

TSA Members Professional Indemnity Insurance Scheme

TSA Members Discussion Group 6th Nov 2008



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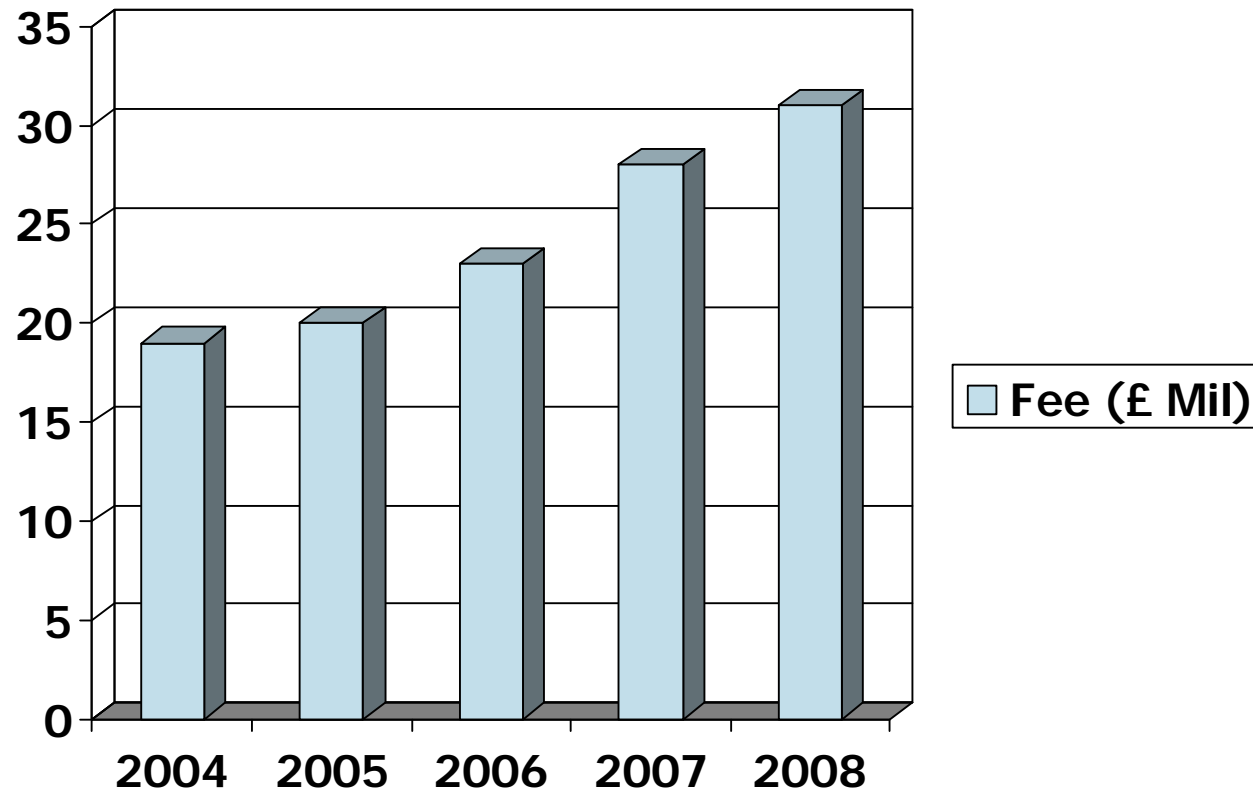
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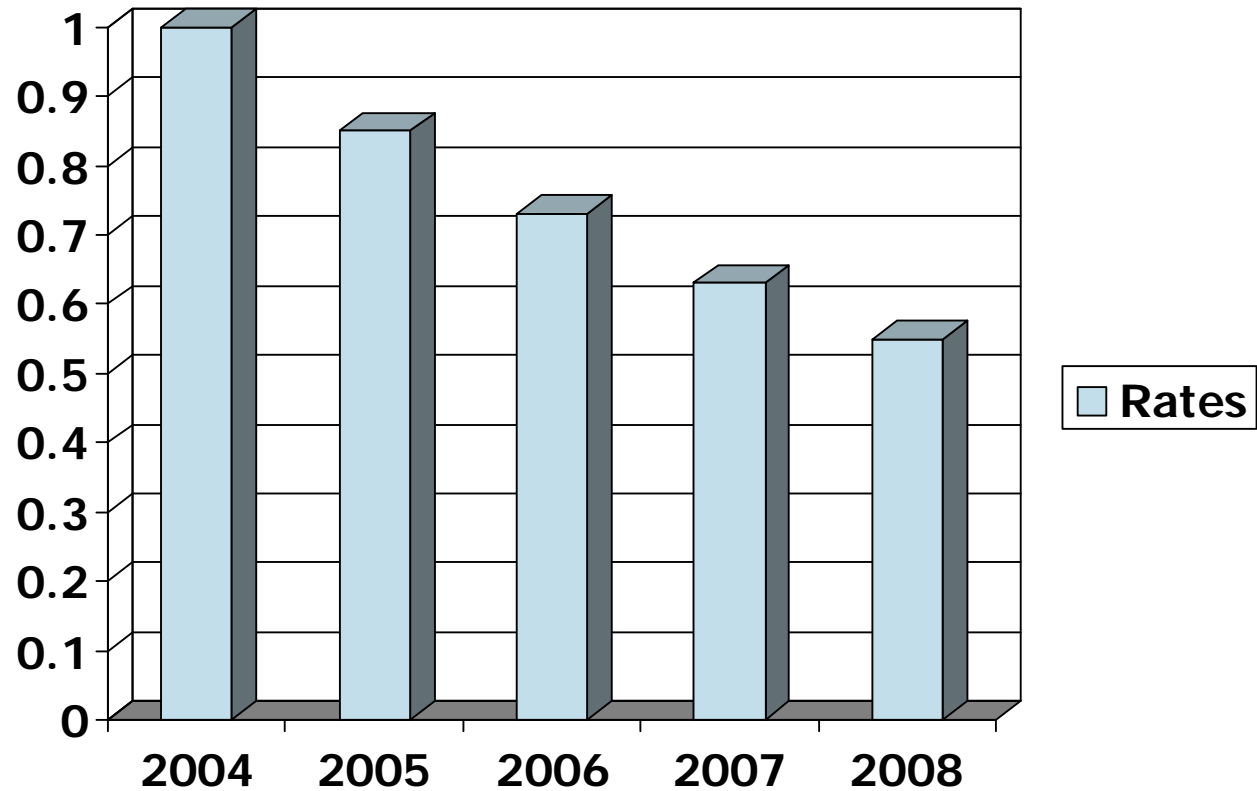


A partner in

Combined TSA Members Fee Income



Combined TSA Scheme Rates



TSA Members Scheme Overview

- Lockton have managed the TSA Member Scheme for over a decade
- Underwritten by Royal & Sun Alliance
- Exclusive to the TSA Members through Lockton
- Policy wording written by Lockton for the members
 - Costs in addition
 - Policies on an Any One Claim Basis
- Proposed minimum £500,000 any one claim
- Policy is designed to go beyond the basic RICS minimum required levels of PI cover



The Future of the PI Market

- Significant price increases for Surveyors, Architects and any profession involved in the construction industry
- PI Policies becoming more restrictive as the market hardens
- Construction industry continues to decline
- Deepening global financial crisis damaging insurers asset reserves
- Safety in numbers – TSA Scheme will continue to offer peace of mind and added protection from a hardening market



Claims & Risk Management



Common Causes of Claims



Unskilled Client Management

- *“Look after your clients, and you will be managing risk; fail to manage risk, and your clients will suffer”*
- Happy clients are less likely to bring claims even if something goes wrong
- Unhappy clients will look for a problem

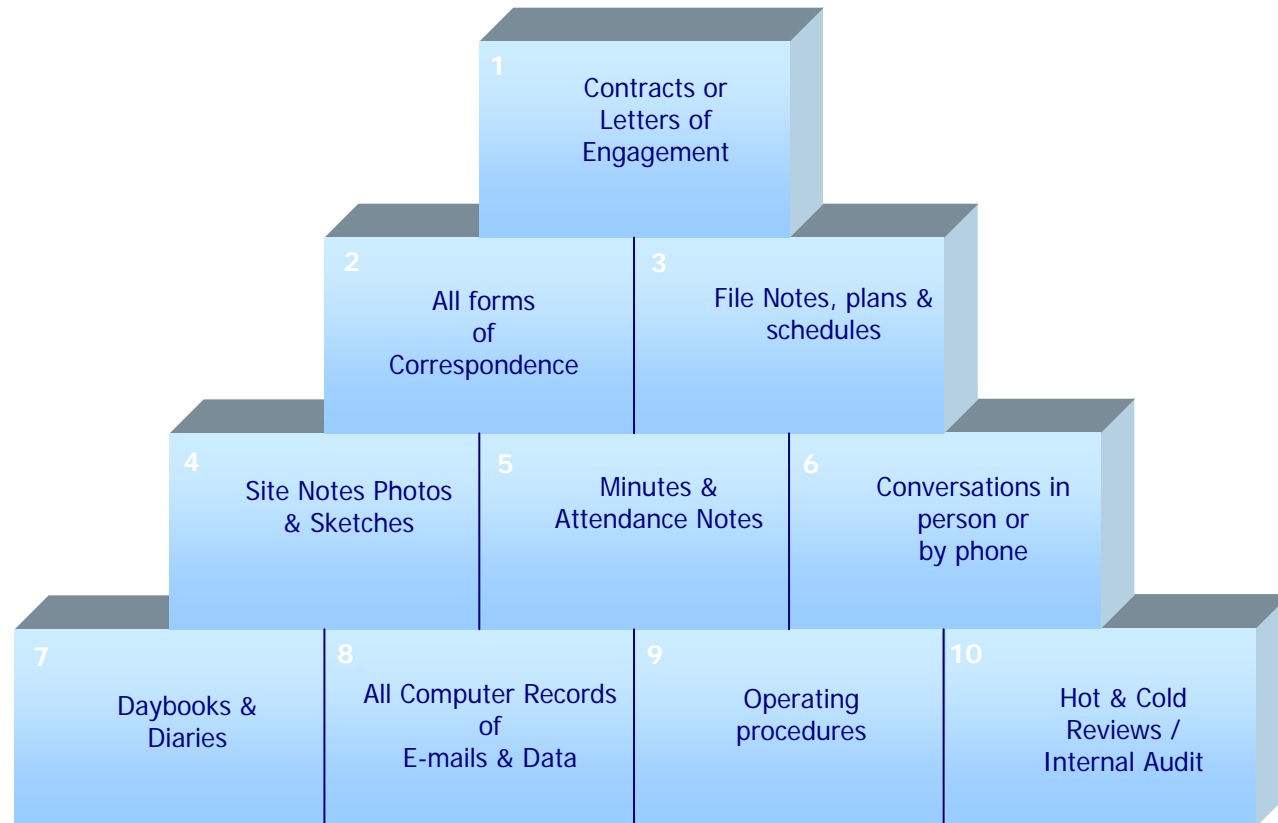


Taking On New Clients

- Pause before pressing 'go'!
- Is this a client you want to act for?
- Can you act without any conflict?
- Have you got the skill and knowledge to do what they want, and the resources to do it when they want it?
- ***Think carefully about taking on a client if you can't answer 'yes' to these questions***



The Paper Trail of Evidence



Conclusion

- PI Market set to harden
- Increasing litigious environment due to the economic downturn
- The consequential losses of facing a claim will usually surpass the value of the error
- TSA are raising the minimum PI levels to £500k
- Looking to introduce a TSA Members specific D & O Scheme



Key Points

- *Safety in numbers – The scheme offers protection simply not available on the open market*

- *Look after your clients and you will be managing risk*



The TSA Scheme providers
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