

**EXPLANATORY MEMORANDUM: AMENDMENTS TO CONTRACT FOR PROFESSIONAL INDEMNITY INSURANCE FOR SOLICITORS: 2010/2011**

Changes to the policy for the 2010/2011 year are as follows:-

1. Dates have been changed to show the 2010/2011 policy year.
2. The heading to exclusion 20.6 has been changed to “Defalcation or default” replacing the words “Fraud and dishonesty”.
3. The definition of “principal” in Clause 28.16 has been changed, so that a principal in an incorporated legal practice is defined as a director or officer of the incorporated legal practice. The 2009/2010 policy defined a principal as being either a director or an employee with a right to participate in distribution of profits.
4. The only other change has been a change in clause numbering as a result of definition Clause 28.14 being moved, so that all definitions appear in alphabetical order.