

## Professional indemnity insurance

Updated 25 November 2019

All SRA authorised firms must have a valid professional indemnity insurance policy to be able to carry on a practice.

Rule 3.1 of the SRA Indemnity Insurance Rules states: "an authorised body must take out and maintain professional indemnity insurance that provides adequate and appropriate cover in respect of current or past practice taking into account any alternative arrangements the body or its clients may make".

Professional indemnity insurance provides vital protection for clients should unexpected events cause them financial loss. When arranging cover, you must make sure that it meets our minimum terms and conditions.

View our guidance on professional indemnity insurance:

- [The Insurance Act 2015 and changes to the MTCs](https://upgrade.sra.org.uk/solicitors/guidance/insurance-act-2015-consequential-changes-minimum-terms-conditions-professional-indemnity-insurance/)  
[<https://upgrade.sra.org.uk/solicitors/guidance/insurance-act-2015-consequential-changes-minimum-terms-conditions-professional-indemnity-insurance/>]
- [Adequate and appropriate indemnity insurance](https://upgrade.sra.org.uk/solicitors/guidance/adequate-and-appropriate-indemnity-insurance/)  
[<https://upgrade.sra.org.uk/solicitors/guidance/adequate-and-appropriate-indemnity-insurance/>]

## If you cannot secure a new policy

Firms that have not renewed their policy for whatever reason and continue to practise will enter the Extended Policy Period (EPP).

The EPP makes sure that that further indemnity cover is provided by the last-named insurer for the firm for a further 90 days. The firm can use this to secure insurance, however, after 30 days it cannot take on any new business.

It must also draw up parallel plans to make sure that, should it not gain cover, it can close in an orderly manner at the end of the 90 days. [Read more information on closing down your practice guidance](https://upgrade.sra.org.uk/solicitors/guidance/closing-down-your-practice/)  
[<https://upgrade.sra.org.uk/solicitors/guidance/closing-down-your-practice/>].

Under the [Indemnity Insurance Rules](https://upgrade.sra.org.uk/solicitors/standards-regulations/indemnity-insurance-rules/)  
[<https://upgrade.sra.org.uk/solicitors/standards-regulations/indemnity-insurance-rules/>], every firm that enters the EPP has a duty to inform us of their position (see Rule 8.1).

Firms that enter the EPP must email us [insuredreports@sra.org.uk](mailto:insuredreports@sra.org.uk)  
[<mailto:insuredreports@sra.org.uk>] within five business days of entry. It is also

useful if to provide information on whether they are planning to close or are still seeking insurance.

Any firms still in the EPP after the 30 days, and therefore enter the Cessation Period, also have a duty to let us know of their insurance status.

Firms must also notify us if they obtain a backdated policy of insurance when in the EPP, stating the name of the new insurer and policy number.

---

Please use **[www.sra.org.uk/indemnity](http://www.sra.org.uk/indemnity)** to link to this page.