

A large, abstract geometric pattern composed of many overlapping triangles in various shades of blue, creating a complex, crystalline structure that serves as a background for the title text.

Preparing for your Professional Indemnity insurance renewal

Practical guidance from QBE regarding your Professional Indemnity (PI) insurance renewal submission, including risk management and claims analysis templates

Preparing for your Professional Indemnity insurance renewal

Your PI policy is an essential prerequisite of your professional practice and, as such, is something that you should not commit to without careful consideration. Most firms experience claims from time to time, and it's essential to have an insurer you can rely on and trust to respond quickly and effectively when you need it most.

QBE has been in the Solicitors' PI market longer than almost any other insurer and has one of the highest financial strength ratings of any Participating Insurer. Our goal is to build long-term partnerships with our solicitor firm clients, and that means really getting to know you.

Your proposal form plays a critical part in building our collaborative relationship. For most firms, your proposal form and supporting documents represent your best opportunity to present your firm well to PI insurers. This guide will help ensure that you start out on the best footing in this process.

What underwriters look for in your proposal form

As a class of insurance, Lloyd's has flagged PI as one of its two worst-performing. Underwriters are under pressure to select firms that are prepared to invest in a long-term PI insurance relationship, engage proactively on relevant risk issues, and both understand, and know how to manage their firm's risk profile. Therefore, your proposal form must reflect the commitment to quality that such a vital insurance partnership deserves.

Underwriters will look at your financials, work-types, any regulatory issues and your claims profile in the first instance and look to see how your other responses address any risk issues that emerge from that data.

If, for example, your firm has grown significantly, have your systems and procedures kept pace? Has there been sufficient due diligence in any acquisitions? If you undertake a significant percentage of high-risk work (e.g., conveyancing), do your other responses indicate an effectively risk-managed business that vets clients and transactions with care and takes active steps to protect itself from fraud risks?

Our Top 5 Causes of Claims Against Solicitors article provides a useful guide to some of the broader issues underwriters look at when evaluating risk.

Beyond that, our 'Top Tips', which follow, will give you a helpful steer on what underwriters look for from your proposal form.

Top tips for a successful renewal

Be timely

Your proposal form should be submitted early, ideally no later than five weeks prior to your renewal deadline. This is particularly true of the busy 1st October /1st April renewal dates and any 1st January renewals, where public holidays require even more careful planning.

If your renewal submission is not straightforward (e.g., if you have particularly high-value claims on your record or are planning a merger), you should aim to make an earlier submission and potentially an advance meeting with QBE, if advised by your broker.

Be legible, comprehensive, yet concise

Solicitors' proposal forms request substantial information and should be completed with sufficiently detailed responses that are easily read and preferably typed.

While not every element of information sought is used for technical rating purposes, it is used to inform the broader underwriting approach and gauge your practice's risk profile. Unless an aspect of the proposal form does not apply to your firm, it is essential that you provide an accurate and comprehensive response to every question. We understand that some areas, particularly in work-splits, do not necessarily sit easily with your own categorisation of fees (our form has to be standardised for every firm we insure). Your broker is there to assist with any such queries you may have.

Provide supportive detail where a 'negative' response is given

Whether there has been some regulatory issue in the past, or you do not have a particular risk control in place, there is likely to be at least one response in your proposal form that is not the obvious 'preferred' answer.

In the same way that a complaint against the firm can be an opportunity to win the long-term loyalty and satisfaction of a client, these potentially difficult questions can also be your opportunity to showcase an alternative, equally good/better risk control or how a pro-active response to a problem turned into a valuable learning exercise. This can reassure the underwriter that no unwelcome icebergs are hiding below the surface.

Showcase your culture and resilience

QBE wants to insure demonstrably financially stable businesses, particularly during a period of heightened economic uncertainty like the one currently experienced in the UK. Our proposal form provides ample opportunity to record your firm's financial situation, but please do not hesitate to provide supporting information, including any separate submission, if you feel it would help underwriters better understand your business.

Robust risk management systems should be appropriate to the firm's size and risk profile of the work undertaken. But it's not just the performance of legal work that represents a risk to the resilience of the firm. Other significant risk factors include:

- **Cyber/Data:** Your firm's ability to prepare for, react to and recover from cyber-attacks or other data loss occurrences (e.g., loss of hardware, data/software corruption).
- **Business Continuity Planning:** How your organisation has identified impact scenarios, how it will continue to operate during unplanned disruption and how it plans to recover.

It's helpful to prove that your firm has a strong but open management culture and leadership. Examples might include your policies for:

- Employee wellbeing: Supporting your employees' physical and mental health, being sensitive to the characteristics of your organisation and the needs of your workforce.
- Environmental, Social, and Governance (ESG): Demonstrating to your workforce and clients your organisation's commitment to social responsibility and sustainability.

You might be asked to complete one of our bespoke QRisk questionnaires to accompany your application. Completing our questionnaires will assist your submission and provide you with a valuable risk management tool and links to various relevant risk improvement resources for future use.

Guide to preparing a risk management submission

Do you need a risk management submission?

If QBE has insured your firm for several years and your risk profile has not changed, the answer is probably 'no'. Likewise, if you undertake a majority of low-risk work and/or have a straightforward risk profile that is comprehensively addressed in the body of the proposal form, there is unlikely to be a need for any supplementary information.

However, if your firm;

- has recently undergone or is about to undergo significant structural change (merger or expansion, change in strategic direction, restructure, etc)
- has a number of high-value claims on its recent record, or there is a regular volume of paid claims
- is in a high-risk category (e.g., where the firm undertakes a significant volume of conveyancing, particularly if it is often for remote clients or high-value property)
- is subject or has recently been subject to a regulatory investigation
- has had some negative responses either in its proposal form submission or in any of our QRisk questionnaires

then providing a supporting risk management submission might well be advisable. If you feel that the proposal form does not provide you with the scope to fully explain your organisation's values and culture, a concise additional note can provide useful further insight.

Format of a risk management submission

Before drafting an additional submission, please speak to your broker, as they may have views on issues that you should focus on and a preferred format.

We have provided an outline Risk Management Submission - suggested format (see Appendix 1 below), which you can use as a guide to what to include in your submission. This is not prescriptive but is intended to assist you in focussing on information most relevant to insurers.

Effective learning in response to claims

As an insurer, we expect claims and will work with you to resolve matters as swiftly, cost-effectively and painlessly as possible. But when it comes to quoting for your next insurance cycle, we want to feel confident you've acted to reduce the likelihood of repetition. Whether or not you provide a full risk management submission, you can help us to gain this assurance by explaining the work done to identify the extent of the problem and how it came about, proposed changes to controls and behaviours, and steps taken to educate your workforce and effectively embed change.

A traditional claim report rarely provides sufficient detail on the steps taken to prevent similar incidents from reoccurring. You might wish to use our Claims Analysis – suggested format (Appendix 2 below) to present this information. It addresses key factors to ensure a thorough and consistent approach to effecting change. Alternatively, you can use it as an aide memoir for reporting on a standard proposal form and incorporate it into your risk management submission.

We would like to hear specifically about work undertaken to:

- define the extent of the problem, review relevant files and confidently ringfence the entirety of the issue
- identify all contributory causes and capture the changes to your control framework and culture to prevent any recurrence
- (re)educate your people and embed change permanently in all relevant areas of the business.

Ideally, this will take in not only high-value paid claims but also precautionary notifications and near misses, as these can be equally important identifiers of issues that could otherwise lead to costly claims in the future.

An Introduction to QRisk

As part of your PI submission, you might be asked by your broker to complete one of QBE's self-assessment questionnaires.

These questionnaires form part of the risk management toolkit QBE provides to our solicitor clients via our QRisk online portal.

As a QBE client, you can access a wide range of risk-profiling tools to assist inform you of gaps in your processes/controls, and areas for you to best focus your risk improvement actions. You can also benchmark your practices on a range of risk controls, including fraud and cyber risks. QRisk also provides you access to resources such as the QBE Knowledge Centre, which contains guidance and a comprehensive array of templates and precedent documents.

A three-point guide to using QRisk

1. Access and requests

QBE prospective customers should submit their proposal form in the first instance and a QBE representative will be in touch regarding QRisk access.

Existing clients without a log-in should email qrisk.support@qbe.com providing details of the: formal designation of the firm; full name and email address of the person to have primary access.

Log-In by visiting qrisk.qbe.com and entering your username and password (NB – your username is the email address you provided us with).

2. Completing your self-assessment questionnaire(s)

Click on the Questionnaires tab. Your incomplete assessments are shown on the left-hand side.

Select the relevant assessment. A tick appears against each section that has been completed.

The 'Submit' button appears on the final section of the assessment.

3. Updating QRisk to reflect risk improvement actions

Click the 'Risk Improvements' tab to show assessments and sections with questions that resulted in risk improvement recommendations.

Review the guidance on these questions and update the 'status' of matters as they are progressed.

Add commentary to support the status update and to demonstrate how the risk is being addressed.

QRisk Tips

- Save regularly.
- No need to complete it in one sitting.
- Print/download a pdf version at any point using the 'Print' button.
- Access relevant guidance and precedents.

Appendix 1: Risk Management Submission – suggested format

Section Heading	Content
Executive Summary	A strong summary which references key elements in the detailed presentation is a valuable marketing tool which can help sell your practice, and differentiate it
Overview of the Firm	History of the firm: where has it come from? Where is it going to? <ul style="list-style-type: none"> • firm ethos and culture • management structure • future plans: purpose, strategic goals
Changes to the Practice & Future Development	If there have been significant changes to the Practice in recent years, not already known to QBE, it is useful to provide us with detailed information regarding: <ul style="list-style-type: none"> • the nature of the change & reason for it • date of the change • due diligence (where relevant – e.g., in a merger/acquisition) • systems & culture change projects Please also provide details of any likely future developments
Claims Analysis	It's always useful to see 5-10 years claims information, ideally showing the area of practice in which the claim arose and the nature of the alleged error/omission. Where there is either a high value claim, or a series of lower value claims we would wish to see some analysis of the claim(s), underlying causes, and changes to training, systems or procedures that have been undertaken as a result. See Appendix 2 for a suggested approach for your Claims Analysis
Systems & Procedures	Effective systems & procedures are a strong indicator of a good risk culture. Provide a list of your principal systems (case management, document management, AML, conflict-check, diary systems etc.) focussing on how they are used to effectively manage risk. While written policies may indicate the author's aspirations, implemented systems are a far stronger reflection of actual risk practice within a firm. Providing detail on the impact systems have on the management of key risks, for example: client & transaction vetting, file opening, billing, file audit, management reports & alerts (e.g., for dormant matters or those reaching a % of the total estimated bill; case management systems that produce red flags or supervisor authorisation alerts). If your firm subscribes to services providing regularly up-dated precedents and guidance, detail this also

Appendix 1: Risk Management Submission (continued)

People	How people are selected, promoted and rewarded is a strong indicator of the culture of the firm. If not already provided, you may wish to provide details of Partners experience (years PQE) and number of years in the firm. Where staff or teams are appointed from outside the firm, provide details of the selection process, induction, and initial supervision. Appraisals, ongoing training and identification of development needs are important issues that should be addressed – as are policies concerning the firm culture, providing supporting evidence
Appendices	Where you believe that it would support your submission, add relevant extracts of key systems, checklists & other templates, risk registers, board meeting notes, etc

Appendix 2: Claims Analysis – suggested format

Section Heading	Content
Claims Summary Description	In addition to columns detailing the claim reference, claimant name, year that the work causing the notification was undertaken, and the practice area concerned, a column providing a summary of the circumstances of the case is invaluable
Cause and Contributory Factors	<p>A non-defensive outline of the main issues that caused this matter to become a notification. Even where the claim is a 'try on' there still could be useful lessons to help avoid future reoccurrences</p> <ul style="list-style-type: none"> • Was there one main reason? • What were the other contributory factors? Think about policy, people, process, timing, supervision as well as external factors and any unusual factors about the matter itself • Were your initial risk assessment and/or risk controls adequate?
Issue Scope	<p>Things to think about:</p> <ul style="list-style-type: none"> • Is the issue limited to this one matter or could the problem apply to other files? • If so, what has been done to identify these and ringfence the problem? • Who was involved in this process? Do/did they have adequate relevant experience? • Where an audit was undertaken, was it a full audit or based on a percentage sample? • Did any audit undertaken look at both open & closed files? How far back did it extend?
Risk Improvements	<p>What risk improvement actions have you identified (remembering that the lessons learned may well extend beyond the team that the issue arose in).</p> <p>How will change be captured in your organisational knowledge bank, for example re:</p> <ul style="list-style-type: none"> • Policies • Written procedures • Precedents • Case Management or Process Flow Screens • Meeting agendas / methods • Training materials • Any other process?

Appendix 2: Claims Analysis (continued)

Knowledge Sharing	<p>Who has been educated about this matter and the revised controls needed e.g.:</p> <ul style="list-style-type: none">• Individuals• Immediate team• Wider department• Other departments• Other offices• Other functions?
Monitoring Effectiveness	<p>What will be done to ensure that these changes:</p> <ul style="list-style-type: none">• short-term, have been implemented• medium-term, are proving to be effective• longer-term, have been fully embedded? <p>(e.g., by revising file review checklists, meeting agendas, by testing knowledge / skills, through regular external review etc).</p>



Deborah O’Riordan

Practice Leader, Financial Lines

deborah.oriordan@uk.qbe.com

+44 (0)20 7105 5528

+44 7786 734 542

www.qbeurope.com

Jaini Gudhka

Senior Risk Manager, Financial Lines

jaini.gudhka@uk.qbe.com

+44 (0)20 7105 5453

+44 7900 088 321

www.qbeurope.com

Calum MacLean

Senior Risk Manager, Financial Lines

calum.maclea@uk.qbe.com

+44 (0)20 7105 5723

+44 7976 654 744

www.qbeurope.com

QBE European Operations

**30 Fenchurch Street,
London, United Kingdom,
EC3M 3BD**

+44 (0)20 7105 4000

enquiries@uk.qbe.com

www.qbeurope.com

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