



Master Policy – Supplementary Self Insured Excess (Domestic Conveyancing)

1. Under the Master Policy, subject to the overriding requirement that the CLC must be reasonably satisfied with the Recognised Body's proposal to avoid additional exposure of the CLC's Compensation Fund to unpaid excesses, the self-insured Excess for domestic conveyancing must be no more than the higher of:
 - (1) £3,500 or
 - (2) the sum of the following:
 - (i) 5% Fees (as defined in the Master Policy) where the Fees are no more than £200,000; plus
 - (ii) 3% Fees on Fees between £201,000 and £500,000; plus
 - (iii) 2% Fees on Fees between £501,000 and £1,000,000.
2. A specific application may be made to the CLC to increase the self-insured Excess where Fees are greater than £1,000,000 outlining how the Recognised Body intends to meet this obligation and thus avoid additional exposure of the CLC's Compensation Fund to unpaid excesses.
3. All Managers must be satisfied that the Recognised Bodies of which they are Managers have the ability to meet the additional liability over and above the minimum permitted self insured Excess before agreeing to a self insured Excess as permitted at paragraph 1(2) or before making a specific application under paragraph 2. As a guide, a Recognised Body should be able to demonstrate it can fund the self insured excess for no less than two claims per year.

Examples of Limits on Self Insured Excess

- Fees £250,000 Maximum Excess = £200,000 X 5% + £50,000 X 3% = £11,500
- Fees £600,000 Maximum Excess = £200,000 X 5% + £300,000 X 3% + £100,000 X 2% = £21,000
- Fees £900,000 Maximum Excess = £200,000 X 5% + £300,000 X 3% + £400,000 X 2% = £27,000

June 2009