

## Welcome

**Welcome to Haslers Focus on...bulletin, looking at news and information relevant to specific business and industry sectors.**

In this issue, we take a look at changes to professional indemnity insurance and

why some legal firms are amongst the first applicants for alternative business structure status.

If you have any feedback on this issue of Focus on Legal, or would like to know more about our services

or how we can help you, please contact us on **020 8418 3333** or email **Hiten Patel** (Partner, Business Services Group) **hiten.patel@haslers.com** or **Lawrence Shafier** (Partner, Business Services Group) **lawrence.shafier@haslers.com**

## Changes to professional indemnity insurance

**The Solicitors Regulation Authority (SRA) has carried out a consultation on how the proposed changes to compulsory professional indemnity insurance (PII) will be implemented.**

While solicitors can currently obtain PII from a qualifying insurer or the assigned risks pool (ARP), the latter of these options will no longer be available from October 2013. Instead, individuals who cannot obtain PII will receive an extended policy period (EPP) of 90 days from their current provider.

Changes will be made to the Authorisation Rules to regulate the work that firms can undertake during the EPP.

Furthermore, the ARP will be funded in 2012-13 by both the solicitors' profession and qualifying insurers, and it will no longer



provide cover to uninsured firms from 1<sup>st</sup> October 2012.

To implement these measures, modifications will be made

to the Qualifying Insurer's Agreement 2012 (including the Indemnity Insurance Rules 2012), the Authorisation Rules and Compensation Fund Rules.

# Law firms look at ABS opportunities



## The Solicitors Regulation Authority (SRA) has begun to accept applications from organisations which wish to be licensed as alternative business structures (ABS).

In addition to companies, such as the Co-operative, which wish to operate their own legal division, the initial applicants include traditional law firms looking to attract external investment.

Legal firms which are considering the move to ABS status feel that this will provide them with more opportunities for growth

through enhanced access to capital and greater funding flexibility.

In addition, they will be able to offer a greater range of services to clients, with the potential for becoming a one stop shop or consolidating a particular specialism that they offer.

Further details on the process that organisations will need to follow to become an ABS have also been released. The first step is to complete an online expression of interest, from which the SRA will create a bespoke application pack. This includes

detailed additional forms to gather information based on the size and nature of the organisation.

Once the SRA is satisfied that it has all the information required, a fee will be charged to cover the costs of authorisation, with the amount dependant on the complexity of the application submitted. This will be followed by a further regulatory fee should the application be successful.

Following the initial applications, the SRA expects to hand out the first licences by the end of February.



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