



## **NEWSLETTER: Number 5: 9 April 2014**

### **Revised rule on professional indemnity insurance**

Following a three month consultation period which ended in March this year, the Legal Services Board has today approved the CLSB application to revise Practising Rule 10 on professional indemnity insurance.

As you are aware, the CLSB sought the revision following significant changes in Civil Procedure Rules last year. As a blanket increase in the minimum level of professional indemnity insurance was not an option (as regulatory expectations are required to be targeted and proportionate) the revised rule instead makes it the responsibility of a Costs Lawyer to put in place a level of insurance commensurate with the financial risk of the work they are undertaking.

The new rule comes into effect on 9 April 2014 and reads as follows:

### **RULE 10: Indemnity insurance**

10.1 Costs Lawyers shall ensure that they:

- (a) practice with the benefit of professional indemnity insurance of a minimum £100,000 (any one claim) to include loss of documents; and
- (b) on an ongoing basis, assess all financial risk associated with work being undertaken by them and ensure that professional indemnity insurance and loss of documents insurance is in place in excess of the minimum set out in rule 10.1(a) at a level commensurate with that work.

### **The Costs Lawyer title**

The CLSB has noted that some Costs Lawyers with a practising certificate continue to title themselves as being Costs Draftsmen. Both ACL and CLSB spend much time enhancing the profile of Costs Lawyers and publically differentiating between them and Costs Draftsmen. Please will all Costs Lawyers with a practising certificate ensure they use their title of Costs Lawyer in court, in emails, letters and on business cards etc. This will assist in increasing the profile of the profession and the Costs Lawyer qualification.

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