

Professional Indemnity Insurance Code

(Version 1.0 - effective from 1 January 2025)

To view the printable PDF version, please [click here](#).

This Code must be read with the Code of Conduct. The Code of Conduct is the parent document of the CLC Handbook and Frameworks; it sits above all other Codes in our regulatory arrangements. The Code of Conduct prescribes six Ethical Principles of behaviour which are essential to delivering the specific Outcomes which sit beneath each of the Ethical Principles. All CLC regulated individuals and bodies are expected to comply with the Code of Conduct in the delivery of authorised reserved legal activities and permitted non-reserved legal activities.

The CLC also publishes several other topic specific Codes addressing important areas of practice, including this Professional Indemnity Insurance Code. Topic specific Codes underpin the Code of Conduct and support regulated individuals and bodies in delivering the Ethical Principles and Outcomes of behaviour defined in the Code of Conduct. Topic specific Codes apply to all regulated activities carried out by the individuals or bodies specified in that Code.

In this Code ‘you’ refers to individuals and bodies regulated by the CLC. You must ensure that you always comply with the Code of Conduct and topic specific Codes and must not permit anyone else to act or fail to act in such a way as to amount to a breach of this Code, the Code of Conduct, or the Ethical Principles.

Should circumstances arise in which there is an apparent conflict between a topic specific Code, the Code of Conduct, or any other regulatory requirement, you must ensure that you comply with the Code of Conduct. If in doubt, contact the CLC for advice.

You must ensure that:

1. You only provide Regulated Services whilst you have CLC-approved professional indemnity insurance in force.
2. You ensure there are adequate indemnity arrangements in respect of claims made against you for work carried out by you before you ceased to practice by taking out professional indemnity insurance for a minimum period of 6 years from the expiry of the period of professional indemnity insurance stated in your evidence of insurance or policy document.
3. If you seek to exclude or limit liability, you do so only to the extent that such exclusion or limitation is above the minimum level of cover afforded by CLC-approved professional indemnity insurance; you must obtain the written informed consent of the Client for such exclusion or limitation to be effective.
4. When offering and providing services which are not regulated by the CLC, you advise your Client of this and inform them in writing that the activity is not covered by CLC-approved professional indemnity insurance or the CLC-administered Compensation Fund.
5. You promptly notify insurers in writing of any facts or matters which may give rise to a claim under CLC-approved professional indemnity insurance.

Professional Indemnity Insurance

6. When providing CLC-regulated services you must have professional indemnity insurance in place at all times, which complies with the minimum requirements of Article 10(4) IDD and the CLC’s PII Policy Wording
7. You must:

- 7.1 Pay the applicable annual premium for professional indemnity insurance;
- 7.2 Comply with the professional indemnity insurance terms as apply to you;
- 7.3 Comply with the Self Insured Excess policy (set out at 10) and such other policies as the CLC may issue;
- 7.4 Produce a current Evidence of Insurance when requested by the CLC;
- 7.5 Permit the Participating Insurers or the Brokers to notify the CLC should any circumstances arise whereby the Participating Insurers or the Brokers consider that the body has failed to comply with their responsibilities as a CLC body or when any Evidence of Insurance is avoided.

European Union (EU) Bodies – if you are a European Lawyer

8. If on application:

- 8.1 you satisfy the CLC that the EU body (of which you are a Manager) has EU Professional Cover which complies with the CLC's PII Policy Wording in all its conditions and cover then the EU body will be exempted from obligation to comply with requirement 10.1 whilst the EU Professional Cover (and any agreement with the cover provider) remains in force and is complied with;
- 8.2 you satisfy the CLC that the EU body (of which you are a Manager) has Partial EU Professional Cover then the EU body and its Managers shall be exempted from the obligation to comply with regulation 10.1 whilst the Partial EU Professional Cover (and any agreement with the cover provider) and a Supplemental Policy remain in force and is complied with.

Claims

9. In the event of a professional indemnity insurance claim you produce any information the CLC deems appropriate within five working days of the CLC's information request.

10. **Self-Insured Excess**

- 10.1 Should your self-insured Excess exceed:

1. £3,500 or

2. the sum of the following:

1. 5% Fees (as defined in the CLC's PII Policy Wording) where the Fees are no more than £200,000; plus
2. 3% Fees on Fees between £200,001 and £500,000; plus
3. 2% Fees on Fees between £500,001 and £1,000,000;

you report this to the CLC. The CLC will need to be satisfied that the body will avoid additional exposure of the CLC's Compensation Fund to unpaid excesses.

- 10.2 If you are satisfied that the body you manage has the ability to meet additional liability over and above this, you may make a specific application to the CLC to increase the self-insured Excess where Fees are greater than £1,000,000.

- 10.3 Your application outlines how the body intends to meet the obligation to avoid additional exposure of the CLC's Compensation Fund to unpaid excesses.

Should you require guidance on how to meet your responsibilities under this Code, please see the CLC's [Professional Indemnity Insurance Guidance](#)