

PIB Insurance Brokers  
**Professions**



# Professions Newsletter November 2020

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**Containing insights from across the business that we hope you will find useful.**

In this edition we include a review of the October solicitor's Professional Indemnity season, insurance advice for home owners following a mini boom in the property market, and an introduction to another member of our Group, Fish Insurance, which specialises in mobility and disability insurance – of particular interest to PI and clinical negligence practitioners.

Regular features will include case law, interviews, and market updates. If there is anything else you would like to see, do let us know.

# PI Market Update



## Our Placement Director, Kevin Hood, reviews the October solicitor PII season:

The October 2020 renewal season was undoubtedly the toughest that law firms have experienced in terms of PI insurance for over a decade. Firms were faced with a perfect storm of issues, including hardening rates, competition from insurers looking to write new business, excesses increasing (and new excesses for certain types of conveyancing transactions added) and any firms that had claims activity in recent years were further penalised. And as if this wasn't enough, the impact on firms due to Covid-19 and lockdown added a further unwanted headache into the mix.

In terms of rate increases, there was a large variance between insurers' requirements and also between certain work types. In general however, the minimum increase started out at around 15%. For firms with a heavy conveyancing exposure, as an example, rate increases of over 50% were not uncommon, even for firms with no claims activity.

Due to the lack of competition between insurers for a firm of this type, insurers were able to carry this level of increase and retain the business.

Insurers also focussed more heavily this year on the financial stability of the firm before considering offering terms.

In some instances, management accounts up to the end of August were requested to see how the firm was performing during and post lockdown. If the financials were not sufficiently strong, insurers were declining risks, leaving firms with little option than to renew with their existing insurer. We also saw insurers asking equity partners to sign personal guarantees in respect of future unpaid excesses and run off premiums.

The prospects for 2021 do not appear to be much brighter at the moment. The expectation is that rates will continue to harden, although maybe not to the extent of this year, and insurers' appetite will continue to be limited in terms of seeking new business. Even more focus will be placed on the financial position of the firm in view of the difficult economic conditions and it may not be until 2022 that we start to see a softening of the market to any great extent.

## How to prepare for your PII renewal in 2021

Our advice for preparing for renewal in 2021 is largely unchanged from this year. You should send your completed proposal form and market submission to your broker well in advance of your renewal date to allow them sufficient time to approach all potential insurers. In September, firms who left it late to send their submission were left with very little option than to renew with their current insurer, in some cases at very unfavourable terms. Make sure your broker provides you with details of which insurers they have approached to ensure you have all of the relevant market covered. Be prepared that insurers will ask more questions of you than in previous years, so you may well be asked to provide more detail on conveyancing transactions, if applicable, up to date financial information and the overall impact of Covid-19 on your business now and in the future.

## Find out more

To find out more about our Professional Indemnity services please contact.

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# To move or improve?

## Insurance advice for homeowners

Our Private Client Manager, Zoe Watkins, discusses the impact of Covid-19 on the property market and provides guidance on the insurance implications.

### The property market post lockdown

There has been much focus on the surge in residential sales with the property market experiencing a mini boom post lockdown, mostly due to the Government's temporary cut in stamp duty. According to a recent article by BuyAssociation, new instructions from sellers have risen by 36% year-on-year in Q3, with sales agreed increasing by 53% compared to Q3 2019.

Many homeowners will be using the decrease in stamp duty to move to a higher valued home or looking to purchase a second home. Ian McKenzie, chief executive of The Guild of Property Professionals, said: "Approximately 1 million people in the UK, which equates to around 4% of all households, have turned their dream into a reality and own a second property". McKenzie attributed the government's announcement on stamp duty as a driving force.

### Insurance considerations when buying a new/second home

- > Contact your insurance provider well in advance of expected exchange date to discuss your requirements and arrange the correct cover
- > Check your existing home remains protected while you remain responsible for it
- > Second home properties – you will need an additional policy for a second home and there will be additional risks attached which will require specialist cover.

Whether purchasing a second home or a higher value property we advise seeking a high value home insurance policy that offers you the protection you need. At PIB Insurance Brokers, our dedicated insurance specialists will work with you to find an insurance solution for your bespoke requirements.

### An increase in home improvements

The UK has also witnessed an increase in home improvement activity with reports of over 61,000 planning applications made during the 13 weeks of the first lockdown. As the nation stayed at home it provided an opportunity to start home improvement projects.

If all planning permission work is completed it would add more than 1.5 million square meters of space to Britain's existing housing stock. An equivalent of 214 football pitches.

According to a recent article by Santander, analysis of local authority planning applications, compiled by construction industry analysts Barbour ABI, homeowners submitted plans this year to extend their homes by an average of 24.875 sq metres each. The combined total cost of this work is an estimated £1.9 billion pounds.

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Santander also reported that despite the uncertainty brought by Covid-19, and a lot of people now looking to move property, it seems Britain remains home to a community of improvers, who have ploughed ahead with working on their property. Research among more than 2,000 UK homeowners, suggested that for two in five (40%), the pandemic accelerated home improvement plans and inspired future projects both small and large.

## The impact on your insurance policy

Many homeowners do not realise that building works can impact and possibly invalidate their insurance policy.

If you plan to have any renovation work carried out on your home, no matter how small, you should inform your insurers of the work which is to be carried out so specialist cover can be put in place.

## We're here to help

As we head into another lockdown, many homeowners will be looking to continue home improvements or move to a new house. If you would like further insurance advice and support during this process, please get in touch with one of our private client specialists.

PIB Insurance Brokers private client team can guide and assist this process, sourcing a specialist bespoke policy to ensure you have the correct level of cover required for your home improvements.

## We're here to help

For any questions about your home insurance or your clients' home insurance, please contact Zoe Watkins

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### Sources:

<https://www.buyassociation.co.uk/2020/10/26/highest-number-of-homemovers-in-over-a-decade-says-new-report/>

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# Fish Insurance

## Q & A with John Traynor



### Fish are celebrating providing specialist insurance to people with mobility issues in the UK for over forty years.

Part of PIB Group, we spoke to their Head of Business Partnerships, John Traynor, to find out more about this little known area of insurance.

**Q. Can you tell me a bit about Fish's history and how you developed into such a specialist area?**

A. Fish Insurance was formed back in 1975, by a gentleman called Mike Fish, as a regular high street broker. In the mid-1980s Mike was approached by one of his customers looking for insurance for his mobility scooter. Struggling to place the business, Mike approached his underwriters, and the first dedicated mobility scooter insurance product was formed. Over the years we have pioneered and developed a wide range of specialist products by truly understanding the needs and requirements of our customers, meaning that each policy is designed with the customer in mind.

**Q. How has your product range developed over time?**

A. Over the last 45 years Fish Insurance have continued to innovate and have brought a range of new products to the market, from specialised Wheelchair Accessible vehicle insurance through to prosthetics insurance which Fish is still the only provider of in the UK. One of Fish's main product lines is

independent living insurance which protects those who employ their own personal assistants. Again, this product was the first of its kind and was developed in response to the creation of the governments direct payments initiative which looks to give people greater control over the care they receive.

**Q. What sort of challenges do your clients meet in obtaining cover in the general market?**

A. Many of the products we sell are simply not offered by the general market and those that are offered are either very expensive or don't provide the breadth of cover that our products do. For example, our Wheelchair accessible vehicle insurance covers all of the adaptations made to a vehicle new for old and with some vehicle conversions costing in excess of £100,000 this type of cover really is key. Alongside the core features of the policy we also provide 24/7 breakdown through our partners which guarantees

our customers will be collected by a wheelchair accessible vehicle should they break down. If their vehicle is off the road then our "keep mobile" benefit will look to provide them with a wheelchair accessible vehicle to keep them mobile. It's this type of attention to detail and understanding of our customers' needs that sets our company and products apart.

**Q. I understand you are often approached by solicitors seeking cover for their clients – what sort of cover do they typically contact you for?**

A. Solicitors contact us for the entire range of products we sell, however our two most popular policies would be Motor and Independent Living insurance. Some of our solicitor relationships go back more than 20 years and I think the confidence in our products plus the range policies we provide is key to that.



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**Q. In what other ways can you help solicitors, particularly those that practice in personal injury and Court of Protection work?**

A. Our business partnerships team is on hand to support all of our solicitor relationships, from helping to set up block policy arrangements to providing general support across our product range. We deal with a wide range of relationships from smaller companies to some of the biggest national solicitors and regardless of the size our team is on hand to support in any way they can.

**Q. What is your most unusual product?**

A. I would say our prosthetics insurance policy is our most unique product and we are still the only company in the UK to provide this type of dedicated policy. I think many people would be shocked at the value of some of the prosthetic limbs we insure, with values regularly exceeding £50,000 and even higher. We work with the majority of the major prosthetics providers in the UK and the policy was designed in collaboration with several of them. We were actually approached by a prosthetics manufacturer to see if we could provide this type of cover after one of their customers was hit with a hefty repair cost after damage was caused to his sports prosthesis which was specially designed to allow him to go water-skiing. The gentleman in question had finished his water skiing for the day. He lent his sports limb up against the side of his car whilst he put on his regular prosthetic before driving home. Unfortunately, he had forgotten that the sports limb was still leaning on the side of his car and proceeded to reverse over it leading to a repair bill of several thousand pounds. A number of our solicitor relationships who support clients through serious injuries involving the need for a new prosthetic limb will contact us as a matter of course when assessing the costs involved. If they are to purchase a prosthetic limb at a cost of £60,000 then they want to ensure their client has an insurance policy to protect this valuable and extremely important bit of equipment and our policies range from 1-5 years.

**Q. What makes you proudest about working at Fish?**

A. I have worked for Fish for over 8 years in a range of roles and I would say the testimonials that we receive from both customers and business partners alike is what makes it all worthwhile. We are a company that always tries to put our customers' needs first by offering comprehensive products and expert advice and support from a team of people who really care about what they do.

## Find out more

For more information about Fish Insurance, please contact

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# Industry News



In this regular feature we aim to pick some of the stories that have caught our eye recently as being interesting and topical.

This edition looks at a plan to develop model funding documentation amidst a global uptake in litigation funding, an update on the Covid-19 Business Interruption claims, and a new route to qualifying as a solicitor.

## A new way to qualify as a solicitor

[Legal Futures](#) recently reported on the new way of qualifying as a solicitor that will go live from 1 September 2021 following approval of the Legal Services Board (LSB). From this date, to qualify as a solicitor, candidates will need to:

- > Hold a degree, or equivalent qualifications or experience;
- > Pass the Solicitors Qualification Examination (SQE): SQE1 (assessing functioning legal knowledge) and SQE2 (a series of exams assessing legal skills);
- > Complete a minimum of two years' qualifying work experience (QWE). This could be completed with up to four different organisations and before completing SQE2; and
- > Meet the SRA's character and suitability requirements.

In approving this change to the regulatory arrangements, the LSB acknowledged there were some potential issues identified, but advised none were considered so significant as to outweigh the likely positive impacts of the proposals.

## Covid-19 business interruption claims

In a Covid-19 BI update, the Supreme Court has granted the applications for appeal filed both by the FCA and by a number of insurers with the hearing due to start on 16 November.

Despite being fast-tracked, the appeal has caused further delay to potential payouts on disputed claims at a time when thousands of affected businesses are now in a second lockdown. However, notably, several insurers, including RSA, have decided not to appeal the High Court ruling in relation to policy wordings and are working to make interim payments.

## Litigation Funding

Finally, it will come as no surprise that litigation funding is on the rise and demand is expected to increase even further over the next decade with a corresponding appetite to invest in this asset class. This month, leading global litigation funders, insurers, institutional claimants, legal and expert advisors have formed a Litigation Funding Working Group tasked to develop model litigation funding documentation for UK and European markets. The model documentation will be freely available and will help improve the speed and efficiency of the negotiation process with use of model documents leaving parties free to concentrate on the commercial elements of the agreement.

## Find out more

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# Get in touch

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