



Professional Indemnity Insurance Code

In this Code 'you' refers to individuals and bodies regulated by the **CLC**; all individuals and bodies regulated by the **CLC** must comply with this Code. You must not permit anyone else to act or fail to act in such a way as to amount to a breach of this Code.

Outcomes-Focused

The **Code of Conduct** requires you to deliver the following **Outcomes**:

- Each **Client's** best interests are served; (**Outcome 3.1**)
- You act in accordance with your regulatory responsibilities. (**Outcome 5.1**)

Providing **clients** with access to appropriate redress helps you deliver these **Outcomes** and requires you to act in a principled way:

1. **Act in the best interests of your Clients. (Overriding Principle 3)**
2. **Deal with regulators and ombudsmen in an open and co-operative way. (Overriding Principle 5)**
3. You only accept instructions and act in relation to matters which are within your professional competence. (**CoC P3a**)
4. You only provide **Regulated Services** whilst you have **CLC**-approved **professional indemnity insurance** in force. (**CoC P3i**)
5. You ensure there are adequate indemnity **arrangements** in respect of **claims** made against you for work carried out by you before you ceased to practice by taking out **professional indemnity insurance** for a minimum period of 6 years from the expiry of the period of **professional indemnity insurance** stated in your evidence of insurance or policy document. (**CoC P3o**)
6. If you seek to exclude or limit liability, you do so only to the extent that such exclusion or limitation is above the minimum level of cover afforded by **CLC**-approved **professional indemnity insurance**; you must obtain the written informed consent of the **Client** and the consent of the **CLC** for such exclusion or limitation to be effective. (**CoC P3p**)

You must also comply with the following specific requirements:

7. When providing services which are not regulated by the **CLC**, you advise your **Client** of this and inform them in writing that the activity is not covered by **CLC**-approved **professional indemnity insurance** or the **CLC**-administered **Compensation Fund**. (**CoC P3q**)
8. You **promptly** notify insurers in writing of any facts or matters which may give rise to a claim under **CLC**-approved **professional indemnity insurance**. (**CoC P5k**)

Professional Indemnity Insurance

9. When providing **CLC-regulated services** you must have **professional indemnity insurance** in place at all times, which complies with the minimum requirements of Article 10(4) IDD and the CLC's PII Policy Wording
10. You must:
 - 10.1 Submit a proposal to at least one insurer that is a party to the Participating Insurers Agreement no later than 1 May each year.
 - 10.2 Pay the applicable annual premium for professional indemnity insurance;
 - 10.3 Comply with the professional indemnity insurance terms as apply to you;
 - 10.4 Comply with the Self Insured Excess policy (set out at 13) and such other policies as the **CLC** may issue;
 - 10.5 Produce a current **Evidence of Insurance** when requested by the **CLC**;
 - 10.6 Permit the Participating **Insurers** or the **Brokers** to notify the **CLC** should any circumstances arise whereby the Participating **Insurers** or the **Brokers** consider that the body has failed to comply with their responsibilities as a **CLC** body or when any **Evidence of Insurance** is avoided.

Claims

11. In the event of a professional indemnity insurance **claim** you produce any information the **CLC** deems appropriate within five **working days** of the **CLC**'s information request.

Self Insured Excess

- 13.1 Should your self-insured Excess exceed:
 - (1) £3,500 or
 - (2) the sum of the following:
 - (i) 5% Fees (as defined in the CLC's PII **Policy** Wording) where the Fees are no more than £200,000; plus
 - (ii) 3% Fees on Fees between £200,001 and £500,000; plus
 - (iii) 2% Fees on Fees between £500,001 and £1,000,000; plus
 - (iv) 1% Fees on Fees above £1,000,001

you report this to the **CLC**. The **CLC** will need to be satisfied that the body will avoid additional exposure of the **CLC**'s **Compensation Fund** to unpaid excesses.

- 13.2 If you are satisfied that the body you manage has the ability to meet additional liability over and above this you may make a specific application to the **CLC** to increase the self-insured Excess.

13.3 Your application outlines how the body intends to meet the obligation to avoid additional exposure of the **CLC's Compensation Fund** to unpaid excesses.

Should you require information on how to meet your responsibilities under this Code, please see the **CLC's Professional Indemnity Insurance Guidance**.