



## UK PII Premiums Rocket Sky High

The UK Law Society recently launched a PII Helpline which has already identified worrying trends as the UK's PII renewal season unfolds. The Society has become aware that in some cases insurers are quoting hugely inflated PII premiums which are at least 300 per cent higher than the firm's PII costs for last year, despite no change in circumstance for the firms in question. Sole practitioners and small law practices are being hit particularly hard by these increases.

Manchester law firm Mace and Jones was recently quoted in the Manchester Evening News warning that claims relating to mortgage fraud which was widespread in the sub-prime market are a major factor causing expensive hikes in insurance premiums as some lenders are looking to recoup losses from solicitors involved in transactions. These increases could see many solicitors' practices go to the wall. Another unnamed firm had already reported it would close after the cost of insurance skyrocketed from £8,000 in 2007/8 to £50,000 in 2008/9 (a 600%+ increase), while others had apparently not been able to get cover at all.

The Society has written to every professional indemnity insurer and the Association of British Insurers asking for an urgent response to its

concerns and is seeking their views to avoid leaving firms without cover. In addition to struggling to obtain affordable cover or any cover at all in certain cases, the Society is concerned that some law practices are seeing what appear to be questionable practices in imposing unreasonably short deadlines to accept an offer, for example, some insurers are giving solicitors just 24 hours to accept their quote, thus denying them the opportunity to shop around for something more reasonable.

### Assigned Risk Pool

As a result of these problems encountered by some members of the Law Society, there could be an increase in the number of firms requiring cover in the Assigned Risk Pool (ARP), which provides emergency PII for a maximum of two years in any five for legal firms unable to buy cover in the conventional market.

In anticipation of this expected increase, the Law Society has written to the Solicitors Regulation Authority (SRA) raising a number of questions in relation to the SRA's ongoing operation of the ARP. In particular, whether or not the SRA might consider reviewing the premium rate for entry into the ARP to reflect the circumstances for which some firms will be forced into the pool.



## US Legal System all of a Twitter

In what some consider to be inappropriate use of online social networking sites such as Facebook and Twitter, jurors are apparently throwing the United States legal system into disarray with their online chatter with E-friends.

Having said that, in some recent cases those very same social networking sites have been utilised to assist the legal process. For example, Facebook has recently been used in the US to serve court orders.

In one recent case a former senator who was found guilty of corruption charges is appealing against his verdict because a juror posted updates on the case on Twitter and Facebook, claiming that they were just his private musings. On this occasion the judge allowed the juror to continue deliberating on the case.

In another case a building materials company has asked an Arkansas court to overturn a civil case because a juror used Twitter to send updates during the trial. This particular juror sent eight messages to the Twitter site using his mobile phone.

United States defence lawyers are now appealing against verdicts in some cases because the jurors made comments about the trials on social networking sites. They are arguing that the new technology compromised the trials.

THE CHRISTMAS RIDDLE ANSWER: The high fee charging lawyer.  
THE LOGIC: The other two characters are figments of your imagination!