

Professional Indemnity Insurance and Client Money Protection (PI + CMP) FAQ's

Q1: Who are Lonsdale Insurance Brokers Limited?

A: Lonsdale Insurance Brokers Limited is a multi-disciplined Lloyd's broker based in the city of London. Lonsdale specialise in servicing the insurance needs of property professionals and work closely with affinity groups / associations to structure schemes and facilities for members. We are one of the only Lloyd's brokers with a director that was formally a chartered surveyor and whom offers policy holders risk management services and assistance with quality assurance procedures.

Q2: Who are WRB Underwriting?

A: WRB Underwriting brings together two leading insurance businesses – W.R Berkley Syndicate Management Limited 1967 and W.R Berkley Insurance (Europe) Limited. The business was established in July 2003 as a London based, FSA (now superseded by the PRA and FCA) authorised insurer, and is a member of their holding company, W R Berkley Corporation, one of the largest commercial lines writers in the U.S.

WRB Underwriting is rated A (Excellent) by A. M. Best and A+ (Strong) by Standard and Poor's reflecting its excellent capitalisation, highly experienced management team, strong prospective financial performance, and long-standing relationships with its brokers.

WRB Underwriting underwriters are experts in their specialist areas and are empowered to provide solutions outside the traditional boundaries of insurance.

W.R Berkley Syndicate Management Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FRN: 568355)."

Q3: What does Professional Indemnity Insurance (PI) cover?

A: PI protects ones business in the event a client (third party) brings a claim for financial loss as a result of professional negligence, errors and omissions. The policy shall cover defence costs in addition to the limit of indemnity.

Q4: What is the limit of indemnity?

A: The PI limit of indemnity is for any one claim with defence costs in addition. The CMP limit is separate and provides cover up to a total of £500,000 in the aggregate per agent and £25,000 each and every claim but limited to a maximum of three month's rent in respect of landlord's claims. The total aggregate scheme limit is £3,000,000.

Q5: What is an excess?

A: The PI excess is the amount the policy holder will contribute to each and every claim excluding defence costs. An excess does not apply to the CMP cover.

Q6: What is Client Money Protection (CMP) cover?

A: The policy we have designed is PI led with CMP available as an optional extra. The CMP indemnifies the landlord or tenant, whose funds have been misappropriated up to an indemnity limit of £25,000 each and every claim, but limited up to three month's rent in respect of landlord's claims and an aggregate limit of £500,000 per agent. The annual aggregate scheme limit totals £3,000,000.

Q7: How is my policy structured?

A: The policy comprises of a PI any one claim limit of indemnity in respect of professional indemnity with an optional standalone limit in respect of CMP. The standalone CMP limit is provided as part of an exclusive scheme for members of The Property Ombudsman, however is also available to Rent Smart Wales members and members of the Scottish Register of Letting Agents. CMP is for the consumers benefit in the event a principal of the business misappropriates client money.

Q8: My existing PI is an annual policy and not a rolling monthly contract, Can I still buy CMP?

A: Yes you can. CMP would be covered on inception of the policy with the PI delayed until expiry of the PI policy already in force. You would be charged a PI pro-rata premium for the remainder of the policy period on expiry of your existing PI policy.

Q9: Can I purchase more cover?

A: More PI cover can only be purchased upon referral to Lonsdale Insurance Brokers Ltd.

Q10: Can I cancel the policy?

A: Subject to no claims, your policy is cancellable. A policy cancellation fee shall apply as per our terms of business.

Q11: Am I covered for my historical liability?

A: Historical activities are covered, however, only in respect of business activities stated on the statement of fact unless otherwise agreed with Lonsdale Insurance Brokers Ltd. If you have never bought PI, cover for forward acts only would apply.

Q12: What if I merge with another firm?

A: Depending on the terms of the merger, the policy shall either need to be endorsed to reflect run off cover only or extend to include the merged entity. You shall need to advise Lonsdale Insurance Brokers Ltd so that they can adjust the policy accordingly.

Q13: Is cover only available to members of The Property Ombudsman, Rent Smart Wales and the Scottish Register of Letting Agents?

A: PI + CMP combined is only available to members of The Property Ombudsman, Rent Smart Wales and the Scottish Register of Letting Agents?, however PI in isolation is available to non-members of The Property Ombudsman, Rent Smart Wales and the Scottish Register of Letting Agents

Q14: What happens if we cease trading or withdraw our membership from The Property Ombudsman, Rent Smart Wales and the Scottish Register of Letting Agents?

A: Cover ceases in respect of CMP. The PI can either continue or be adjusted to provide run off cover.

Q15: What is Run Off Cover?

A: Run off cover means the policy no longer covers forward acts and shall only apply to historical liability from the point the business ceases to trade.

Q16: Are overseas activities covered?

A: Unless otherwise agreed, cover shall only apply to business activities within the United Kingdom.

Q17: How will I receive confirmation of cover and my policy documentation?

A: Lonsdale shall confirm cover upon receipt of the statement of fact and issue policy documentation shortly afterwards via email.

Q18: How can I report claims and circumstances?

A: CMP claims can be notified direct to Lonsdale Insurance Brokers by email pi.cmp@lonsdaleib.com or telephone 0203 713 3860. A claim form shall need to be completed and sent direct to insurers WRB Underwriting as per the claim notification instructions. CMP claim notification instructions are shown on The Property Ombudsman Website.

PI claims should be notified direct to WRB Underwriting.

To request a claim form, please contact Lonsdale Insurance Brokers.



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