



### **Capital resources requirement**

- 1) Insurance intermediary that **does not** hold client money:
  - £5,000 **or, if higher**, 2.5% of the firm's **annual income** from regulated activities.
- 2) Insurance intermediary that holds client money in a statutory trust account or holds client money relating to transactions with commercial customers in a non-statutory trust account:
  - £10,000 **or, if higher**, 5% of the firm's **annual income** from regulated activities.
- 3) Insurance intermediary that holds client money relating to transactions with retail customers in a non-statutory trust account:
  - £50,000 **or, if higher**, 5% of the firm's **annual income** from regulated activities

### **Professional Indemnity Insurance**

The minimum requirement for an insurance intermediary is €1,120,200 per claim and a minimum of €1,680,300 in the aggregate, or 10% of annual income if higher, subject to an upper limit of £30,000,000 (See MIPRU 3.2.7 R).

<http://fsahandbook.info/FSA/html/handbook/MIPRU/3/2>

Intermediaries that hold a policy denominated in any currency other than euros must take reasonable steps to ensure that the limits of indemnity are, when the policy is effected and at renewal, at least equivalent to those required.

Intermediaries must take out and maintain PI cover from:

- (1) an insurance undertaking authorised to transact professional indemnity insurance in the EEA; or

(2) a person of equivalent status in:

(i) a Zone A country\*; or

(ii) the Channel Islands, Gibraltar, Bermuda or the Isle of Man.

\* The FSA's Handbook Glossary defines a Zone A country as being any European Economic Area (EEA) state, all countries which are full members of the Organisation for Economic Co-operation and Development (OECD) and those countries which have concluded special lending arrangements with the International Monetary Fund (IMF) associated with the Fund's general arrangements to borrow (GAB).