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a presentation by  
**HILL DICKINSON**

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A Presentation By:

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## **RICS APPROVED WORDING**

**Approved Insurers must provide wording that is no less comprehensive than the RICS approved wording**



## **RICS Approved Wording**

### **Section A - INSURING CLAUSES**

#### **1. Civil Liability**

1.1. To indemnify the INSURED against any CLAIM or CLAIMS

- a. first made against the INSURED and/or
  - b. arising out of any CIRCUMSTANCE(S) which the INSURED shall first notify during the POLICY PERIOD...
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**SECTION C – CLAIMS CONDITIONS**

1. Notification of a CLAIM or CIRCUMSTANCE(S)
  - 1.1. If during the POLICY PERIOD the INSURED shall receive any CLAIM, or any notice of an intention to make a CLAIM, the INSURED shall give written notice to INSURERS as soon as reasonably practicable. All CLAIMS must in any event be notified within 10 working days after the expiry of the POLICY PERIOD.

**RICS Approved Wording**

**SECTION C – CLAIMS CONDITIONS**

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2. **Adjudication**

The INSURED shall as a condition precedent to its right to indemnity...

  - 2.1 Notify INSURERS within 2 workings days of receipt of any intention to adjudicate...
3. **An Ombudsman**

The INSURED shall as a condition precedent to its right to indemnity...give written notice to INSURERS as soon as reasonably practicable...

## **Notification of a claim.**

### **Condition precedent?**

Definitely talking about a claim – not a circumstance.



## **Claims made or claims made and notified?**

- 10 day extension period?
  - Qualified?
  - Commercial purpose.
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## **Certainty**

Notification requirement  
provides certainty

Finite number of claims.



## **Is Kidsons helpful?**

Points discussed in  
relation to claims are obiter.



## “Conditional link”

Court looks for a clear conditional link  
Approved Wording seemingly does not have that.  
Some clauses Conditions Precedent others are not.



## RICS Approved Wording

### Other factors

#### SECTION E. – Special Institution Condition

##### Clause 2.

Where the INSURED'S breach of or non-compliance with any provision in clauses 1, 4, 5 or 6 of Section C of this policy has resulted in prejudice to the handling or settlement of any CLAIM, INSURERS shall be entitled to reduce the indemnity afforded by this policy in respect of such CLAIM (including all DEFENCE COSTS) to such sum as in INSURERS' reasonable opinion would have been payable by them in the absence of such prejudice.



## Damages only remedy?



## Sample Wording

Claims Conditions 1-3 below are conditions precedent to Our obligation to indemnify You ..... We may be entitled to decline to indemnify You against that claim...

### 1. Notification

You must notify Us in writing as soon as possible...provided that We receive the notification before the end of the Period of Insurance if you receive, discover or become aware of:

1.1 any claim made against You.



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## Conclusion

Notification is NOT  
a Condition Precedent.



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