

The Professional Indemnity Scheme Course Outline

‘WHAT YOU ALWAYS WANT TO KNOW ABOUT THE PROFESSIONAL INDEMNITY SCHEME BUT WERE AFRAID TO ASK’

TUESDAY, 11 MAY 2004, 6:00 P.M.

Presenters: **Mr. Peter Lo, Chairman, Hong Kong
Solicitors Indemnity Fund Ltd.**

**Mr. Chris Howse, Chairman, Steering
Committee on the Review of the
Professional Indemnity Scheme
Vice-Chairman, Claims Committee**

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| 6:00 p.m. – 6:05 p.m. | OPENING |
| 6:05 p.m. – 6:50 p.m. | <ol style="list-style-type: none">1. The Primary Legislation – Legal Practitioners Ordinance (LPO). – Mr. Peter Lo<ol style="list-style-type: none">1.1 Section 7 – compliance with or exemption from indemnity rules.1.2 Section 73A – power of Council to make indemnity rules.1.3 Section 45 – person not qualified to act by virtue of section 7 shall not act as a solicitor.2. The Subsidiary Legislation – Solicitors (Professional Indemnity) Rules (the Rules). – Mr. Peter Lo<ol style="list-style-type: none">2.1 Rule 6 – compulsory indemnity.2.2 Rule 7 – exemption – exercise of discretion by Council – discretion to be exercised in the interest of the public – <i>Swaine v The Law Society</i> [1983] AC 598 – <i>HSBC v HKSIF</i> (HCMP 411 OF 1994) – exemptions granted by Council.2.3 Rule 3 – the fund.2.4 Rule 4 – establishment and maintenance of the fund.2.5 Rules 10 & 11 – entitlement to and provision of Indemnity – meaning of Indemnity.2.6 Schedule 1 – contribution to the Fund – how calculated – the deductible – defence costs – calculation of loadings.3. Existing arrangement – Mr. Peter Lo<ol style="list-style-type: none">3.1 Limit of Indemnity – paragraph 2 of Schedule 33.2 Re-insurance arrangement of the Fund. |
| 6:50 p.m. – 7:05 p.m. | BREAK |

7:05 p.m. – 7:50 p.m.

4. **Claims Handling Procedure – Mr. Chris Howse**

- 4.1 The procedure to follow when a firm receives a letter before action or a writ or becomes aware of circumstances which may give rise to a claim
- 4.2 The role of the Claims Committee and ESSAR, the Claims Manager
- 4.3 Updated claims trend and statistics
- 4.4 Schedule 3 – Exclusions and Conditions

5. **The future of the Professional Indemnity Scheme – Mr. Chris Howse**

- 5.1 Review by Willis, insurance consultants
- 5.2 Changes to the structure of the Scheme proposed by Willis
- 5.3 The way forward

7:50 p.m. – 8:15 p.m.

6. **Questions and Answers - Mr. Peter Lo, Mr. Chris Howse**