



STATUTORY INSTRUMENTS.

S.I. No. 157 of 2020

SOLICITORS PROFESSIONAL INDEMNITY INSURANCE
(AMENDMENT) REGULATIONS 2020

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THE LAW SOCIETY OF IRELAND, in exercise of the powers conferred on it by section 26 of the Solicitors (Amendment) Act 1994, hereby makes the following Regulations:-

1. These Regulations may be cited as the Solicitors Professional Indemnity Insurance (Amendment) Regulations 2020.

2. The Solicitors Professional Indemnity Insurance Regulations 2019 ("the Principal Regulations") and these Regulations shall be construed together as one instrument. Terms used in these Regulations and defined in the Principal Regulations shall, where the context so admits, have the respective meanings ascribed to them in those instruments.

3. Regulation 2 of the Principal Regulations is amended in paragraph (a):-

- (a) In the definition of "*ARP eligibility criteria*", by the insertion of "*other than a legal partnership or a multi-disciplinary practice*" after "*in relation to a firm*" and before "*means that the firm does not hold qualifying insurance with a participating insurer*";
- (b) In the definition of "*ARP eligibility dispensation*", by the insertion of "*other than a legal partnership or a multi-disciplinary practice*" after "*any firm*" and before "*a dispensation*";
- (c) In the definition of "*ARP eligible firm*", by the insertion of "*other than a legal partnership or a multi-disciplinary practice*" after "*a firm*" and before "*that satisfies the ARP eligibility criteria*";
- (d) In the definition of "*ARP premium*", by the insertion of "*other than a legal partnership or a multi-disciplinary practice*" after "*each firm*" and before "*which has been issued with an ARP coverage*";
- (e) the definition of "*ARP premium schedule*", by the insertion of "*other than legal partnerships or multi-disciplinary practices*" after "*in respect of firms*" and before "*which are issued with coverage in the assigned risks pool*";
- (f) In the definition of "*ARP run-off eligibility criteria*", by:-
 - (i) the insertion of "*other than a legal partnership or a multi-disciplinary practice*" after "*in relation to a firm*" and before "*:-*"; and
 - (ii) the insertion of the following after clause (iv):-

- "(v) *Where the firm has been authorised as a limited liability partnership, each and every principal of the firm, prior to ARP Run-off cover being arranged, irrevocably and unconditionally agrees, accepts and guarantees that, notwithstanding the firm's status as a limited liability partnership, the principals of the firm shall be personally liable jointly and severally in respect of any liability arising under Regulation 9(f), if applicable, and in respect of any liability that may arise against the principals of the firm under Clause 8 of the ARP Run-off Minimum Terms and Conditions.*"
- (g) In the definition of "ARP run-off eligible firm", by the insertion of "other than a legal partnership or a multi-disciplinary practice" after "a firm" and before "which satisfies the ARP run-off eligibility criteria";
- (h) In the definition of "compliant run-off firm", by the insertion of "run-off" before "means a" and after "firm which is designated as";
- (i) In the definition of "defaulting firm", by the insertion of "other than a legal partnership or a multi-disciplinary practice" after "means a firm" and before "that does not hold qualifying insurance";
- (j) In the definition of "defaulting run-off firm", by:-
- (i) the insertion of "other than a legal partnership or multi-disciplinary practice" after "means a firm" and before "that ceases a practice in circumstances"; and
 - (ii) the insertion of "and does not obtain run-off cover from a participating insurer" after "it is neither an ROF eligible firm or an ARP run-off eligible firm" whereso appearing.
- (k) In the definition of "non-compliant run-off firm", by the insertion of "run-off" after "means a" and before "firm which is designated";
- (l) In the definition of "ROF eligibility criteria", by:-
- (i) The insertion of "other than a legal partnership or a multi-disciplinary practice" after "means a firm" and before ":"-
 - (ii) The insertion of the following after clause (iv):-
- "(v) *Where the firm has been authorised as a limited liability partnership, each and every principal of the firm, prior to entry into the ROF, irrevocably and unconditionally agrees, accepts and guarantees that, notwithstanding the firm's status as a limited liability partnership, the principals of the firm shall be personally liable jointly and severally in respect*

of any liability arising under Regulation 9(f) and in respect of any liability that may arise against the principals of the firm under Clause 8 of the ROF Minimum Terms and Conditions."

- (m) In the definition of "ROF eligible firm", by the insertion of "*other than a legal partnership or a multi-disciplinary practice*" after "*a firm*" and before "*that satisfies the ROF eligibility criteria*";
- (n) In the definition of "run-off cover", by the insertion of the words "*other than a legal partnership or a multi-disciplinary practice*" after "*for a firm*" and before "*that has ceased to carry on a practice*".
- (o) In the definition of "run-off firm", by the insertion of the words "*other than a legal partnership or a multi-disciplinary practice*" after "*means a firm*" and before "*that:-*"

4. Regulation 6 of the Principal Regulations is amended by the insertion of the following after Regulation 6(g):-

- "(h) *A legal partnership and a multi-disciplinary practice shall not be eligible for entry into the ROF.*
- (i) *A legal partnership and a multi-disciplinary practice shall be required to establish and maintain run-off cover, as defined in regulations made by the Legal Services Regulatory Authority in accordance with s47 of the Legal Services Regulation Act 2015, from the expiry of the coverage period in which the practice ceases in accordance with regulations made by the Legal Services Regulatory Authority under s47 of the Legal Services Regulation Act 2015"*

5. Regulation 7 of the Principal Regulations is amended by the insertion of the following after Regulation 7(c):-

- "(d) *A defaulting run-off firm which was authorised as a limited liability partnership immediately prior to its failure to obtain or maintain run-off cover in accordance with these Regulations cannot maintain limited liability partnership status as the firm's authorisation as a limited liability partnership shall stand revoked by virtue of Section 129(3) of the Legal Services Regulation Act 2015 due to the failure of the firm to obtain or maintain run-off cover in accordance with these Regulations.*
- (e) *Any arrangements made by the SPF Manager under Regulation 7(a) are subject to Regulation 7(d) and the condition that the defaulting run-off firm does not make an application for authorisation as a limited liability partnership under s125 of the Legal Services Regulation Act 2015 for the duration of the said arrangements."*

6. Regulation 9 of the Principal Regulations is amended, in Regulation 9(a), by the insertion of "*other than a legal partnership or a multi-disciplinary practice*" after "A firm" and before "which intends to cease practice".

7. Regulation 10 of the Principal Regulations is amended:-

- (a) In Regulation 10(b), by the insertion of the words "*run-off*" after "a" and before "*firm which is designated as a non-compliant run-off firm*".
- (b) In Regulation 10(c), by the insertion of the words "*run-off*" after "a" and before "*firm which is designated as a compliant run-off firm*".
- (c) In Regulation 10(d), by the insertion of the words "*run-off*" after "a" and before "*firm which is designated as a non-compliant run-off firm*".

8. Regulation 12 of the Principal Regulations is amended:-

- (a) In Regulation 12(a), by the substitution of "*Subject to Regulation 12(l)*" with "*Subject to Regulations 12(l), 12(n) and 12(o)*"
- (b) By the insertion of the following after Regulation 12(m):-
 - "(n) *A legal partnership and a multi-disciplinary practice shall not be eligible for entry into the ARP.*
 - (o) *Where at any time a legal partnership or a multi-disciplinary practice either has not established or fails to maintain qualifying insurance underwritten by a participating insurer as required by these Regulations, the said legal partnership or multi-disciplinary practice shall comply with regulations made by the Legal Services Regulatory Authority under s47 of the Legal Services Regulation Act 2015.*

9. Regulation 16 of the Principal Regulations is amended by the insertion of the following after Regulation 16(e):-

- "(f) *A defaulting firm which was authorised as a limited liability partnership immediately prior to its failure to obtain or maintain qualifying insurance in accordance with these Regulations cannot maintain limited liability partnership status as the firm's authorisation as a limited liability partnership shall stand revoked by virtue of Section 129(3) of the Legal Services Regulation Act 2015 due to the failure of the firm to obtain or maintain qualifying insurance in accordance with these Regulations.*

- (g) *Any arrangements made by the SPF manager under Regulation 16(a) are subject to Regulation 16(f) and the condition that the defaulting firm does not make an application for authorisation pursuant to Section 125 of the Legal Services Regulation Act 2015 for the duration of the said arrangements."*

Signed on behalf of the Law Society of Ireland pursuant to Section 79 of the
Solicitors Act 1954.

Dated this 16 day of April 2020

MICHELE O'BOYLE,
President of the Law Society of Ireland.

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