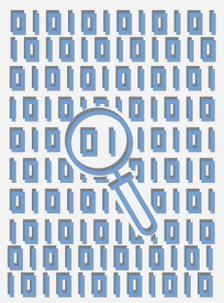


PROFESSIONAL INDEMNITY INSURANCE

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- Compulsory under SRA rules, being termed 'Qualifying Insurance' or 'Minimum Terms & Conditions' (MTC) and provided only by Participating Insurers approved by the SRA.
 - The minimum Limit of Indemnity (LOI) is £2M any one claim for partnerships or sole practitioners, or £3M any one claim for LLPs or Limited Companies.
 - Many firms buy additional cover, known as 'Top Up' or 'Excess Layer', often determined by the nature of the legal services offered and the potential financial exposure.
 - Cover afforded under the MTC and arising out of private legal practice is briefly:
 - Civil liability for damages and costs resulting from allegations of negligence by a third party claimant.
 - Legal Services Ombudsman Awards.
 - Legal costs incurred in the investigation of, or response to investigations arising from a civil claim.

CYBER INSURANCE

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- Financial protection against interference with your IT systems and which can include both first party (own losses) and third party loss.
 - Cyber cover varies greatly between Insurers and is developing quickly. There are well established Insurers in this field who have offered these policies to law firms for many years and importantly have proven response systems in place.
 - Many 'Cyber Liabilities' will be picked up by your MTC, e.g. loss of client funds, so you should ensure your Cyber policy dovetails as far as possible with that and avoid paying for duplicate cover.
 - The typical 'First and Third Party' losses covered by a Cyber policy will include:
 - Unauthorised access to your IT systems by employees or outside parties resulting in liability arising from Defamation, Intellectual Property Rights etc.
 - Failure to handle/control Personally Identifiable Information (bear in mind the impending GDPR)
 - Unintentional transmission of a virus
 - Costs to withdraw/alter data, web content etc.
 - Data Breach Notification Costs
 - Restoration of IT assets after interference by a hacker
 - Regulatory Defence & Penalty Costs cover including fines where insurable by law
 - PR Costs
 - Forensic Investigation Costs
 - Cyber Extortion
 - Cyber Business Interruption

CRIME INSURANCE

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- A comprehensive Crime policy will protect the firm against loss caused by dishonest employees, as well as loss caused by outside parties.
- Loss of client funds will be picked up by the MTC PII policy hence the pricing of this Crime cover should take that into account.
- Cover again will vary greatly from Insurer to Insurer, but should also take account of the 'new' crimes hitting the profession, such as social engineering fraud, 'phishing' etc.
- Cover afforded under a comprehensive Commercial Crime policy might thus include:
 - 'All Risks' cover for theft by employees or third parties including collusion.
 - No distinction between the various frauds a third party may commit.
 - Identity fraud rectification and defence costs.
 - Public Utilities and Telecoms fraud.
 - Commercial disruption e.g. temporary premises/staff costs following a Crime.
 - Malicious data damage.
 - Court Compensation e.g. where employees are required to attend court or a barrister/solicitor conference.
 - Replacing destroyed or damaged money and securities following a Crime.
 - Expenses following a Crime, e.g. in proving the amount of loss, data damage and including physical damage to safes/vaults etc.
 - Mitigation costs and PR costs.

MANAGEMENT / DIRECTORS' & OFFICERS' LIABILITY

- This cover will afford protection for personal and other liabilities relating to the running of a business, for directors (or partners/members) and officers, supervisors and other senior staff including COLPs and COFAs.
- Specifically, the policy would respond to claims arising not only from allegations of wrongful acts in the discharge of the individual's managerial, fiduciary etc. duties but also it can protect the company/partnership from allegations of its own wrongful acts such as misleading statement, misrepresentation, breach of statutory duty, fiduciary duty, warranty of authority etc.
- A bespoke Solicitors' policy, in addition to the above examples, might thus include the following:
 - Costs for individuals (including COLPs, COFAs, MLROs) arising from official investigations, including disciplinary proceedings instigated by the SRA or Solicitors' Disciplinary Tribunal, FCA, or under Competition and Bribery Act including legal representation at such proceedings.
 - Breaches of Data Protection Act.
 - Regulatory matters e.g. H&S Executive actions re corporate manslaughter.
 - Issues arising from disqualification or insolvency of directors.
 - Corporate Liability.
 - Company Reimbursement where the firm is permitted to pay a directors'/officers' defence costs.
 - Shareholder claims against directors'/officers'.
 - Mitigation/PR costs.
 - Entity Employment Practices' Liability.

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