



ZURICH

Zurich Professional

Changes to the Solicitors Minimum Terms and Conditions

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What are the Changes?

- Minimum sum insured
- Clarification re layering/co-insurance
- Changes to the operation of run off cover
- Changes to the aggregation clause

The Minimum Sum Insured

- Increased to £3 million each and every claim (exclusive of Defence Costs) for recognised bodies (such as LLPs)
- Increased to £2 million each and every claim (exclusive of Defence Costs) for all other practices

Layering/Co-Insurance

- Has always been permitted
- More likely now that the minimum sum insured has increased?
- How will this affect claims handling?
- Impact on Insureds?

Run Off Cover

- Insurers are permitted (but not required) to cancel run-off cover and reinstate the primary cover if a firm restarts its practice
- How many insurers will take advantage of this?
- Advantageous for firms?

Aggregation Wording

- The most important change?
- The effect of Lloyds TSB
- The new wording
- Does the wording go far enough?

The New Wording

“The insurance may provide that when considering what may be regarded as one Claim for the purposes of the limits contemplated by clauses 2.1 and 2.3:-

- (a) all Claims against any one or more Insured arising from:-
 - (i) one act or omission;
 - (ii) one series of related acts or omissions;
 - (iii) the same act or omission in a series of related matters or transactions;
 - (iv) similar acts or omissions in a series of related matters or transactions

and

- (b) all Claims against one or more Insured arising from one matter or transaction will be regarded as one Claim.”

And finally....

- Questions?