

Solicitors Professional Indemnity Insurance

2022 Renewal

Prepared by

O'Leary Insurances Ltd

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Solicitors' PI Insurance 2022

Agenda

- Professional Indemnity Insurance –Market Overview 2022
- Participating Insurers 2022
- 2022/23 Minimum Terms & Conditions / Renewal Forms
- Insurers Underwriting Criteria
- Underwriting considerations & market presentation guidance
- Cyber Crime
- Top Up Insurance
- Conclusion & best advice



Professional Indemnity Market 2022

- 2022 year to date
 - Stabilization of rates
 - Easing of cover restrictions
- 2022 Solicitor England & Wales PII Renewals:
 - April / October 2022 renewals - Single digit increases vs +15%-20% rate increases in 2021

Outlook – Participating Insurers 2022

AIG Europe S.A.:

- Core appetite - 5 Partner plus firms

Allianz Global Corporate & Speciality AG:

- Sole practitioner & multi-partner firms
- Medium to larger firms (min fees € 250k+)

Aviva Insurance Ireland:

- Core appetite – Firms with € 1.5m+ fees



Berkshire Hathaway:

- New entrant 2022 – Targeting select / larger firms (top 20/30 firms)

CNA Insurance :

- Sole practitioner & multi-partner firms

Liberty Speciality Markets:

- Core appetite - 2 Partner plus firms

QBE Insurance SA/NV:

- Appetite adjusted in 2020 and 2021 – QBE Insurance will remain the market for 2022 for firms with annual fees income € 5m+

Starr International Insurance:

- Sole practitioner & multi-partner firms

New Entrants???



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Minimum Terms & Conditions / Common Proposal Form

Minimum Terms & Conditions:

- No Changes 2022-23

Common Proposal Form:

- Released 10th October 2022 – No changes



Insurers Underwriting Criteria

- Profile of Practice
- Fee Income
- Areas of practice
- Historic exposures
- Claims Experience
- Risk Management
- Cyber risk controls / Stand Alone Cyber Insurance



2022 underwriting considerations

- 2019-2021 Market required full common proposal – Renewal to be secured on a shorter form for 2022 from certain insurers
- Increase in declared fee income will be applied to the 2022 Renewal quotation
- Specific questions with regard to cyber security controls
- Stand alone Cyber Insurance including cyber crime cover. Certain insurers may charge additional premiums to firms without this cover.



Cyber Crime – The Known Unknown

- Continued cause for concern for both the Legal Profession & Insurers
- 2018-2021 – Note – O’Leary Insurances placed firms
 - No. losses - 36
 - €4.6m total losses (Est.)
 - Average loss - € 144,000

Top Up / Excess Layer Insurance

- Consider exposure – Is € 1.5m adequate?
 - Inflation – Peaked at 9.1% in July 2022
 - Dramatic upward trend in property reinstatement costs
- Insurers will remain selective in the allocation of capacity
- Market corrections / Increased rates & minimum premium levels 2018-2021
- Timing is key consideration– where a large limit required, do not delay the process to finalise primary cover



Conclusion / Best Advice

1. Engage early with broker
2. Review all potential claims / circumstances that may escalate and notify to the Insurer on record before the end of the policy period
3. Understand the benefit of the Continuous Cover Clause if considering a move to another Insurer
4. Cyber cover including Crime



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