The Law Society

2012-13 Insurers' Guide

April 2013

Version 9

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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' for 2012-13 indemnity year. This guide also provides a list of the insurers' financial security rating and identifies which insurers are unrated. The **financial security of your insurer is important**, see further Law Society advice.

'Qualifying' insurers are insurers that are authorised by the FSA to conduct general insurance business in the UK and have signed the Solicitors Regulation Authority (SRA)'s Qualifying Insurer's Agreement (QIA). The QIA is a contract that is entered into each year that requires insurers to offer solicitors' PII policies. This is the only requirement that the SRA places on insurers. The SRA does not does not undertake solvency checks on insurers and does not require a minimum level of financial security for participation in the solicitors' PII market. As such, the Law Society has asked the SRA to change the name to 'participating insurer' for the 2013 renewal as this is more reflective of insurer's actual role.

This guide indicates the practice sizes for which the insurers 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 top 10 brokers (by number of firms) within the solicitors' PII market in 2012 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 were 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**.

This guide is for reference only and will be updated for the 2013 renewal season once the insurers participating become known. 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.

Please note: **Balva Insurance Company AAS** has had its licence to write business in the UK suspended by the Latvian regulator, the Financial and Capital Market Commission as at 16 April 2013. While this does not affect its current policies, it may impact on its ability to write solicitors' PII in the future. The Law Society will keep the profession updated on developments – see: http://www.fktk.lv/en/publications/press_releases/2013-04-16_activities_of_ijsc_balva_suspended_temporarily_operating_licence_retained/

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*
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*
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 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 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
Axis Specialty Group Plc	A A.M Best A+ S&P	Yes	Unknown	Via broker	**4-6 partners** Lockton* **7-10 partners** 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 **up to 8 partners** 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	**4-5 partners** only. Reviewed on a case by case basis.	Via broker (unless already a direct client)	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	Via broker	Aon Risk Solutions*

Insurer	Financial security rating / provider	FSCS	Restrictions on type of firm / work	Approach	Which brokers have direct access?
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
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 **11-25 partner** practices Reviewed on a case by case basis	Via broker	Paragon Insurance Brokers
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 2012

This is a list of main brokers active in the solicitors' PII market last year as reported in the Law Society's 2012-13 PII survey. These were the most frequently used brokers to find cover according to those solicitors surveyed.

Aon Risk Solutions

Prime Professions

Lockton

Marsh

Bar Professions

Hera Indemnity

Windsor/Howden

Giles

Brunel Professional Risks Ltd

Professional Indemnity Company

Reference: IFF report, Professional Indemnity Insurance Survey 2012, p. 18.

The full survey is available at:
http://www.lawsociety.org.uk/advice/regulation/pii/surveys/

For more information about choosing the right broker for your firm, see the PII Buyers' Guide www.lawsociety.org.uk/pii

Appendix B: Insurers unconfirmed entries

Insurer	Reason
Aviva Insurance UK Limited	No longer writing professional indemnity insurance lines, see article
Barbican Syndicate 1955 - Libra	Did not respond, no publically available information
Chartis Insurance UK Limited	Did not respond, entry based on publically available information
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 publically available information
QBE Syndicate 386	Did not respond, no pubically available information
RSA Insurance	Not accepting new business
W R Berkley Insurance (Europe)	Did not respond, entry based on publically available information

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

A complete list and contact details of all insurers is available from the SRA website.

Appendix C: Main rating companies

As at April 2013

AM Best

Secure	Vulnerable
A++, A+ (Superior)	**B, B-** (Fair)
A, A- (Excellent)	**C++, C+** (Marginal)
B++, B+ (Good)	**C, C-** (Weak)
	D (Poor)
	E (Under Regulatory Supervision)
	F (In Liquidation)
	S (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.

For more information about ratings and the importance of an insurer's financial security, see: www.lawsociety.org.uk/insuranceadvice

PII help & support

www.lawsociety.org.uk/pii

Advice on insurer's financial security

Importance of financial security – this guide is available for download at:
http://www.lawsociety.org.uk/advice/articles/pii-insurer-insolvency/

Insurers' guide – including financial security rating
http://www.lawsociety.org.uk/advice/documents/pii-insurers--guide/ (PDF)

Insolvency of a qualifying insurer practice note
http://www.lawsociety.org.uk/advice/practice-notes/insolvent-qualifying-insurer/

Information for solicitors with Lemma policies
http://www.lawsociety.org.uk/representation/articles/firms-claims-outstanding-lemma/

Information for solicitors with Quinn policies
http://www.lawsociety.org.uk/advice/articles/information-for-quinn-policyholders/

PII advice

PII practice note – outlines the regulatory requirement to obtain PII and provides an introduction to the application process and market-related issues:
http://www.lawsociety.org.uk/advice/practice-notes/professional-indemnity-insurance/

Excess layer / top up cover – This guide outlines what should be considered when assessing how adequate your PII arrangements are and highlights situations where it may be prudent to purchase excess layer cover above the minimum required by the SRA.
http://www.lawsociety.org.uk/advice/articles/pii-excess-layer/

Setting up practice – regulatory requirements – a guide on the different types of legal practice (from sole practitioner to an alternative business structure) and PII tips for new firms:
http://www.lawsociety.org.uk/advice/practice-notes/setting-up-a-practice-regulatory-requirements/

Retirement calculator – a tool to assist solicitors to work out an indicative figure that should be saved each year as part of their retirement planning to prepare for the likely cost of run-off cover under the mandatory PII policy.
http://www.lawsociety.org.uk/advice/articles/pii-retirement-calculator/

PII Buyers' Guide – a useful guide that explains the different types of intermediaries in the market and has tips to help solicitors get the most out of their relationship with brokers.
http://www.lawsociety.org.uk/advice/documents/pii-buyers--guide/

Transparency campaign – The Society encourages all solicitors to ask their broker what they are receiving in commission this renewal. This disclosure can be used as part of a 'conversation starter' about what level and type of service brokers are providing.
http://www.lawsociety.org.uk/representation/articles/broker-transparency-campaign/

Insurers' Guide – a non-exhaustive list of those insurers who are participating in the market each year. It sets out the segments of the market they are prepared to write and how solicitors can access them (i.e. directly or via a broker).
http://www.lawsociety.org.uk/advice/documents/pii-insurers--guide/

Insurance matters

A free magazine with latest market intelligence www.lawsociety.org.uk/insurancematters

Annual survey

See how your firm's experience measures up with the market trends.
http://www.lawsociety.org.uk/advice/regulation/pii/surveys/

Frequently asked questions

http://www.lawsociety.org.uk/advice/articles/pii-faqs/

Information for firms ceasing to practice or having difficulties

Assigned risk pool & 2013 changes
http://www.lawsociety.org.uk/advice/articles/assigned-risks-pool/

Closing down your practice: regulatory requirements
http://www.lawsociety.org.uk/advice/practice-notes/closing-down-your-practice/

Run-off cover
http://www.lawsociety.org.uk/advice/articles/run-off-cover/

Latest news

www.lawsociety.org.uk/professionalindemnity

Other organisations

You can obtain further information relating to brokers and PII in general from the following websites:

Association of British Insurers
www.abi.org.uk

British Insurance Brokers' Association
www.biba.org.uk

Financial Ombudsman Service
www.financial-ombudsman.org.uk

Financial Conduct Authority
www.fca.org.uk

Solicitors Regulation Authority
www.sra.org.uk