



PI Insurance for IFSM Members

Post the Grenfell fire in June 2017, both the insurance and lending industry have become extremely risk averse regarding fire.

This is having a major impact on Professional Indemnity cover across the whole built environment sector, which includes fire risk assessors, fire engineers, architects and building control when assessing risks associated with fire.

We understand that the Government is aware of all these growing problems and has been endeavouring to find a way through by holding meetings with insurers and lenders alike - but so far there has been no breakthrough!

It remains the policy of the Institute to recommend to all members that they protect themselves with adequate Public Liability and Professional Indemnity insurance cover. Along with updated CPD we certainly require it of all those members who are listed on our Tiered Fire Risk Assessors Register (TFRAR).

Unfortunately, at renewal of policies a number of our members have found that their insurer had inserted (without prior notification in many cases) a caveat in their policy document that they would not be insured for inspecting and reporting on external wall finishes like cladding on buildings. It appears that this caveat may have been inserted by a number of insurers into policies for fire risk assessors and fire engineers.

The Institute raised this concern with a number of insurers, brokers, the Association of British Insurers (ABI). and even the Head of the Home Office Fire Safety Reform Team. It seems that brokers themselves are finding it difficult to arrange cover with some insurance companies.

The Institute is grateful to those members on our TFRAR who responded to a recent survey on their particular insurers, information from which was most useful.

It appears that the companies, Hiscox, XL Catlin (AXA) and Merkel are the most high profile in the PI market, albeit at varying premium costs. Unfortunately, only six of the members who responded to the survey reported having suitable cover to permit cladding inspections etc.

Other members continue to carry out fire risk assessments but have a caveat included in their policies to the effect that they are excluded from undertaking cladding work.

RICS Form EWS1

Members may recall that in order to help move the housing market forward the Royal Institute of Chartered Surveyors (RICS) designed the form EWS1 which they suggested could be signed by fire engineers to approve or otherwise, what material(s) was on the external walls of buildings

In June 2020 we advised our members NOT to use the form as to do so could compromise their insurance cover if it does not allow them to inspect cladding on buildings. This was because, by implication, they could ultimately be held liable for their observations when completing the EWS1. The advice we gave members was further supported by a guidance document issued by the Fire Industries Association (FIA) which we circulated to all members and is posted on our website.

Our Chairman has recently been in contact with the RICS regarding any update on the use of the form. The response was inconclusive as the RICS said they had only recently clarified where they see the form being used for buildings below 18m in height. [Details can be found in the Q&A (fire safety) section of their website on www.risc.org.] It was reported that they are close to releasing a guidance note for valuers which will include a risk matrix.

Understandably, this is somewhat complicated but is being delivered at pace despite the complexity of the issue.

Support for our Members

The Institute's investigations have narrowed down the field to three brokers and insurers currently covering our members. These are believed the most likely to understand the work and competency of fire risk assessors in the market.

Details of these are included in the table below, which we hope will be of use to members at this problematic time.

We regret that due to the circumstances in the market generally, none are currently able to offer a discount to IFSM members.

Broker	Contact name	Address & details	Insurance companies
Anchorman Insurance	Gillian Cross Company Secretary	Anchorman House 8 Cranmere Road Oakehampton DEVON EX20 1UE 01837 650030 www.anchormaninsurance.co.uk	Hiscox UK XL Catlin (AXA) Merkel
Bennett Christmas Insurance Brokers <i>(Formerly Sennett Insurance)</i>	Matt Goodwin PI Underwriter	1 Oak House Woodlands Court Albert Drive Burgess Hill RH15 9TN 01444 228175 matt.goodwin@bennettchristmas.com	Various in market
Griffith and Armour	Craig Roberts Professional Risks Director	One America Square 17 Crosswall London EC3N 2AD 0203 409 8571 croberts@griffithsandarmour.com	Various in market as would be a new project for them (Don't usually deal with FIRE).