

**LEGAL PROFESSION AMENDMENT (PROFESSIONAL INDEMNITY
INSURANCE MANAGEMENT COMMITTEE) BILL 2018**

Introduction and First Reading

Bill introduced, on motion by **Mr J.R. Quigley (Attorney General)**, and read a first time.

Explanatory memorandum presented by the Attorney General.

Second Reading

MR J.R. QUIGLEY (Butler — Attorney General) [12.10 pm]: I move —

That the bill be now read a second time.

The Legal Profession Amendment (Professional Indemnity Insurance Management Committee) Bill 2018 makes amendments to the Legal Profession Act 2008 of Western Australia and seeks to expand the pool of possible appointees to the Professional Indemnity Insurance Committee. In Western Australia, the Legal Practice Board cannot grant or renew a local practising certificate under the Legal Profession Act 2008 unless the applicant is, or will be, covered by professional indemnity insurance as required by the Legal Profession Regulations 2009, or is exempt from the requirements of the regulations. Professional indemnity insurance is insurance against loss arising from claims in respect of any description of civil liability occurred in connection with legal practice.

Under part 11 of the Legal Profession Act 2008, the Law Society of Western Australia has a significant role regarding professional indemnity insurance for legal practitioners and law practices. The Law Society is, amongst other things, charged with making arrangements with insurers for the provision of professional indemnity insurance to legal practitioners and law practices and approving schemes for the provision of professional indemnity insurance. The Law Society is the trustee of the law mutual fund. This fund is used to pay insurance premiums and claim contributions required under the master policy. The Law Society may, in accordance with section 332 of the Legal Profession Act 2008, delegate its powers or duties under part 11 and the associated regulations to a committee, known as the Professional Indemnity Insurance Management Committee. Section 331 of the Legal Profession Act 2008 makes provision for the establishment of the PII management committee by the Law Society. That section currently requires that the PII management committee consist of seven members appointed by the Law Society. The PII management committee may include members who are not Law Society members. The chairperson must have knowledge and experience in the insurance industry. At least two persons must have knowledge and experience in the insurance industry, and accounting or financial experience. At least four members must be drawn from the Law Society council. Members of the Law Society council are elected for two years and appointments to the PII management committee follow the same cycle for a regular turnover of membership. However, in recent years there has been a higher than usual turnover of membership in which a member of the PII management committee, who is a Law Society council member, retires. Higher than usual turnover of members leads to a loss of knowledge and experience, which can cause disruption to succession planning.

The amendments proposed in the bill will do three things. First, the bill will make provision for the PII management committee to consist of at least seven members. Secondly, the bill removes the requirement for the chairperson of the PII management committee to be a person who has knowledge and experience in the insurance industry. Thirdly, the bill removes the requirement for the PII management committee to consist of not less than four members of the Law Society council. The amendments will enable a larger pool of appointees to the PII management committee. For example, former Law Society council members will be able to be appointed to the PII management committee. Although the chairperson of the PII management committee will no longer be required to have knowledge and experience in the insurance industry, at least one committee member must have knowledge and experience in the insurance industry and at least two committee members must either have knowledge and experience in the insurance industry, or accounting or financial expertise.

The amendments to section 331 were requested by the Law Society and are supported by the Legal Practice Board. I commend the bill to the house.

Debate adjourned, on motion by **Ms L. Mettam**.