022 3:05 PM
5	sharon@amitylaw.co.uk	2/23/2022 1:37 PM
6	julia@gandwilkinson.co.uk	2/23/2022 8:46 AM
7	rimz_90@hotmail.com	2/22/2022 5:40 PM
8	claire.williams@wessex-conveyancing.co.uk	2/22/2022 5:05 PM
9	moates@pooletownsend.co.uk	2/22/2022 4:28 PM
10	lisawills@johnmlewis.co.uk	2/22/2022 3:32 PM
11	mh@michaelhiggs.co	2/22/2022 2:36 PM
12	michael@mrtimms.org	2/22/2022 10:32 AM
13	info@nwykeham.co.uk	2/22/2022 10:08 AM
14	Sue@toomeylegal.co.uk	2/22/2022 8:24 AM
15	davids@cluttoncox.co.uk	2/22/2022 7:40 AM
16	Sarah.ryan@saillegal.co.uk	2/22/2022 7:32 AM
17	gavinc@carpenterssolicitors.co.uk	2/21/2022 12:12 PM
18	emma@lyonsandcompany.co.uk	2/21/2022 11:43 AM
19	bellamaroc23@yahoo.co.uk	2/20/2022 7:58 AM
20	nigel.bradley@bradleys.co.uk	2/15/2022 5:21 PM
21	sarah@citrusconveyancing.co.uk	2/15/2022 3:17 PM
22	LadyJ.of.TT@gmail.com	2/15/2022 11:21 AM
23	hhellon@proconveyancing.co.uk	2/15/2022 7:33 AM
24	lizknott@johnmlewis.co.uk	2/14/2022 12:49 PM
25	ajstokes@tiscali.co.uk	2/14/2022 10:02 AM
26	pam@reglerandcompany.co.uk	2/14/2022 9:54 AM