



Spring/ Summer 2024 Bulletin

A Refresh- PI Insurance For CAAV Members

RICS PII Consultation – Might This Impact Your Practice?



We had hoped to bring members news of any confirmed changes to the RICS Approved Minimum Wording for Professional Indemnity Insurance (PII) within our Spring bulletin. These amendments, highlighted within the RICS Consultation document (https://consultations.rics.org/Proposed_PII_Policy_amends2024/consultationHome), were due to be in place by 1st April though, at the time of going to print, this date has been delayed to 1st July pending agreement with RICS Listed Insurers.

The proposed changes themselves, centred primarily around insurance cover for fire safety issues and external wall assessments, if adopted are likely to have some impact on the availability and cost of PII to many Chartered Surveying Practices. However, we expect there will be little impact, if any, to the majority of Rural Practices, including those insured on our CAAV Members' facility.

Whether the changes will have been agreed by the time you read this bulletin, we'll update once the precise position is confirmed.

In the meantime, a couple of reminders to make sure you have no inadvertent gap in your PII cover:-

FCA Regulated?

For those Practices who happen to also be subject to FCA regulation (usually at the behest of lenders dependent upon the services provided to them), we'd again highlight the need to ensure your PII policy is extended to cater for the Financial Ombudsman Service (FOS) Awards limit. This increases in line with inflation each April (now £430,000 in certain scenarios) and sits well above the standard Ombudsman Awards limit provided by the RICS' Approved Minimum Wording for PII.

This extension is available without additional cost to those members' Practices insured with ourselves so please revert should you need to discuss further with us.

Trustee Roles Undertaken?

Many Chartered Surveyors might be asked by a client to act as a trustee. It is possible to include cover for the professional services provided within that role, i.e. as a Chartered Surveyor, but you must advise your Insurers where such a role is being undertaken, even if no fee is charged. Note the cover available under a PII policy is limited to the afore-mentioned professional services, depending upon the precise role/services there may also be a need to effect a more comprehensive Trustee Liability policy with your fellow trustees.

Whilst having highlighted some topical issues above currently impacting PII for members, we also reproduce with this bulletin our Practice Note which takes another look at an increasingly common issue, The Buying & Selling of a Professional Practice, key to those who might be considering any merger or acquisition activity, succession planning etc.

If you have any questions please do not hesitate to contact:



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