

Ratification of Decisions Taken Outside of Council meetings

Purpose: For approval

Author: Head of Executive Office

Approver: Chief Executive

1. Summary

1.1 The Council is requested to ratify decisions taken outside Council meetings with regard to:

- Professional Indemnity Insurance (PII) Policy, which was agreed on 10 March 2022 in advance of a consultation exercise
- Appointment of lay Adjudication Panel members, which was agreed outside of a Council meeting to enable members to be appointed in a timely manner and upon recommendation of the Appointments Committee
- Appointment of Non-Executive Directors to enable succession to office subsequent to the end of the term of office of serving Council members and upon recommendation of the Appointments Committee
- Establishment of a Consumer Reference Group and appointment of a convenor upon recommendation of the Appointments Committee and Remuneration Committee
- Non Executive Director remuneration following a recommendation of the Remuneration Committee to take account of benchmarking and median market reference points
- Senior Management Team remuneration following a recommendation of the Remuneration Committee to take account of benchmarking and median market points.

2. Recommendations

The Chair will request the Council formally to ratify the following decisions taken outside Council meetings:

Professional Indemnity Insurance

- (1) That automatic 90-day extension of PII cover must be provided by the last insurer in the event that a practice is unable to renew cover
- (2) That PII cover will be in line with the standard minimum terms and conditions
- (3) That PII cover will attract a pro rata premium based on the most recent annual premium

- (4) That practices may not take on new work during the extended cover period and this provision will not be available to practices:
 - a. If their insurer has notified the practice and the CLC, no later than three months before the expiry of annual cover that the insurer will not offer renewal of cover at the end of the year. As the insurance ends on 30 June, this means that notice of non-renewal must be provided by the insurer no later than 31 March
 - b. If the inability to renew cover is due to regulatory breaches that are subject to CLC action.
- (5) That no change is made to integrated run-off cover on the basis that insurers are expected to ensure that the annual premium they collect for PII cover includes a sum that reflects the risk of the insured firm going into run-off during or at the end of that insurance year
- (6) That the Participating Insurers' Agreement is retained, with some amendments
- (7) That higher excesses may be allowed in very limited circumstances when the CLC has approved this following a joint submission from the insurer and practice
- (8) That a further band of minimum excesses of a further 1% on fees above £1,000,001 is set for the largest practices
- (9) The CLC will continue to explore how consumers can be better protected against cyber risks through insurance and regulatory requirements (and which is separate from amendments to Professional Indemnity Insurance arrangements)
- (10) To incorporate the amended wording as set out in the consultation document relating to Insurance Act Compliance
- (11) To introduce a new requirement on practices to have submitted a PII proposal to at least one of the approved CLC schemes no later than 1 May each year
- (12) To introduce a new requirement on insurers to issue quotes to practices no later than 1 June each year where the proposal has been submitted by 1 May
- (13) Further proposals may be submitted by practices and quotes issued by insurers during June
- (14) To introduce a new PIA requirement that insurers should issue claims history within 5 working days of receiving a request from the practice
- (15) To amend the CLC Licensing Framework to make explicit that CLC regulated lawyers who have been managers in a practice that has not paid any required PII premiums will have this taken into account if and when they seek managerial positions in different practices
- (16) The CLC will continue to work with brokers and insurers to improve the availability of cover for start-up and transferring firms

Adjudication Panel Appointments

- (17) To appoint Gillian Seager as a lay member of the Adjudication Panel for a four year term of office commencing 1 May 2022
- (18) To appoint Isobel Leaviss as a lay member of the Adjudication Panel for a four year term of office commencing 1 May 2022
- (19) To appoint Andrew Hudson as a lay member of the Adjudication Panel for a four year term of office commencing 1 May 2022

Non-Executive Director Appointments

- (20) To appoint Victoria MacGregor as lay Non-Executive Director of the Council for Licensed Conveyancers for a four year term of office commencing 1 May 2022
- (21) To appoint Sarah Ryan as a professional Non-Executive Director of the Council for Licensed Conveyancer for a four year term of office commencing 1 May 2022
- (22) To appoint Victoria MacGregor and Sarah Ryan to the Audit and Risk Committee

Consumer Reference Group

- (23) To appoint Teresa Perchard to convene a Consumer Reference Group on a per diem fee of £350 for an estimated 4-6 days' commitment, subject to review following 12 months

Non Executive Director and Senior Management Team Remuneration

- (24) To approve the recommendation of the Remuneration Committee to move a remuneration policy of median market reference points for Non Executive Directors
- (25) To approve the recommendation of the Remuneration Committee to move a remuneration policy of median market reference points for the CLC Senior Management Team

3. Risk Management, Financial, Legal and Diversity and Inclusion impact

- 3.1 Risk management, Diversity and Inclusion impact and financial implications were detailed within the previously circulated reports.

4. Communication requirements

- 4.1 There are no communication requirements for the purposes of this report. Details of Council member appointments will be published on the CLC's website.