



## National Trust Account Rules

Early this month, I attended the Conference of Regulatory Officers which was hosted by the Law Society of Western Australia. Agenda items included:

- The Law Council of Australia Blueprint for a National Legal Profession.
- National Trust Account Rules.
- Negligence and the Cost of Professional Indemnity Insurance.
- Links Between Professional Indemnity Insurance and Disciplinary Systems.

It has been over two years since I last attended a regulatory officers conference and it was refreshing to see a considerable change in attitude. At this conference, there was a great emphasis on the "National" rather than the protection of established differences in each jurisdiction. There was agreement rather than disagreement on change and particularly in the discussion on National Trust Account Rules.

Although the National Trust Account Rules are rather daunting on first inspection, I believe that if adopted they will answer many of the queries currently raised in respect of the operation and audit of solicitors' trust accounts. These national rules are absolutely necessary before any move can be made towards national

practising certificates. As can be seen from the list of agenda items, professional indemnity insurance and claims prevention have a high priority.

We in the Northern Territory were lucky enough this year to have a reduction in professional indemnity insurance premiums, but due to the small number of practitioners contributing to our premium pool, one large claim could result in a dramatic increase next year.

I cannot emphasize enough the importance of claim prevention. Not only do professional indemnity insurance claims result in increased premiums, they are also one of the major causes of poor publicity for the profession.

It may very well be that when governments are considering allowing unqualified people to undertake legal work their thoughts are that if legal practitioners are unable to do the work properly, why not let others in who can.

When negotiating the reduced professional indemnity insurance premiums, it was agreed with our brokers that the Society would run a seminar on claims prevention for members. It is proposed that the seminar be held in February 1996. It will be conducted on two consecutive days to allow all practitioners to attend. I will give fur-

ther details of the seminar in future columns.

As mentioned in a previous column, professional indemnity insurance is one of the major hurdles which could delay the introduction of national practising certificates.

It is interesting to note that the idea of a national mutual professional indemnity insurance scheme is now gaining support. This idea was raised by the Executive Officer, Jim Campbell some two and a half years ago at a meeting of Law Societies but was not acted upon as everyone was too interested in doing their own thing.

I don't believe there is any argument against uniform trust account rules, ethical rules and a national professional insurance scheme making it easier for practitioners to practice in the national market.

Self regulation was also raised at the conference. Although the idea of handing over complaints handling to an independent body such as a Legal Ombudsman may sound attractive, it appears from discussion at the conference that the work load of the Society would not diminish with such an appointment but instead may increase. This of course results in increased costs and we all know who will ultimately have to pay.