

PROFESSIONAL values

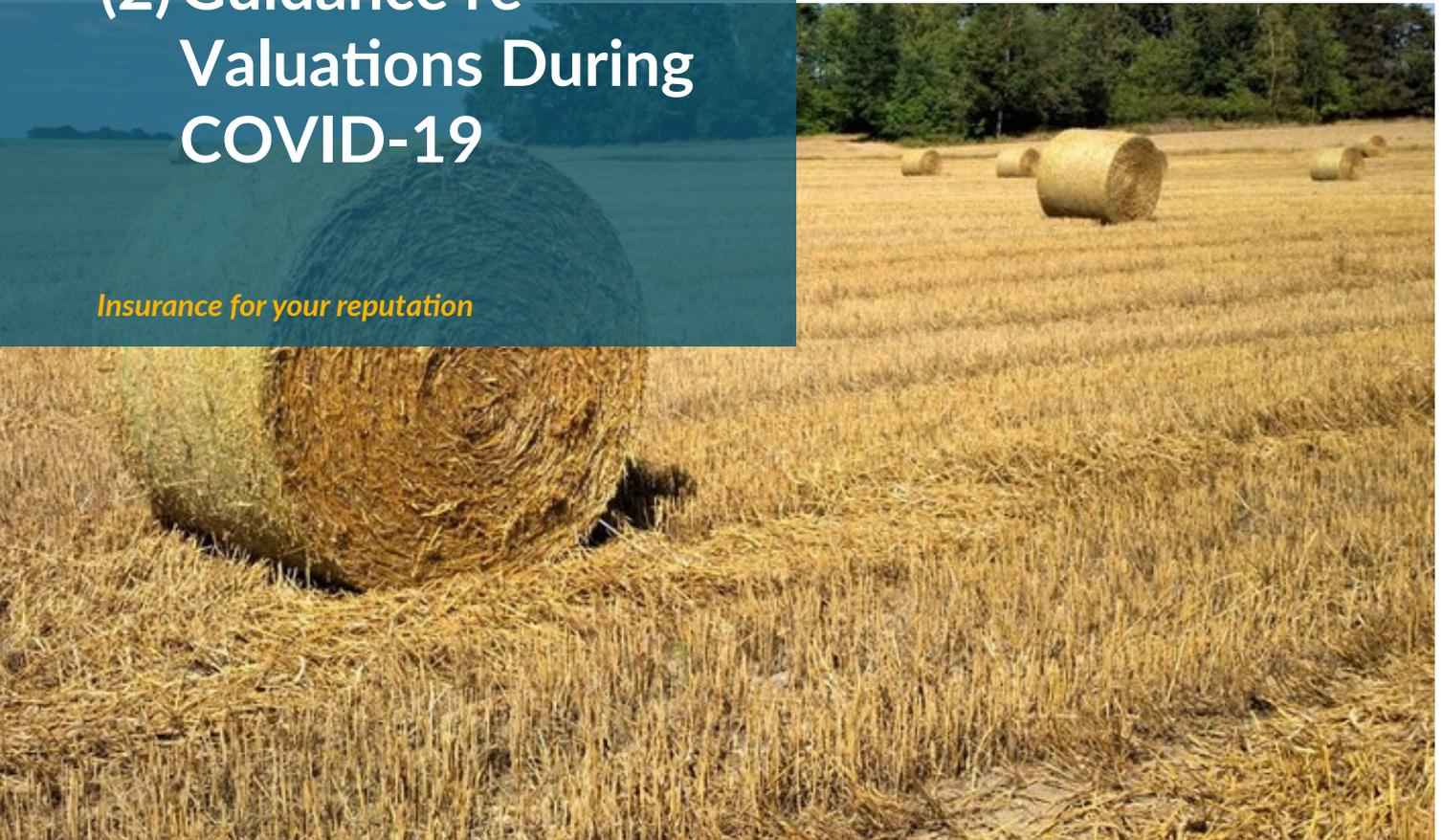
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Insurance for your reputation

CAAV Member Practices
Practice Note No. 3



PROFESSIONAL INDEMNITY INSURANCE (PII)

(1) RICS Minimum Terms and (2) Valuations During COVID-19

You may have seen our previous Practice Notes issued earlier this year with the first of those issued in February and relating to Insurers requesting of you additional information around the 'fire and combustibility' exposures your practice may present.

Whilst the PII market has been hardening for some time, events since we issued that earlier note are such that we are highlighting a couple of further developments relevant to Surveying practices and whilst you will no doubt already be aware of these when keeping an eye on the guidance issued by the CAAV and RICS, we hope you will find helpful nonetheless.

(1) RICS Minimum Terms

Further restrictions to the extent of PII cover now permitted by the professional body enable Insurers to offer quotations on the basis of a much reduced cover than has previously been the case, these restrictions going some way beyond those initially brought in during 2019.

(CAAV members will note if insured on the CAAV members' facility that most of these restrictions are often not being applied on the facility dependent upon the exposures faced by a practice and highlighted by Insurers' additional questions, with full cover often continuing to be available.)

The background to these changes is no doubt well known but they are intended to alleviate the lack of Insurer capacity in the wider Surveyors market generally.

In summary, the changes are:

- The fire safety exclusion wording applied from Spring 2019 has been removed and RICS have temporarily inserted the ability for insurers to apply their own fire safety exclusions.
- An exclusion of liability has been added in relation to completing external wall fire reviews.
- Excesses to be applicable to defence costs in order to give insurers greater flexibility to write terms.
- Policies can be written on an aggregate (unlimited round the clock) reinstatement basis.

(2) Guidance re Valuations During COVID-19

Now we are several months into lockdown, chances are you will have seen either the guidance notes issued on the CAAV members' website or that guidance issued by the RICS around valuations generally with a focus on the lockdown period.

We don't intend to repeat these here in detail, rather we'd point you to those organisations' websites if you've not already seen them and would urge you to ensure (a) these guides are followed as far as possible and your terms are sufficiently robust and (b) you liaise with your Broker/Insurer accordingly.

For those of you already insured on the CAAV members' facility, provided these guidelines are adhered to then your Insurers are comfortable with that and we envisage no change to that stance.

Contact us below if you wish to discuss further and do look out for our regular Practice Notes and Bulletins.

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