Some benefits to the legal profession

Northern Territory legal practices will shortly be getting their Professional Indemnity Insurance (PII) renewal documentation for the period 1 July 2007 to 30 June 2008.

When I started working for the Society in 2003, I was advised that in 2002 a tightened insurance market, thanks to the demise of HIH as well as a higher claims record, had made the renewal process extremely stressful for our brokers Marsh Pty Ltd, the Council and Secretariat and certainly the legal practices.

Marsh Pty Ltd, Ian Morris as President and the Council determined that measures needed to be taken to improve the situation, and in this the Society had the support of practitioners and insurer QBE. *Balances* published at the time outlined some initiatives taken. Successive Council Presidents have continued to give these matters a high priority and the current terms reflect the hard work that has been put in.

A major initiative has been the Quality Practice Review programme and its support from both QBE and practitioners. Other risk reduction initiatives have included the Society implementing a more extensive practitioner information and CPD programme.

It is thus possible for Marsh Pty Ltd to secure a significant discount on the PII premium for 2007-2008, resulting in a saving of premiums of between 26% and 28% for both QPR and non-QPR accredited firms, with those practices undertaking QPR's now getting a 30% per practitioner discount.

These lower premiums are not simply the product of a more favorable insurance market and are certainly not the result of "tort law reform". It is important that the Society and firms continue with this risk reduction strategy and that firms remain vigilant.

It is always possible for the market to tighten and if claims start rising again, premiums will follow.

Compliance with the new *Legal Profession Act* remains a priority issue, and compliance with the trust account provisions is part of this. Many have queried why the trust account provisions are so prescriptive. This was the initiative of some of our interstate colleagues as a result of problems identified.

The Law Society, rather than working with the Master, will be taking over trust account regulation on 1 July 2007 (apart from the fact 2006-2007 audits must be lodged with the Master). It will also have a greater role in dealing with Fidelity Fund issues and a prime responsibility will be ensuring that claims continue to be minimised. This enables more monies in the fund to be available for regulatory and other purposes, and ensures that the annual contribution remains low and that no levies are imposed on unrestricted practicing certificate holders.

Vigilance by supervising practitioners remains a key factor. The Society's brief is to assist firms with compliance.

Also, under the new trust account provisions, statutory deposits are being returned to practices. While practices will now, subject to the Legal Profession Regulations, be able to disburse monies from the trust account through electronic funds transfer.

The Society will shortly be releasing its "Quickstart to the LPA, a guide to matters under the Legal Practitioners Act."

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I would be happy to answer any queries, and can be contacted at bbradshaw@lawsocnt.asn.au.