

**The Law Society Professional Indemnity Insurance Scheme
Review by Willis 2002-2003
Questionnaire**

| | Yes | No |
|--------------------------------------------------------|-----|----|
| 1. (a) What is your firm's principal area of practice? | | |
| _____ | | |
| _____ | | |
| _____ | | |

(b) Size of Firm by number of partners

| | | |
|---------------------|--------------------------|--------------------------|
| Sole proprietor | <input type="checkbox"/> | <input type="checkbox"/> |
| 2-5 partners | <input type="checkbox"/> | <input type="checkbox"/> |
| 6-10 partners | <input type="checkbox"/> | <input type="checkbox"/> |
| 11-20 partners | <input type="checkbox"/> | <input type="checkbox"/> |
| 20 or more partners | <input type="checkbox"/> | <input type="checkbox"/> |

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| 2. Professional Indemnity Insurance for solicitors in Hong Kong is currently compulsory for solicitors. Do you agree that it should be? | <input type="checkbox"/> | <input type="checkbox"/> |
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Any Comments?

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| 3. Would your firm prefer to arrange its own insurance? | <input type="checkbox"/> | <input type="checkbox"/> |
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| 4. In a scheme for all solicitors, do you think that higher premiums should be allocated to those firms who, | | |
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| (a) Have had justified claims? | <input type="checkbox"/> | <input type="checkbox"/> |
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| (b) Have defended unjustified claims but incurred unrecoverable defence costs | <input type="checkbox"/> | <input type="checkbox"/> |
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| 5. Would you approve of professional indemnity insurance arrangements if there was a risk that insurance could be declined to your firm because of one or more claims against you? | <input type="checkbox"/> | <input type="checkbox"/> |
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- | | Yes | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 6. Within any professional indemnity insurance arrangements, is it preferable for a firm to be driven out of practice because of high PI premiums due to their claims history, rather than for firms with no claims to subsidise the premium? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Do you consider the following features of Professional Indemnity cover to be essential, regardless of their impact on premium? | | |
| (a) Insurer cannot deny agreed cover to claimant for any reason | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) Continued indemnity after death or retirement for prior work for no additional premium | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) Indemnity to innocent partners in the event of fraud by, | | |
| i) an employee | <input type="checkbox"/> | <input type="checkbox"/> |
| ii) another partner | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) A deductible that is limited to a reasonable percentage of the sum insured | <input type="checkbox"/> | <input type="checkbox"/> |
| (e) No payment of the deductible due to incurred defence costs, if the claim is successfully defended | <input type="checkbox"/> | <input type="checkbox"/> |
| (f) A dispute resolution mechanism if the Insurer wishes to settle a claim against the insured's wishes | <input type="checkbox"/> | <input type="checkbox"/> |
| (g) No policy exclusions that leaves a solicitor unprotected for the usual activities of legal practice | <input type="checkbox"/> | <input type="checkbox"/> |
| (h) No firm/solicitor can be denied insurance | <input type="checkbox"/> | <input type="checkbox"/> |
| (i) Indemnity limit to be for each and every claim rather than a total limit for all claims in a year | <input type="checkbox"/> | <input type="checkbox"/> |

Any further comments on the above, or further restrictions/extensions to cover that you would consider if it materially affected the premium

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| 8. (a) The current limit of indemnity is HK\$10 million each and every claim. Is this appropriate? | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) A sufficient compulsory limit of indemnity is HK\$_____ each claim, or HK\$_____ per year | | |
| (c) Are there areas of practice that you believe could have a lower Limit of indemnity. Please provide areas and reasons why | | |
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- | | Yes | No |
|--------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 9. Are you satisfied with the current professional indemnity arrangements for solicitors in Hong Kong? | <input type="checkbox"/> | <input type="checkbox"/> |

Any comments?

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| 10. It is your belief that commercial insurers offering PI would better serve the interests of, | | |
| (a) The solicitors of Hong Kong? | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) The public? | <input type="checkbox"/> | <input type="checkbox"/> |
| than the current arrangements | | |

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| 11. Do you consider that where the only choice for a firm is to pay an increased premium or reduce the breadth of their insurance cover, it is better to reduce the cover? | <input type="checkbox"/> | <input type="checkbox"/> |
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| 12. Do you consider that the good standing, reputation and public confidence in the whole of the Hong Kong legal profession is an appropriate factor to take into account when considering the professional indemnity arrangements, even if it effects the level of premium paid? | <input type="checkbox"/> | <input type="checkbox"/> |
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13. This firm's professional indemnity contribution for the period 1 Oct 2002 to 30 Sept 2003 as a percentage of gross fees was

Please note – this question relates to the PIS scheme only, not top-up Insurance purchased

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| (a) 0 to 2.5% | <input type="checkbox"/> | |
| (b) 2.5% to 5% | <input type="checkbox"/> | |
| (c) 5% to 7.5% | <input type="checkbox"/> | |
| (d) 7.5% to 10% | <input type="checkbox"/> | |
| (e) 10% to 15% | <input type="checkbox"/> | |
| (f) above 15% | <input type="checkbox"/> | |

Yes

14. This firm's call (including March and August payment) for the HHH deficit as a Percentage of gross fees was

(a) 0 to 2.5%

(b) 2.5% to 5%

(c) 5% to 7.5%

(d) 7.5% to 10%

(e) 10% to £15%

(f) above 15%

15. This firm's gross fees (adjusted according to any change in the number of Fee earners) in the period from 1 Oct 2001 to 30 Sept 2003 has,

Increased by approximately _____%

or

Decreased by approximately _____%

or

Not significantly altered _____

16. This firm's income from conveyancing as a percentage of total gross fees was

(a) Year ending 2003 _____%

(b) Year ending 2002 _____%

(c) Year ending 2001 _____%

Please return completed questionnaire to

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For the attention of Mien Cheng