



The Law Society

## **2012 Insurers Guide**

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## Status of this guide

This guide is a non-exhaustive list of the insurers that have indicated that they intend to apply to become qualifying insurers (QIs) for 2012-13 indemnity year.

It indicates the practice sizes for which the QIs have stated that they are willing to consider providing professional indemnity insurance cover. We have also indicated when we have obtained this information from public sources but were unable to confirm this directly with the insurer. It also lists any other restrictions that apply to the practices that these insurers are willing to consider and states how you should approach these insurers.

Most of the insurers can only be approached via an insurance broker (this is listed as 'via broker' in the approach column). Where possible, and to the extent that insurers have been prepared to provide us with this information or it was able to be verified with information in the public domain, we have indicated which brokers have direct access to each insurer. Some brokers will only disclose their market access on request so we recommend that you ask your broker for further details if they are not listed. A list of the main brokers in the solicitors' PII market in 2011 is available for reference at **Appendix A**. It may also be possible to access insurers through other brokers or 'indirectly' via sub-brokers. For further information about sub-brokers, see the Law Society's [PII Buyers' Guide](#).

This guide constitutes a compilation of the information provided to the Law Society by the insurers who were willing to participate in its production. There may be other insurers in the solicitors' PII market that are willing to insure your practice but have not provided an entry for this guide. A list of these insurers is at **Appendix B**.

A new section has been added to the tables in this guide to include whether or not the insurer has a financial security rating and the provider of this rating. We have also included some general information at **Appendix C** about what these ratings may mean, however, we recommend that you seek advice from your broker about the suitability or otherwise of obtaining a quotation from insurers on this list.

This guide will be updated throughout the renewal season and new insurers may enter the market after the date of this publication. For this reason, we advise you to check our website throughout the renewal season to ensure that you are using the most up-to-date version of this guide. You can also follow us on Twitter at **LSRegAffairs** and Practice Update to keep updated.

While care has been taken to ensure that the information in this guide is accurate, up-to-date and useful, the Law Society will not accept any legal liability nor warrant the accuracy of the information within.

You should ask your broker for further information and advice about the most appropriate insurer for your practice. For more information about choosing a broker see the Society's [PII Buyers' Guide](#).

## Insurers by firm size - Sole practitioners

Insurer	Financial security rating / provider	FSCS	Restrictions on type of firm / work	Approach (Direct or via broker)	Which brokers have direct access?
Alpha Insurance A/S	Unrated	Yes	None	Via broker	Brokers via Indemnity Risk Solutions (Ink Underwriting Agencies Ltd)
AmTrust Europe Limited	A A.M Best	Yes	Reviewed on a case by case basis	Via broker	JLT
Axis Specialty Group Plc	A A.M Best  A+ S&P	Yes	Unknown	Via broker	Prime Professions*
Balva Insurance Company AAS	Unrated	Yes	None	Via broker	Bar Professions
Enterprise Insurance Company	Unrated	Yes	None	Via broker	Various brokers
European Risk Insurance Company h/f	Unrated	Yes	None	Via broker	Bar Professions
International Insurance Company of Hannover Limited	A A.M Best  AA- S&P	Yes	Reviewed on a case by case basis	Via broker	Lockton
Liberty Mutual Insurance Europe Limited	A A.M Best  A- S&P	Yes	Reviewed on a case by case basis	Via broker (unless already a direct client)	Prime Professions
Travelers Insurance Company Limited	AA S&P	Yes	None	Direct and via broker	All brokers with Travelers Agency
QBE Insurance (Europe) Limited	A A.M Best  A+ S&P	Yes	Reviewed on a case by case basis	Via broker	Aon Risk Solutions*
W R Berkley Insurance (Europe) Limited	A A.M Best	Yes	Personal injury work only. No past conveyancing.	Via broker	Various*
XL Insurance Company Limited	A A.M Best  A S&P	Yes	Reviewed on a case by case basis	Via broker	Aon Risk Solutions
Zurich Insurance plc	AA- S&P	Yes	Not accepting new business	Via broker (unless already a direct client)	Various (Brokers will confirm if they have access)

\*Entry not confirmed by insurer / broker

## 2-3 partners

Insurer	Financial security rating provider /	FSCS	Restrictions on type of firm / work	Approach	Which brokers have direct access?
Alpha Insurance A/S	Unrated	Yes	None	Via broker	Brokers via Indemnity Risk Solutions (Ink Underwriting Agencies Ltd)
Axis Specialty Group Plc	A A.M Best  A+ S&P	Yes	Unknown	Via broker	Prime Professions*
Aviva Insurance UK Limited	A A.M Best  AA- S&P	Yes	Unknown	Via broker	JLT*
Balva Insurance Company AAS	Unrated	Yes	None	Via broker	Bar Professions
Elite Insurance Company Limited	Unrated	Yes	Firms who predominately carry out personal injury work	Via broker	Prime Professions Total Insurance QLP Brunel Gallagher Heaths Windsor
Enterprise Insurance Company	Unrated	Yes	None	Via broker	Various brokers
European Risk Insurance Company h/f	Unrated	Yes	None	Via broker	Bar Professions
International Insurance Company of Hannover Limited	A A.M Best  AA- S&P	Yes	Reviewed on a case by case basis	Via broker	Lockton
Liberty Mutual Insurance Europe Limited	A A.M Best  A- S&P	Yes	Reviewed on a case by case basis	Via broker (unless already a direct client)	Marsh
Travelers Insurance Company Limited	AA S&P	Yes	None	Direct and via broker	All brokers with Travelers Agency
W R Berkley Insurance (Europe) Limited	A A.M Best	Yes	Personal injury work only. No past conveyancing.	Via broker	Various*
XL Insurance	A A.M Best	Yes	Reviewed on a	Via broker	Aon Risk Solutions

Insurer	Financial security rating provider /	FSCS	Restrictions on type of firm / work	Approach	Which brokers have direct access?
Company Limited	A S&P		case by case basis		
Zurich Insurance plc	AA-S&P	Yes	Not accepting new business	Via broker (unless already a direct client)	Various (Brokers will confirm if they have access)

\*Entry not confirmed by insurer / broker

## 4-10 partners

Insurer	Financial security rating / provider	FSCS	Restrictions on type of firm / work	Approach	Which brokers have direct access?
Allianz Global Corporate & Specialty Ag	A+ A.M Best	Yes	None	Via broker	Declined to comment
Aviva Insurance UK Limited	A A.M Best  AA- S&P	Yes	Unknown	Unknown	Unknown*
Axis Specialty Group Plc	A A.M Best  A+ S&P	Yes	Unknown	Via broker	<b>4-6 partners</b> Lockton* <b>7-10 partners</b> Windsor*
Balva Insurance Company AAS	Unrated	Yes	None	Via broker	Bar Professions
Chartis Insurance UK Limited	A S&P	Yes	None	Unknown	Unknown*
Elite Insurance Company Limited	Unrated	Yes	Firms with <b>up to 8 partners</b> predominately personal injury work	Via broker	Prime Professions Total Insurance QLP Brunel Gallagher Heaths Windsor
Enterprise Insurance Company	Unrated	Yes	None	Via broker	Various brokers
European Risk Insurance Company h/f	Unrated	Yes	None	Via broker	Bar Professions
First Title Insurance plc	A- AM Best	Yes	None	Via broker	Brokers via Indemnity Risk Solutions (Ink Underwriting Agencies Ltd)
International Insurance Company of Hannover Limited	A A.M Best  AA- S&P	Yes	Reviewed on a case by case basis	Via broker	Lockton
Liberty Mutual Insurance Europe Limited	A A.M Best  A- S&P	Yes	<b>4-5 partners</b> only. Reviewed on a case by case basis.	Via broker (unless already a direct client)	Lockton
Travelers	AA S&P	Yes	None	Direct and	All brokers with Travelers

Insurer	Financial security rating / provider	FSCS	Restrictions on type of firm / work	Approach	Which brokers have direct access?
Insurance Company Limited				via broker	Agency
QBE Insurance (Europe) Limited	A A.M Best  A+ S&P	Yes	Unknown	Via broker	Aon Risk Solutions*
W R Berkley Insurance (Europe) Limited	A A.M Best	Yes	Personal injury work only. No past conveyancing.	Via broker	Various*
XL Insurance Company Limited	A A.M Best  A S&P	Yes	Reviewed on a case by case basis	Via broker	Marsh Insurance Brokers
Zurich Insurance plc	AA- S&P	Yes	Not accepting new business	Via broker (unless already a direct client)	Various (Brokers will confirm if they have access)

\*Entry not confirmed by insurer / broker



## 11+ partners

Insurer	Financial security rating / provider	FSCS	Restrictions on type of firm / work	Approach	Which brokers have direct access?
Allianz Global Corporate & Specialty Ag	A+ A.M Best	Yes	None	Via broker	Declined to comment
Aviva Insurance UK Limited	A A.M Best AA- S&P	Yes	Unknown	Unknown	Unknown*
Axis Specialty Group Plc	A A.M Best A+ S&P	Yes	Unknown	Via broker	Various brokers*
Balva Insurance Company AAS	Unrated	Yes	None	Via broker	Bar Professions
Chartis Insurance UK Limited	A S&P	Yes	None	Unknown	Unknown*
Enterprise Insurance Company	Unrated	Yes	None	Via broker	Various brokers
European Risk Insurance Company h/f	Unrated	Yes	None	Via broker	Bar Professions
First Title Insurance plc	A- AM Best	Yes	None	Via broker	Brokers via Indemnity Risk Solutions (Ink Underwriting Agencies Ltd)
International Insurance Company of Hannover Limited	A A.M Best AA- S&P	Yes	Reviewed on a case by case basis	Via broker	Lockton
Travelers Insurance Company Limited	AA S&P	Yes	None	Direct and via broker	All brokers with Travelers Agency
QBE Insurance (Europe) Limited	A A.M Best A+ S&P	Yes	Unknown	Unknown	Unknown*
W R Berkley Insurance (Europe) Limited	A A.M Best	Yes	Personal injury work only. No past conveyancing.	Via broker	Various*
XL Insurance Company Limited	A A.M Best A S&P	Yes	Strictly <b>11-25 partner</b> practices Reviewed on a case by case basis	Via broker	Paragon Insurance Brokers

<b>Insurer</b>	<b>Financial security rating / provider</b>	<b>FSCS</b>	<b>Restrictions on type of firm / work</b>	<b>Approach</b>	<b>Which brokers have direct access?</b>
Zurich Insurance plc	AA-S&P	Yes	None	Via broker (unless already a direct client)	Various (Brokers will confirm if they have access)

\*Entry not confirmed by insurer / broker

## Appendix A: List of main solicitors' PII brokers in 2011

This is a list of main brokers active in the solicitors' PII market last year as reported in the Law Society's 2011-12 PII survey. These were the most frequently used brokers according to those solicitors surveyed.

Aon Risk Solutions

Lockton

Prime Professions

Giles Insurance Brokers

St Giles Legal and Professional Risks

Marsh

Bar Professions

Headley Insurance Brokers

Howden Insurance Brokers

Professional Indemnity Company

Brunel Professional Risks Ltd

Hera Indemnity

QPI Legal

**Reference:** IFF report, Professional Indemnity Insurance Survey 2011, p. 16.  
The full survey is available [here](#).

## Appendix B: Qualifying insurers unconfirmed entries

Insurer	Reason
Aviva Insurance UK Limited	Did not respond, entry based on <a href="#">publically available information</a>
Barbican Syndicate 1955 - Libra	Did not respond, no publically available information
Chartis Insurance UK Limited	Did not respond, entry based on <a href="#">publically available information</a>
Chubb Insurance Company of Europe SE	Did not respond, no publically available information
Lemma Europe Insurance Company Limited	Not accepting new business
Pembroke Syndicate 4000	Did not respond, no publically available information
QBE Insurance (Europe) Limited	Did not respond, entry based on <a href="#">publically available information</a>
QBE Syndicate 386	Did not respond, no publically available information
RSA Insurance	Not accepting new business
W R Berkley Insurance (Europe)	Did not respond, entry based on <a href="#">publically available information</a>

Based on the SRA's list of qualifying insurers as at 27 June 2012.

A complete list and contact details of all [qualifying insurers](#) is available from the Solicitors Regulation Authority's website.

## Appendix C: Financial security ratings

The Solicitors Regulation Authority (SRA) has changed the qualifying insurers agreement (from 1 October 2012) to make it mandatory for qualifying insurers to disclose credit and financial strength ratings. Insurers must state any rating and the name of the agency that has provided the rating on any quotations provided to you. Insurers must also state if they are unrated and notify the SRA within 5 business days of any changes to the rating throughout the indemnity year.

For the most up-to-date ratings, please see the SRA's website.

The Law Society supports increased transparency within the solicitors' professional indemnity insurance (PII) market.

### Importance of an insurers' financial security

Every insurance policy in existence is only as good as the paper it is written on. In other words, the financial strength of the company that issues the policy will determine whether a claim can be paid. Given the long-term nature of solicitors' PII, particularly run-off cover which must be provided for six years, it is important to know that your insurer is financially secure and will be able to meet any claims made on the policy during the indemnity period.

Should an insurer be unable to meet its obligations, there may be a high price to pay: see the Law Society's [practice note](#) on insolvency of qualifying insurers for further details. On the insolvency of an insurer, you have an obligation to find additional cover within four weeks. Any replacement cover will involve payment of additional premium.

At best, a practice will find itself relying on its eligibility for the FSA's Financial Services Compensation Scheme (FSCS); at worst, some practices not eligible for protection could find themselves wholly or partly uninsured. See below: [Am I covered by the FSCS?](#)

### What do the ratings mean?

The existence of a rating is an important factor that you consider when choosing an insurer. However, ratings do not guarantee an insurer's financial solvency.

A rating means that an insurance company has been through an independent process by which a rating agency has assessed its financial strength. The two major rating agencies for insurers are Standard & Poor's (S&P) and AM Best – see **Appendix B**. S&P is generally considered to be the stronger rating agency.

Even though the SRA has required transparency from qualifying insurers about whether or not they are rated or unrated, the SRA has decided not to take any further steps to require a certain level of financial stability from qualifying insurers. Brokers advise on whether they are suitable insurers for a particular client. Indeed, some brokers will refuse to deal with insurers that they considered to be a financial solvency risk. Other brokers will deal with these types of insurers, but only after providing clients with detailed disclaimers.

### Why doesn't the SRA or the Law Society do more to regulate insurers?

The SRA or the Law Society does not vet, approve or regulate insurers. The SRA has only required transparency of financial security ratings without mandating that insurers must have a certain rating or indeed any rating at all. This is part of the agreement that the SRA enters

into with insurers each year to ensure that they provide policies in accordance with the minimum terms and conditions in the SRA Indemnity Insurance Rules.

It is the role of the Financial Services Authority (FSA) to regulate insurers.

## **What is the FSCS?**

The FSCS is a compensation scheme provided by the FSA in the event that an insurer becomes insolvent or ceases trading.

All qualifying insurers are covered by the FSA's scheme; however, there are limits and restrictions on the types of customers that are covered. The FSA requires that all insurers must participate in the FSCS, this includes those firms from the European Economic Area (EEA) that are passported into the UK by the FSA.<sup>1</sup> The FSCS does not apply to reinsurance contracts.

It is important to remember that even if your insurer is covered, there are limits on eligibility and amount payable under the scheme. The purpose of the FSCS is to assist individuals and small businesses and will only pay 90% of an eligible claim.

For more information about whether or not you are likely to be covered by the FSCS, see the Law Society's [PII practice note](#) and the FSA's [consumer information](#).

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<sup>1</sup> See the definition of protected insurance contracts in COMP 5.4 of the [FSA Handbook](#)

## Main rating companies

As at April 2012

### AM Best

Secure	Vulnerable
<b>A++</b> , <b>A+</b> (Superior)	<b>B</b> , <b>B-</b> (Fair)
<b>A</b> , <b>A-</b> (Excellent)	<b>C++</b> , <b>C+</b> (Marginal)
<b>B++</b> , <b>B+</b> (Good)	<b>C</b> , <b>C-</b> (Weak)
	<b>D</b> (Poor)
	<b>E</b> (Under Regulatory Supervision)
	<b>F</b> (In Liquidation)
	<b>S</b> (Suspended)

### Standard and Poor's

#### Long-term ratings

##### Investment grade

**'AAA'** Extremely strong capacity to meet financial commitments. Highest rating

**'AA'** Very strong capacity to meet financial commitments

**'A'** Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances

**'BBB'** Adequate capacity to meet financial commitments, but more subject to adverse economic conditions

**'BBB-'** Considered lowest investment grade by market participants

##### Speculative grade

**'BB+'** Considered highest speculative grade by market participants

**'BB'** Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions

**'B'** More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments

**'CCC'** Currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments

**'CC'** Currently highly vulnerable

**'C'** Currently highly vulnerable obligations and other defined circumstances.

**'D'** Payments default on financial commitments

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.