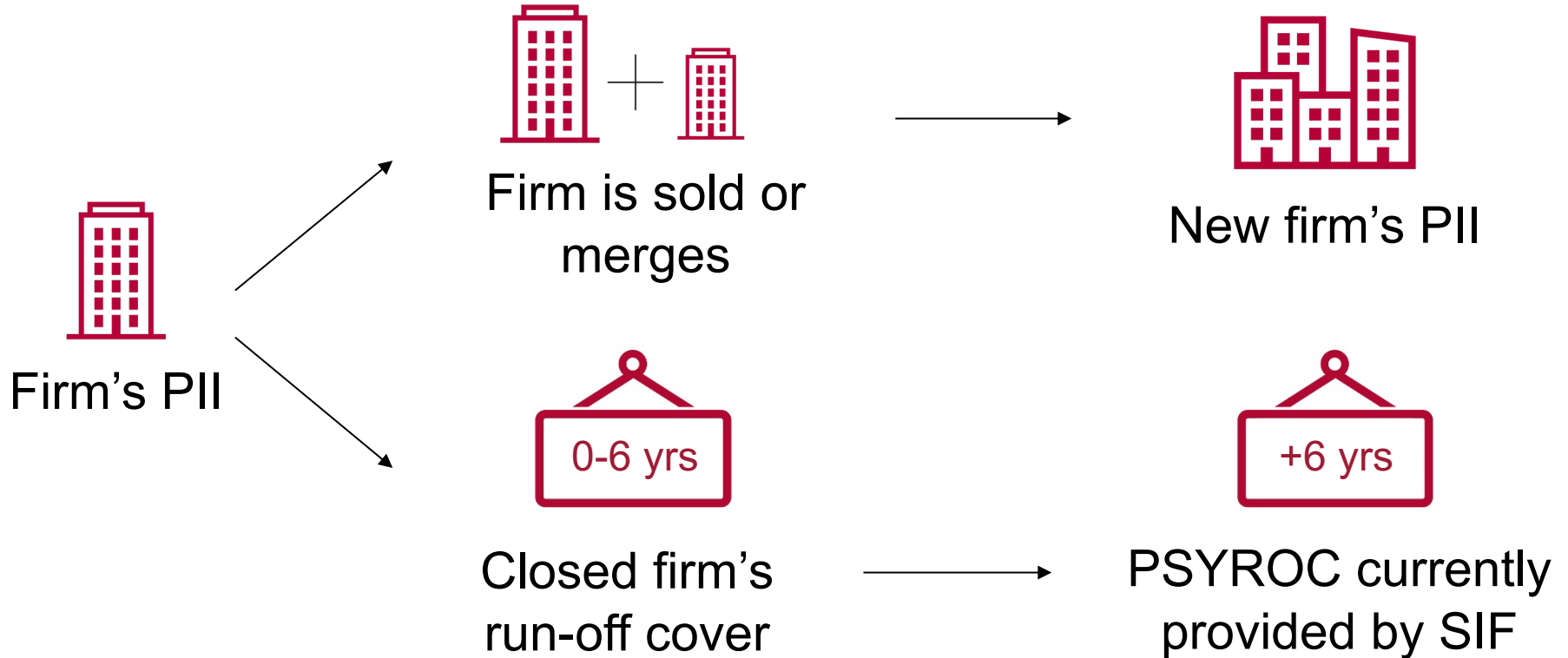


Post six-year run off cover and the Solicitors Indemnity Fund

Juliet Oliver
General Counsel

How are claims covered?



Background to SIF

1987

Law Society creates SIF.

2000

Announcement that SIF is to end.

To be replaced by open market alternative including six-year run off.

2004

Law Society announces SIF will provide post six-year cover until 2017.

2006

The SRA takes over responsibility for SIF.

2012

SRA agrees to delay SIF closure to 2020.

2020

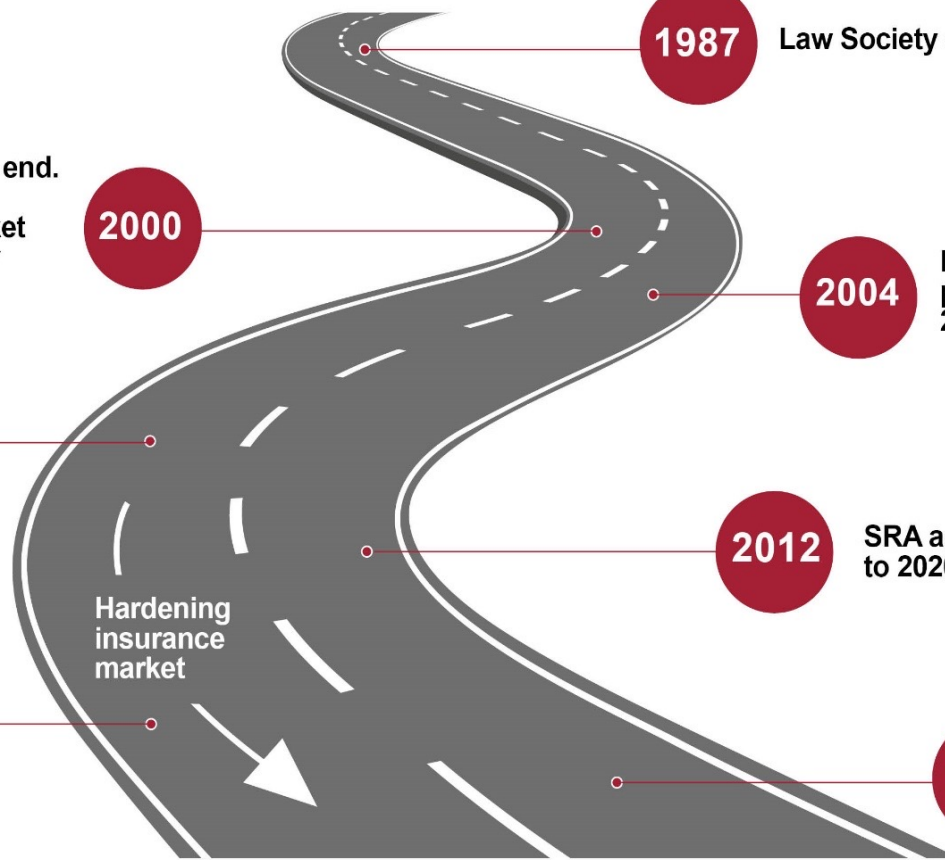
SRA agrees SIF extension to 2021.

Hardening insurance market

2021

SRA agrees SIF extension to 2022.

Public consultation on post 2022 options.



Key questions to consider

- Should our regulatory arrangements include on-going PSYROC to protect consumers?
- If so, what would it look like and who would pay for it?



Developing the options



Development of a decision-making framework



Analysis of historic claims data by insurance experts



Analysis of other available data about the characteristics of claimants and the impact of different options



Discussions with other professional services regulators about their run-off requirements



Input from our virtual reference group

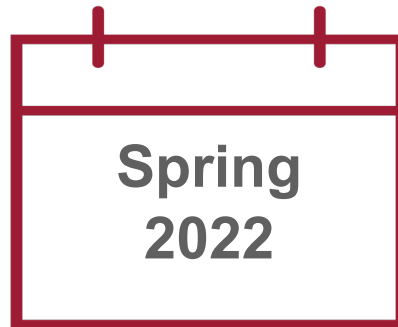
Options for the future

- Continuing post six-year run-off cover through the SIF with new funding arrangements
- Arranging post six-year run-off cover through another vehicle, possibly in a more targeted form
- Arranging post six-year run-off cover through insurance on the open market
- No future provision of post six-year run-off cover through regulatory arrangements

Next steps



12-week public
consultation



Further consultation on
any rule changes,
if necessary
(LSB approval required)



Implementation
of any changes