

SOLICITORS

A Guide To Solicitors' Professional Indemnity Insurance

Solicitors' Professional Indemnity insurance (PII) falls due on December 1st each year, and it can be an uncertain time for legal firms.

As a result of changing economic circumstances in Ireland, we have seen an increase in the number of PII claims — particularly since the COVID-19 pandemic.

According to global law firm Kennedys, 'the type of risks for solicitors and claims against the profession is ever evolving and at a greater pace than before'.

Allegations of professional negligence can be difficult and extremely costly to defend. It is a requirement that you have Solicitors' Professional Indemnity insurance in place to ensure that your business is protected.



What is Solicitors' Professional Indemnity Insurance?

Solicitors' PII covers you if claims are made against you by a client (or a third party) arising from the legal services you have provided.

Typical allegations include negligence, defamation, or a breach of trust.

What does PII do for a solicitor?

Solicitors' PII claims often arise from an alleged failure to perform your duty of care to a reasonable level, e.g. not following your client's instructions, missing a deadline, or giving incorrect advice.

In the event that you are brought to court to defend such a claim, PII will cover your legal fees and any compensation you may be ordered to pay

Is it compulsory?

Yes. Solicitors' Professional Indemnity Insurance is a requirement of the profession's regulatory bodies and is therefore mandatory for all practising law firms in Ireland.

The Legal Services Regulatory Authority has more information available on its website.



How does it cover them?

By providing cover against civil liability claims, Solicitors' PII enhances a firm's financial security.

Policies are underwritten on a 'claims-made' basis, meaning that the policy that applies is the one that was in force on the day the actual claim was made (as opposed to the one that was active when the work that caused the claim took place). Because of this, it is particularly important that solicitors notify claims within the same policy period as the claim was first made.

What does it protect them from?

If a client suffers financial losses as a result of advice given to them by their solicitor, they could make a claim against them.

Solicitors' Professional Indemnity Insurance can protect the solicitor if they are held liable for those losses.



What is *not* covered by Solicitors' Professional Indemnity Insurance?

- Defence costs associated with professional disciplinary proceedings
- Internal disputes involving partners, shareholders or employees
- Dishonesty or fraudulent behaviours commissioned or condoned by the Insured practice
- Fines or penalties
- Complaints to the Legal Ombudsman relating to 'service' rather than allegations of 'legal liability'
- Liability for bodily injury or property damage
- Personal debts or trading liabilities of the Practice

Your Solicitors' Professional Indemnity Insurance broker

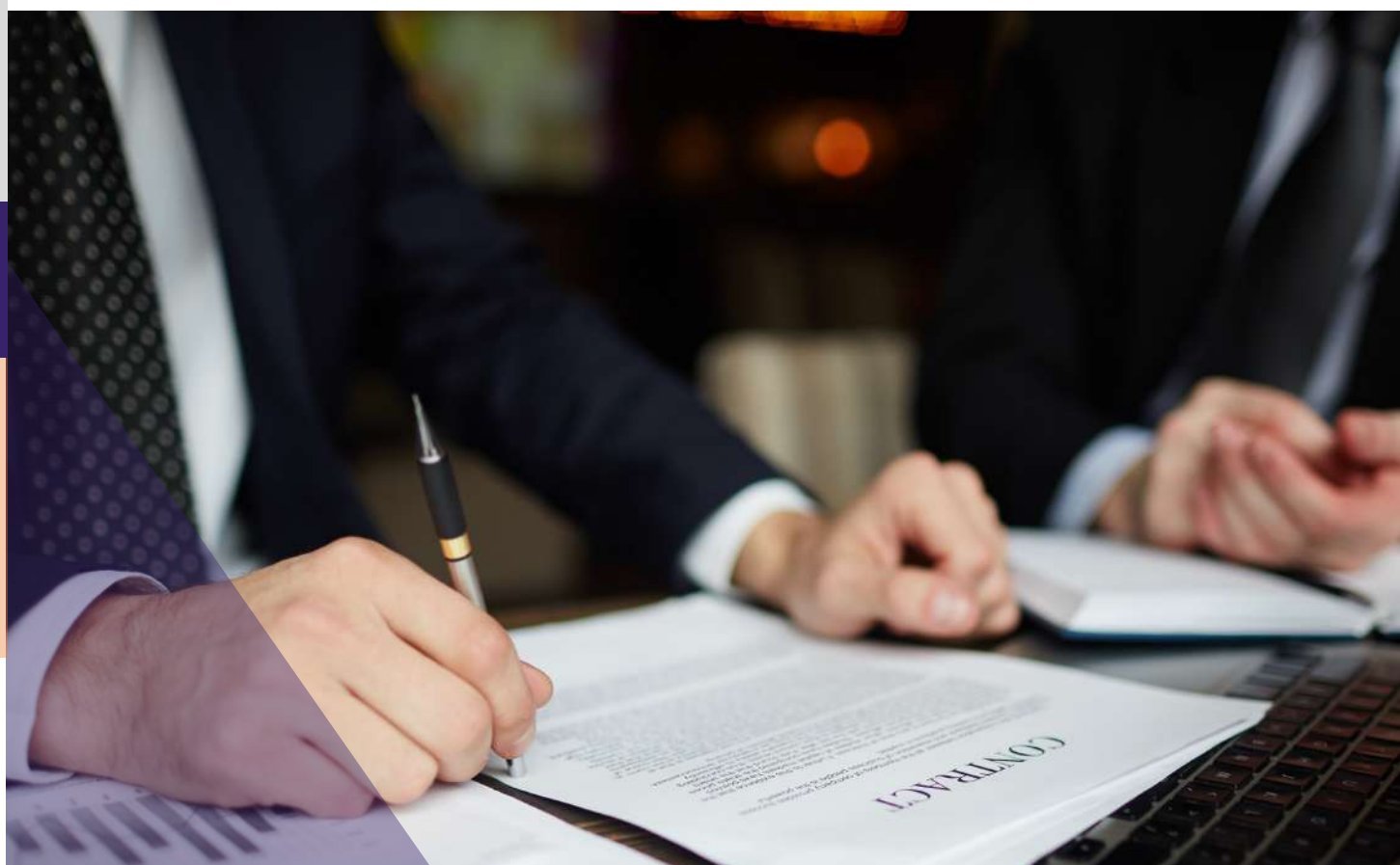
When it comes to your Solicitors' Professional Indemnity Insurance, it is essential to work with a specialist who can demonstrate a high level of expertise in this area, as well as one who will take your unique circumstances into account.

At ERM Financial Services, we have the knowledge and experience to provide your business with Solicitors' Professional Indemnity Insurance coverage at competitive prices.

Our team has specialist knowledge of the Solicitors' Professional Indemnity Insurance market for solicitors, and we are also on the current panel of recommended brokers by the Law Society of Ireland.


Protect yourself with our Solicitors' Professional Indemnity Insurance and ensure your business isn't exposed to risks during this uncertain time.

Get in touch today at **01 845 4361** or at sales@ermfinancialservices.ie to find out more.





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