

## Guidance Note Bar Mutual Cover for Secondments. November 2017

This Guidance Note explains the circumstances in which Bar Mutual Indemnity Fund Limited (**Bar Mutual**) will provide professional indemnity insurance (**PII**) to self-employed barristers for the supply of Legal Services in the course of temporary secondments. It replaces the Guidance Note first issued in December 2016.

1. Bar Mutual recognises that self-employed barristers are increasingly undertaking temporary secondments with professional and lay clients in order to develop their practices and improve their skill and knowledge. The secondments vary but include secondments to (and this is not an exhaustive list) firms of solicitors, insurers, financial and other regulators and banks.
2. In consultation with the Chancery and Commercial Bar Associations, Bar Mutual amended its Terms of Cover (effective from 4 October 2017) to clarify the provision of PII to self-employed barristers on temporary secondments in particular circumstances.
3. In summary, a self-employed barrister undertaking secondments from 4 October 2017 will be indemnified for Claims and Defence Costs by Bar Mutual where the seconded barrister (i) was in self-employed practice before the start of the secondment and (ii) the total period of the secondment does not exceed six months.
4. In introducing this amendment to its Terms of Cover, Bar Mutual's intention is that a self-employed barrister on secondment will be insured by it where the body to which the self-employed barrister is seconded (i) is under no regulatory obligation to include the seconded barrister on a PII policy and (ii) either has no PII policy or has a PII policy but is unwilling to include the seconded barrister on that policy.
5. Firms of solicitors regulated by the Solicitors Regulatory Authority are an example of organisations that are obliged to have PII for seconded barristers. Under the Solicitors Regulatory Authority's Handbook, a barrister seconded to a solicitors' firm will be classified as an "employee" of the firm for the duration of the secondment. The SRA's minimum insurance terms and conditions mandate firms to obtain PII for all their "employees". Seconded barristers will therefore have the protection of the solicitors' firm's PII.
6. However, where the secondment is with a body that is not obliged to provide PII to the seconded barrister, then enquiries should be made of the organisation about PII with a view to ensuring that the organisation's PII (if it has it) will be extended to the seconded barrister.
7. It is only where (i) there is no regulatory obligation on the organisation to which the barrister is seconded to provide PII cover for that barrister, and (ii) that organisation does not have, or is unwilling to ensure, that its PII includes the seconded barrister, that Bar Mutual's cover would apply. Furthermore, because the purpose of this extension of cover is only to cater for temporary secondments, the provision of cover by Bar Mutual is subject to the proviso that the secondment does not exceed six months.
8. As the standard contractual secondment agreements of some organisations may prejudice elements of Bar Mutual's cover, Members are encouraged to contact Bar Mutual at [info@barmutual.co.uk](mailto:info@barmutual.co.uk) for assistance where there are concerns that the standard agreement may have this effect.