

Professional Indemnity Insurance (PII) for CAAV Members

RICS - Artificial Intelligence & PII

By no means commonplace at present but some members may have encountered additional questions posed by their Professional Indemnity (PI) Insurers on this subject at renewal, with the Insurer perhaps asking for brief examples of any Artificial Intelligence (AI) use and any internal guidelines that might be in place to cater for that.

RICS Requirements

Following on from the release of their 'Professional Standards' document, Practices must have:

- An internal AI policy in place
- Maintain a risk register
- Implement staff training
- Updated terms & conditions informing clients of their use of AI

PII Implications

Insurers may have concern over the reliance on AI, whether that be the danger in accepting feedback or a misunderstanding of the assumptions and still utilising them.

We may see new questions within the proposal forms however, we suggest all Practices give thought as to how they plan to achieve the requirements set by the RICS are in place before the 9th March 2026 deadline.

What to Advise Insurers?

Have a detailed plan in place surrounding the Practice's use of AI. This includes, but is not limited to the use of AI surrounding background research including environmental searches, EPCs, council tax, property/estate management including maintenance, soil/crop advice, farm business advice and valuations.

Have details on further sense checks/human verification on AI information produced. For example, if AI is utilised in terms of providing farm business advice, may there be aspects of a particular farm business that AI does not pick up on and is human knowledge?

Insurers would look to seek clarity on how this knowledge gap is addressed and how information is address and verified.

For the full 'Professional Standards' document produced by RICS, See link; <u>here.</u>

Whilst this will require additional work for Practices looking to utilise AI, this information will be well received by insurers, specifically those Practices participating on the CAAV Members' Facility.

If you have any queries relating to the contents of this bulletin or anything further, please do not hesitate to contact one of the members of the team below:

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