

Solicitors Indemnity Insurance Regulations 2014

The Council of the Law Society of Northern Ireland, in exercise of the powers conferred on them by Article 63, 74 (1) and 75 of the Solicitors (Northern Ireland) Order 1976 (as amended) (hereinafter called "the Order") and all other powers enabling them on that behalf, with the concurrence of the Lord Chief Justice of Northern Ireland, hereby makes the following Regulations:

Introduction and Definitions

1. These Regulations may be cited as the Solicitors Indemnity Insurance Regulations 2014 and shall come into operation on 1 November 2014. The Solicitors Indemnity Regulations 1976 are hereby revoked.
2. (1) The Interpretation Act (Northern Ireland) 1954 shall apply to the interpretation of these Regulations as it applies to the interpretation of a statutory instrument.

(2) Unless defined herein all expressions shall have the meaning assigned to them by the Order.
3. In these Regulations:
 - (a) "Master Policy" refers to the professional indemnity insurance policy procured by the Council with authorised insurers in respect of solicitors;
 - (b) "Certificate of Insurance" refers to the document authenticating the insurance cover under the Master Policy applicable to the solicitor in question;
 - (c) "Loading and Discount Arrangements" refer to the arrangements approved by the Council from time to time applying for the purposes of the calculation of any loadings and discounts on individual premiums for solicitors;
 - (d) "Authorised Insurers" means any person permitted under the Financial Services and Markets Act 2000 to carry on liability insurance business or pecuniary loss insurance business;

(e) "Principal" means:

- (i) a sole practitioner;
- (ii) a partner or a person held out as a partner;
- (iii) a director of a recognised body which is a company;
- (iv) a member of a recognised body which is a limited liability partnership.

Scope of Regulations

- 4. Subject to Regulation 5(1), these Regulations shall apply to every solicitor in private practice.
- 5. (1) These Regulations do not apply to the following persons not regarded as being in private practice in Northern Ireland:
 - a) a solicitor who practises or whose practice is wholly outside of Northern Ireland;
 - b) a solicitor in salaried employment in commerce or industry, central or local government service or in any other such bodies and organisations as may be determined by the Council provided he is not also engaged, or held out to be engaged in private practice.

Terms of Indemnity Insurance

- 6. (1) The Master Policy shall be procured and maintained annually with authorised insurers by the Council and shall contain such indemnities and duties as determined from time to time by the Council.

(2) Subject to Regulation 12(2), every solicitor to whom these Regulations apply shall hold professional indemnity insurance under the terms of the Master Policy as authorised by the Council from time to time.

(3) The requirement to hold professional indemnity insurance under paragraph (2) is without prejudice to any decision a principal may take with respect to the procurement of any additional professional indemnity insurance beyond the level held under the Master Policy and in line with the requirements of his practice.

(4) Subject to Regulation 12(2), the terms of the loading and discount arrangements as arranged by the Council from time to time shall apply to the premium payable by every solicitor to whom these Regulations apply.

(5) The Council shall from time to time determine the following in respect of the Indemnity Insurance arrangements:

- a) the terms of the Master Policy;
- b) the excess and the overall limit of indemnity provided by the Master Policy;
- c) any penalties accruing from late payment of the premium payable by solicitors;
- d) the terms of any loadings and discounts on the premium payable by solicitors;
- e) Any incidental requirements necessary to give effect to the Master Policy.

Arrangements for the Payment of Premiums and Compliance

7. (1) Subject to Regulation 12(2), every solicitor to whom these Regulations apply shall pay the premium payable in respect of the Master Policy such as is necessary to obtain his Certificate of Insurance as soon as it falls due.

(2) A solicitor who has complied with these Regulations in respect of whom the correct premium including any penalties has been paid shall be issued with a Certificate of Insurance.

8. Every principal is responsible for ensuring that all solicitors in his practice comply with their responsibilities under these Regulations and for taking all such steps as the Council may require from time to time to ensure compliance with these Regulations.

9. The Council shall determine from time to time the substantive and administrative requirements it may consider necessary or expedient to ensure compliance with these Regulations.

10. The Council may require any solicitor to whom these Regulations apply to provide such information, evidence and records as it may consider necessary or expedient.

11. (1) Subject to Regulation 12(2), any solicitor whether a principal or assistant to whom these Regulations apply who fails to comply with these Regulations, may be subject to a complaint before the Tribunal.

(2) Without prejudice to Regulation 12(2), proceedings may be initiated by the Council or any other relevant party to recover the premium and all sums paid by way of indemnity resulting from the failure of that solicitor to comply with the requirements of these Regulations.

Exemptions

12. (1) Subject to paragraph (2), no professional indemnity insurance other than that procured under Regulation 6(1) above, shall satisfy the requirements of these Regulations to hold professional indemnity insurance.

(2) The Council may in any case or class of case and without notice exempt any individual solicitor, or category of solicitors, from any of the provisions of these Regulations, either in full or in part and may impose such conditions as they determine.

(3) The Council may revoke any such exemptions granted or conditions imposed under paragraph (2) in the same manner, or to any extent it may determine.

(4) Any direction or variation of any exemptions granted or conditions imposed under paragraph (2) shall take effect from such time and for such period as the Council shall determine.

(5) The Society may in any case or class of case refund, in whole or in part, the premium paid by any individual solicitor to any individual solicitor, or category of solicitors, as are determined by Council from time to time.

(6) No exemption from these Regulations, either in full or in part, express or implied, is permissible, other than that permitted by the Council under the exercise of their powers under these Regulations.

Approved by resolution of the Council on the 15 October 2014.

I certify these to be a true copy of the Regulations approved by the Council of the Law Society of Northern Ireland on 15 October 2014.

Alan Hunter
Chief Executive/Secretary
Law Society of Northern Ireland

16/10/2014
Date

I concur

Right Honourable Sir Declan Morgan
Lord Chief Justice of Northern Ireland

22/10/2014
Date

Explanatory Note for Solicitors Indemnity Insurance Regulations 2014

1. These Regulations set out the requirements for solicitors to hold professional indemnity insurance in pursuit of the Society's regulatory functions as set out in the Solicitors (Northern Ireland) Order 1976.