

# Estate Agents, Letting Agents and Property Managers



Whether you are offering advice on property acquisition, property rental, or estate management, things can go wrong at any stage of the process. With the home-buying process constantly changing, the changes in legislation and the introduction of Home Information Packs there is an increased opportunity for an error to be made. With property litigation on the increase there is an increased pressure for estate and letting agents to protect themselves and purchase a professional indemnity (PI) policy.

The property market has been volatile in recent years however since the drop in 2008 there has been a significant increase in the claims being brought against agents both in the sales and lettings arena.

Agents vary dramatically in size and services they provide, from small single individual agencies through to those larger agencies that undertake overseas lettings and sales and it is important to ensure that your Insurance broker understands what services you are providing, the territories you operate in and what your exposures are.

There are professional bodies which have rules relating to PI cover including mandatory cover or minimum limits required for their members and it is important, especially for agents that are members of more than one body, to make sure that their professional body's rules are complied with.

The main professional bodies with PI rules are:

- The Association of Residential Letting Agents (ARLA).
- The National Association of Estate Agents (NAEA).
- Royal Society of Chartered Surveyors (RICS).



Failing to place cover in compliance with the rules laid down by the professional body can leave the agent open to investigation and in some cases fines for non-compliance, so it is important to ensure that your broker is a specialist in your profession.

Outside of these professional bodies the cover provided by insurers can differ dramatically, in an increasingly competitive market some Insurers will look to reduce the coverage offered, where there is no requirement for minimum coverage, so they can maintain a competitive premium. It is important that your insurance broker understands and advises you fully on the cover you are purchasing as what seems on the face of it is a competitive premium in fact is offering greatly reduced cover over other alternatives.

PI for estate and letting agents is a specialist class of insurance which if not understood and then placed incorrectly can leave your business exposed to potentially crippling costs if the policy does not respond due to a gap in cover.

For further information, contact one of the **Vantage Professional Risks** team members on 020 7655 8020 or [pi@vantageinsurance.co.uk](mailto:pi@vantageinsurance.co.uk)

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