



We will discuss

- PI insurance market conditions
- Keep an eye on
- Run-off insurance
- Financial crime
- What is high risk?
- Good business management
- Claims – do's and do not's



PI insurance market conditions

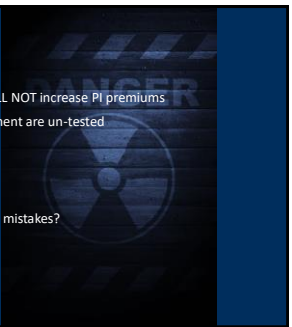
- Rate vs premium
- Your insurance rate should be falling
- Claims from downturn mostly resolved
- Steep decline in new notifications
- Impact of limitation
- Increase in insurance capacity
- Underwriting margins are narrow
- Insurers financial results are poor

Soft insurance market

- Reduced reinsurance costs
- New insurers enter the market
- More insurance capacity
- Increased competition
- Lower premiums

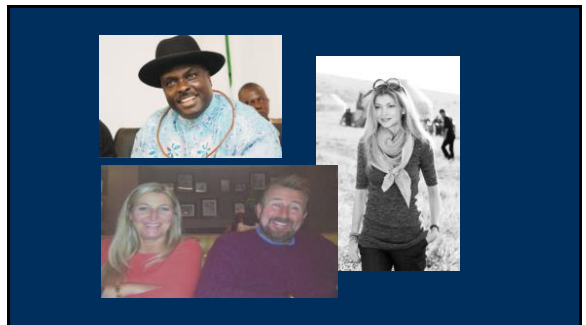
Keep an eye on...

- One adverse court decision WILL NOT increase PI premiums
- Improvements to risk management are un-tested
- Economic stability
- Financial crime
- Cyber risks and data protection
- Have we really learnt from past mistakes?



Run-off insurance

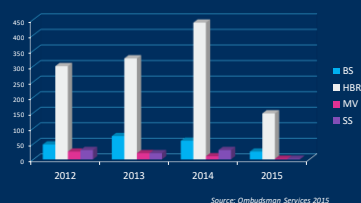
- Purchased when a business ceases to trade
- Budget for the cost of run off whilst trading
- 1st year of run off – premium generally the same as last year of trading
- Should then reduce in cost by around 10% per annum
- Block run off v annual policy
- Can be hard to acquire for higher risk businesses when insurers are challenged by claims
- Try not to change insurer in the three year's prior to ceasing to trade
- Run off cover is not available for individuals



Financial crime

- Agents file fewer SARs than any other profession
- UK property is a global target for money laundering
- Financial sanctions reporting obligation now applies to agents
- Failure to report is a criminal offence, punishable by up to seven years in prison or a fine, or both
- What warning signs will you look out for?

What is high risk?



What increases risk?

- Clients
- Surveyors
- Economic conditions
- Contractual terms
- Poor files
- Bad businesses
- Bad managers

Good business management

There's not always a bad surveyor at the heart of a claim

- Incompetent surveyors or poor managers?
- Planned growth or ad-hoc opportunity grabbing?
- Are new clients / new instructions risk assessed?
- Do systems and resources support good risk management?
- Are you communicating effectively?

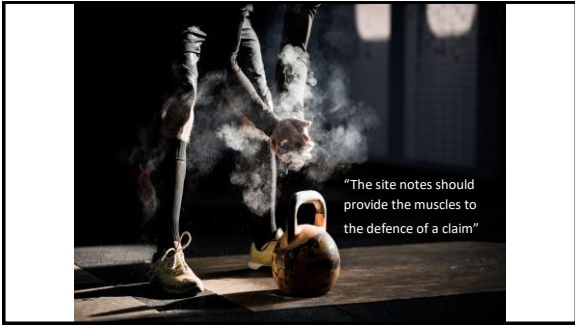
Good business management

There's not always a bad surveyor at the heart of a claim

- Is new work won on fee or quality of service?
- Is training effective?
- Are poor audits followed up?
- How is work allocated?
- How are employees incentivised?

Claims

- Do
 - Own up if you know you've made a mistake
 - Provide a robust file to support your defence
 - Understand the complaints procedure
 - Enable a prompt response
- Do not
 - Admit liability
 - Inflame the situation
 - Ignore it and hope it will go away
 - Provide any documents unless authorised to do so



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- Professional indemnity
- Cyber liability
- Directors and Officers
- Title insurance
- Private client insurance
- Corporate insurance
- Real Estate insurance

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