SCHEMES FOCUS

and manage renewals online
- ability to cater for short period contracts.
  Key benefits include:
- available 24 hours a day, 365 days a year
- access to experienced underwriters
- flexibility of coverage – ability to tailor heat wording to match primary insurers’ wording
- no additional bona fide subcontractors warranty
- available exclusively to BIBA members
- policy documentation issued prior to receipt of primary wording
- low minimum premiums.
Brokers can register to use cnaexcess.co.uk by visiting the site.
  Contact: 0800 028 2501 or email cnaexcesssupport@cnaeurope.com

Keeping it personal
Many brokers are concerned that ever-increasing administration costs, or indeed their lack of administrative back-up, is eroding motor insurance profits.
The Personal Lines Facility offered by Equity enables brokers to transfer part or all of their personal lines business to a specialist who handles the entire process.
“The results are immediate – freeing-up valuable resources, allowing them to focus on core activities and reducing costs at the same time,” explains broker development manager, Steve Young. A similar service was previously offered by Boncaster, but this company has been re-branded and now trades as Equity Insurance Brokers. The service has been enhanced and upgraded to cater for today’s streamlined market arena.
“Whatever the results are, it is in the broker’s own best interests to make sure that their clients have the best possible cover,” adds Mr Young.

When to notify a claim

A broker’s professional indemnity insurance policy imposes a duty on them to report all circumstances which may lead to a future claim.

If a broker does not report a particular circumstance and it later leads to a claim, the insurers may not be liable.

It is vitally important to comply with this duty as policies are renewable annually, operate on a claims-made basis and have notification conditions which can be onerous.

If renewal takes place between the circumstance occurring and notification to the insurers, there is likely to be a breach of notification conditions. If a broker changes insurer, the situation becomes more difficult. The claim may be repudiated by the previous insurers for being outside the period of insurance and by the new insurers as a circumstance known at inception.

Brokers may be nervous about notifying debatable circumstances because they are concerned that this may make them appear a poor risk to their insurer purely because of the volume of circumstances that have been reported.

The concern is this could affect their future PI rates and terms – especially as they will have to declare this information on future proposal forms.

It’s always advisable to adopt a cautious approach and to alert your insurer to any complaints which could have the potential to become a claim.

So when does a complaint become notifiable? It can be considered as any complaint which could lead to the broker making a claim on their PI insurance.

A complaint about poor service standards, for example, would not normally be notifiable. However, if this also questions the suitability of a policy the broker has recommended, then it may subsequently turn into a claim. In this case the complaint should be notified.

The best test is to ask yourself: “In the same set of circumstances, would other, similarly qualified individuals make the same decision?” If in doubt, it is generally wise to make a precautionary notification and, if you’re uncertain, ask your broker for guidance.

Neville Miles is managing director with Alexander Forbes Professions

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PI MATTERS

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