

BAR MUTUAL INDEMNITY FUND

EXPLANATORY NOTES

2023

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BUSINESS SEQUENCE

a) Application for Membership and Insurance, or Renewal of Cover

Two documents provide the key to arranging the necessary insurance:

- (i) A new barrister should submit the form entitled "Application for Membership and Insurance" on the downloads page of www.barmutual.co.uk.
- (ii) A form entitled "Renewal of Cover" is printed for each Member who is already a Member of Bar Mutual. For those chambers who are receiving hardcopies, please note that the forms for all the Members of Chambers are sent to you in one envelope and Bar Mutual is most grateful to you for distributing them. If Members wish Bar Mutual to process their renewal forms, please note the return date of 24 February. This will ensure that we have sufficient time to provide you with debit notes to be settled by 1 April.

PLEASE ENSURE THAT EACH MEMBER IS ALSO PROVIDED WITH A COPY OF THE EXPLANATORY NOTES.

Although no premium deferral is being offered for the 2023 renewal, Members should be given the Premium Deferral Statements issued later in the year.

The easiest way is to renew via the online portal – Members can email their debit notes to you/themselves or print them out as required. If payment is made by card the Cover Note can be produced immediately.

During the renewal period you will receive lists showing which of the barristers in your Chambers have not returned their renewal forms together with details of the premium debited. Barristers who do not return their renewal forms at the proper time may be reported to their Head of Chambers and to the Bar Standards Board.

Please contact the Managers:

- if a barrister is missed out. He/she should not complete the form intended for new barristers. Instead a renewal form should be printed out and completed from the downloads section of www.barmutual.co.uk Alternatively the Member can renew online.
- if a barrister is unable to complete the renewal form for any reason.

b) Renewal for the first time

Members who are renewing for the first time must declare in the first box on the renewal form the **aggregate** of the following:

1. fee receipts from the date on which the Member commenced practice until 31 December 2022; and
2. A projection of the fee receipts during as many months from January 2023 as is necessary to make a total of 12 months of fee receipt data.

For example, a Member who commenced practice in August 2022 will declare the aggregate of:

- (i) His, her or its fee receipts for the five months to 31 December 2022; **and**
- (ii) His, her or its projected fee receipts for the first seven months of 2023

in the first box.

c) Renewal on Line

Members may renew on line via www.barmutual.co.uk. Each renewal form has a unique sixteen digit number on it, and this should be entered along with the Member's Bar Council membership number (obtainable from the Bar Council on 020 7242 0934).

A Member should enter the renewal details, review what level of cover to take and elect to pay by debit or credit card, via cheque/bank transfer, or via chambers. The system allows Members to print or email their debit notes and – if paid by card online– also their Cover Notes.

d) Calculation of Contributions

The Managers use the information supplied to calculate the contribution to be paid in accordance with the Rating Schedule and then send a debit note for the amount to be paid, direct to each barrister. All barristers, even when their income exceeds the "cap" (remaining at £1.2m this year), are requested to complete the Gross Fee Income box (Box 1 on the Renewal form) with a specific figure so that the Managers may gauge the effect of the "cap".

e) Method of Payment

If a Member renews on line, payment can be made via debit or credit card.

If Members (or chambers) wish to settle their premiums direct by bank transfer or the internet, Bar Mutual's bank details are:

National Westminster Bank plc
Sort Code : 50 00 00
Account No : 15427625

Please ensure that membership numbers are quoted with any payments.

We strongly advise against paying by cheque, but if this method is preferred then cheques should be made payable to Bar Mutual Indemnity Fund Limited. If Chambers is paying collectively with a Chambers' cheque, please ensure the Chambers' number is written on the reverse of the cheque, and attach a list of the Members whose contributions are included in the cheque.

f) Chambers' Statements

From time to time, you will receive Chambers' statements listing the amount of each barrister's contribution, whether it has been paid and the limit of his/her cover. This will help you and your Head of Chambers to keep track of the insurance position of your Chambers.

g) Interest

If a contribution is not paid by the due date, interest is chargeable at a rate of 1% per month (minimum £10) on the sum debited, without further notice. A statement will be sent. If payment is not made, the barrister will be reported to his/her Head of Chambers and to the Bar Standards Board.

2. PUPILS

Pupils are covered by their pupil supervisor's Bar Mutual Indemnity Fund (BMIF) insurance, for work performed during pupillage. Cover ceases at the end of the second six months of pupillage.

Once pupillage ceases, they must apply immediately to the BMIF for their own cover for legal services offered in self-employed practice. Practising barristers entering into so-called "third six" arrangements should also contact BMIF to agree their own insurance cover.

3. INSURING FOR THE FIRST TIME

Use the Application for Membership and Insurance Form on the downloads page of www.barmutual.co.uk

A barrister within three years of call with a Gross Fee Income equal to or less than £15,000 is eligible for a reduction in the cost if Chambers requires him to buy an optional higher level of cover.

The Application Form asks new Members to declare if their projected fee receipts (not billings) between the date of commencing practice and 31 March of the following year are expected to exceed £50,000. Please simply tick the box and we shall contact you/the barrister for further details.

4. SQUATTERS, ACADEMICS AND LAW REPORTERS

Barristers going into practice, other than as tenants, must make their own arrangements for insurance with Bar Mutual as soon as their pupillage ends. The Head of Chambers has an obligation to ensure they are properly insured.

Special arrangements apply for academics and door tenants. Please contact the Managers in each case. As a general guide, all those Members of the Bar who are offering any form of legal services to the public as barristers in independent practice, with a Practising Certificate, need to be insured with Bar Mutual.

Law Reporters have been exempted by the Bar Council from the requirement to insure with Bar Mutual.

5. MOVING CHAMBERS

Use the Barrister Movement form to notify Bar Mutual of the date of joining/leaving Chambers (please photocopy as required) **or email info@barmutual.co.uk**. For a new joiner, request his/her original Cover Note and photocopy it for your file.

6. RETURNING FROM MATERNITY LEAVE

Where a Member has left practice temporarily or reduced the amount of time given to practice by reason of pregnancy or childbirth, or in order to care for the Member's own children below school age, the Member shall be entitled to the same limit of basic cover as the Member had previously been provided with, whatever the Member's Basic Contribution, without payment of any Optional Contribution.

7. LONG TERM ILLNESS

Members returning to practice after long term illness should contact the Managers.

8. RETIRING FROM PRACTICE AT THE BAR

Please inform Bar Mutual if a Member has ceased to practise. Please provide the date the member was marked as non-practising/unregistered by the Bar Standards Board and also a home and personal email address. Either email info@barmutual.co.uk or use the Cessation form on the downloads page of the website www.barmutual.co.uk.

- (a) Every retiring barrister will be **given** (ie without charge) £500,000 cover for a minimum of six years. Thereafter, unless and until they decide otherwise, the cover will continue indefinitely.
- (b) If a barrister opts to maintain the highest level of cover provided by Bar Mutual in her previous three years' of practice then, assuming she is buying more than £500,000 cover, the contribution for cover up to £2,500,000 will be 75% of the average annual contribution over the last three years. That cover will last for a six year period, following which the barrister will automatically receive £500,000 of cover which will continue indefinitely, unless and until the Directors decide otherwise. If a barrister requires higher cover on expiry of the six year period, such cover is available in three-year tranches at a cost of 20% of the premium paid for the first six years' cover.

9. DEATH

Please notify the Managers of the death of any practising or retired barrister as soon as practicable. There is no charge for six years' run-off cover at the limit pertaining at the time of death (up to £2,500,000), and the barrister's estate will be protected by the Fund in the same way as the barrister was before death.

10. COVER

a) Levels of Cover

The Member's Basic Contribution, which cannot be reduced, entitles him/her/it to a **Basic Limit of Cover** (please refer to Table 2 of the Rating Schedule).

If **Optional Cover** is required, the cost will be shown on the debit note and the Member may then decide whether to accept the quotation. The levels of cover available and the extra cost are shown in Table 3 of the Rating Schedule.

Bar Mutual does not provide cover in excess of £2,500,000 but Members are encouraged to give serious consideration to purchasing cover in excess of this. In order to assist barristers in obtaining this cover, Bar Mutual has agreed with TLO (a broker) that Bar Mutual will send details of a barrister's fee income, areas of practice and claims history to TLO so that the Member does not need to complete a separate proposal form disclosing this information. If a Member would like Bar Mutual to act in this way, they should indicate that Bar Mutual is authorised to send details by ticking the box. TLO will then make contact direct.

b) Increase of Cover

Use the Increase of Cover form or email info@barmutual.co.uk to inform Bar Mutual of any mid-year requirement for higher limits of cover. Any such increase in cover cannot be retrospective, and the declaration regarding claims on the Form is particularly important. Members should be aware that the policy works on a claims-made basis. Thus the date upon which a claim is made is the relevant date for determining the relevant level of cover.

c) "The Insured Practice"

You should note that Bar Mutual's Terms of Cover automatically includes cover for barristers acting as Arbitrators, Umpires or Mediators. Barristers who do not wish to have this cover should not declare any income for this part of their practice.

d) Foreign Practice and Practising from an EU Member State

Please tick this box ONLY if you are (1) qualified to practise in another system of law and (2) wish to apply for cover for your practice in that other system. You will then receive a separate application form for this aspect of your overall practice.

Bar Mutual's approach to insuring "Foreign Practice" was amended during 2018. Only fee income deriving from work with all of the following features is now to be treated as "Foreign Practice":

- The instructions relate to proceedings outside England and Wales;
- The subject matter of the instructions is governed by a system of law other than the law of England and/or Wales;
- The Member is authorised to practise in the relevant jurisdiction; and
- The instructions have not been clerked or administered via the Member's chambers in England and Wales.

For the avoidance of doubt, Bar Mutual provides cover for Foreign Practice at its absolute Discretion.

Members engaged in foreign practice are responsible for ensuring that professional indemnity insurance cover is in place satisfying the requirements (if any) of the foreign jurisdiction in which they practice.

Bar Mutual has in the past provided insurance to barristers who, incidentally to their practice in England and Wales, also practice in the Republic of Ireland. However, in 2019 the Irish authorities introduced a requirement that Irish barristers must be insured under a "qualifying

insurance policy". As Bar Mutual is not authorised or licensed to transact business in the Republic of Ireland, it cannot offer a "qualifying insurance policy". A policy with Bar Mutual will therefore not now satisfy the rules for practice in the Republic of Ireland.

Practising from an EU Member State

As the United Kingdom is no longer a Member State of the EU, Bar Mutual may not be able to provide insurance to Members resident in an EU Member State. If you are resident in an EU Member State you are strongly encouraged to contact Bar Mutual to discuss your status and Bar Mutual's ability to provide you with insurance.

11. CLAIMS

In the event of a claim being made against a Member, or of any intimation received from any person of any intention to make a claim against him/her/it, the Member should inform Bar Mutual in writing / by email to info@barmutual.co.uk as soon as possible. A Member may wish to inform the Managers if he/she/it becomes aware of circumstances which might lead to a claim being made.

Deductible

A deductible of £350 will be applied in the case of successful wasted costs applications.

12. PUBLIC ACCESS AND LICENSED ACCESS WORK

Members accepting work from public or licensed access should declare the percentage of their fees earned from these types of work in boxes 6 and 7.

13. AUTHORITY TO CONDUCT LITIGATION

Members who have obtained authority to conduct litigation should declare the percentage of their fees earned in cases in which they have exercised this right in this box

14. DIRECTORS

DIRECTORS OF BAR MUTUAL AS AT 1ST JANUARY 2023

Rebecca Sabben-Clare KC (Chair)
David Railton KC
Jasbir Dhillon KC
Sushma Ananda
Thomas Coghlin KC
Charles Dougherty KC
Richard Handyside KC
Anna Markham
Christopher Pocock KC
Nathaniel Rudolf KC
Simon Salzedo KC
David Scorey KC
Sharif Shivji KC
Fiona Sinclair KC
Ruth Bala
Rebecca Murray
Robert Purves
Steven Snowden KC
Rajiv Harnal (Chief Financial Officer)
Ahmed Salim (Chief Executive Officer)

15. MANAGERS

Ahmed Salim (Chief Executive Officer)

Claims:

Simon Lambeth
Sarah Tivey
Gemma Fleetwood
Adrian Mee
Ahmed Salim
Stacey Sheargold

Underwriting & Membership:

Ahmed Salim
Smita Shah
Simona Duobaite