



Solicitors Professional Indemnity

Target Market Statement

Product Type

This product provides the coverage in respect of the professional indemnity requirements set by the Solicitors Regulation Authority (SRA), including minimum coverage limits, which are set at £2 million for sole practitioners and partnerships, and £3 million for LLPs and incorporated practices.

For Freelance Solicitors, the product offers worldwide coverage for negligent, inaccurate or misrepresentative advice whilst performing their professional duty as a solicitor. The product complies with The SRA minimum terms & conditions as required by the Law Society and SRA Regulatory body.

Characteristics of the target market (who is the product designed for?)

This product is designed for the following customers who require Professional Indemnity insurance located in the UK:

- Members of The Law Society of England & Wales who are regulated by The SRA.
- Freelance solicitors.
- Firms with up to 20 partners.

This product may be sold to vulnerable customers.

Objectives, needs and interests of the target market (considering the key features and benefits of the product)

Customers will benefit from the following policy features and benefits:

- **Mandatory Coverage** -The insurance meets the requirements set by the SRA, including minimum coverage limits, which are set at £2 million for sole practitioners and partnerships, and £3 million for LLPs and incorporated practices.
- **Civil Liability** - Cover for claims made against the solicitor or firm for civil liability arising from their professional services. This includes negligence, breach of contract, and breach of fiduciary duty.
- **Run Off Cover** - Provides protection after a firm ceases trading, covering claims made during a specific period after closure. The SRA requires a minimum of six years of run-off cover.
- **Innocent Non-Disclosure** – Protects the firm in cases where a solicitor or employee has failed to disclose relevant information unintentionally. The policy remains valid even if this occurs, provided it was not deliberate.
- **Fraud & Dishonesty Cover** - Provides protection for the firm in cases where a partner, employee, or consultant commits a fraudulent or dishonest act.
- **Mitigation Costs** – Cover for the costs incurred by the firm to prevent or mitigate a claim.

Who is this product not designed for?

This product would not be appropriate for customers or businesses:

- Which are not solicitors.
- Firms domiciled outside the UK.
- Firms with more than 20 partners/members.



How do we expect this product to be distributed?

This product should be sold with the active assistance and guidance of an insurance intermediary to select the appropriate level of cover. The product will only be distributed through brokers to customers with whom Pen has an agency and not directly by Pen to customers.

This product is suitable to be distributed via a variety of intermediated sales channels, such as face to face, telephone, email, or by postal application by an intermediary with whom Pen has an agency. Consideration should be given to the vulnerability of customers by the intermediary and we should provide any support they may need.

What are the distributor value considerations?

We expect all distributors in the chain to consider the following when selling Pen's products:

- The impact on product value of offering other products alongside this one, especially those with proportionally greater remuneration. For example, an ancillary product, elements of which may duplicate existing cover, or premium finance charged at an elevated rate of APR.
- Additional commission, fees or charges added as part of distribution processes must be proportionate to the service provided, in line with those charged elsewhere, and not affect the overall value offered by the product.
- Distributors must ensure there is no duplication of cover as a result of any add-on products sold, where appropriate cover is already provided by the policy.
- Distributors should consider the demands and needs of the customer and the Consumer Duty requirements when dealing with customers.
- Distributors must provide full details on all risks submitted on a suitable proposal form.

Scope

This document is intended to provide an indicative summary of the target market for this product and is not a summary of coverage. Please refer to separate policy documentation for full details of the coverage provided by the product.

Product Approval Process

Pen has a product approval process in place to ensure that there is appropriate oversight of all products where Pen is either a co-manufacturer or a distributor. The process includes a risk assessment process where due consideration is given to the impact of the product on the target market and the value of the product.

A diagram of Pen's product approval process can be found on the Pen website [here](#).

The product complies with the SRA Minimum Terms & Conditions.

Important Information

This target market statement should be used by all (co-)manufacturers and distributors of this product. (Co-)manufacturers and distributors should not create their own variation of this document. Where any party using this document has concerns about the accuracy or completeness of the information included, this should be raised to Pen urgently for discussion.



Valid From

31/10/2024

Next Review Date

On or before 31/10/2025

