

SUPPLEMENTARY REGULATIONS

Compulsory Professional Indemnity Insurance Regulations¹

1. Definitions

For the purpose of these Compulsory Professional Indemnity Insurance (CPII) Regulations unless the context otherwise requires:

"Member" means	(a) any individual member of any class of membership of the Chartered Institute (except Retired members) who is or who is held out to the public to be practising as a town planner and who is (i) a sole principal of; or (ii) a partner in; or (iii) a director of; or (iv) a consultant to; a firm offering planning services to the public; (b) any individual member of any class of membership of the Chartered Institute who has or was held out to the public to have practised as a town planner in any of those capacities and has within a period of six years ceased to do so;
"Sole principal"	includes a Member who carries on planning practice as a principal whether in addition to other employment or not;
"Consultant"	includes any Member, whether or not expressly described as a consultant, who is employed in any firm offering planning services to the public in which no partner or director is a Member;
"Firm"	includes a sole principal, partnership, body corporate or company incorporated with either limited or unlimited liability;
"Held out to the public"	means described on business stationery or in business communications or material of any nature by words which include 'sole principal', 'partner', 'director' or 'consultant' or otherwise represented to the public as being a town planner or employee to a firm providing planning services. For the avoidance of doubt 'the public' in the context of these CPII Regulations includes professional, corporate and institutional clients;

¹ These regulations are current and in place under the adopted Code of Professional Conduct, February 2023.

<p>“Planning services”</p>	<p>covers all work which town planners hold themselves out as being professionally qualified to undertake and includes but is not necessarily limited to:</p> <p>development planning, development control or development management;</p> <p>site appraisals and development feasibility studies;</p> <p>development and design briefs;</p> <p>environmental impact assessments;</p> <p>master plans and urban design studies;</p> <p>policy research;</p> <p>government development and urban regeneration strategies;</p> <p>coastal and marine planning and waterside development;</p> <p>conservation or enhancement of the historic or natural environment;</p> <p>contaminated and derelict land;</p> <p>economic development;</p> <p>minerals planning and the management of waste; major housing schemes and new settlements;</p> <p>planning for retail, commercial, industrial, healthcare, tourism and leisure uses;</p> <p>re-use of surplus land;</p> <p>rural planning;</p> <p>transportation planning;</p> <p>urban regeneration;</p> <p>public consultation and community engagement relating to planning practice;</p> <p>legal advice and services relating to planning law and procedures;</p> <p>climate change;</p> <p>energy and infrastructure development</p> <p>but excludes teaching and lecturing;</p>
<p>“RTPI Approved Policy”</p>	<p>means the policy wording as last approved by the Board of Trustees;</p>

“Gross Income”	for the purposes of these CPII Regulations means all professional fees, remuneration, commission and income of any sort whatsoever in so far as these have been derived from work undertaken or performed in the United Kingdom (including the Channel Islands and the Isle of Man) and/or within the Republic of Ireland but excluding any sums received for the reimbursement of disbursements, any amounts charged by way of Value Added Tax and any income from judicial or other such offices as the Board of Trustees may from time to time determine;
“Preceding Year”	means the Member’s accounting year which ended during the 12 months before the date on which any insurance policy under these CPII Regulations is taken out;
“Uninsured excess”	means the amount of any claim which a Member or his or her firm may be required to pay before any indemnity is granted under the terms of any policy of insurance required under these CPII Regulations.

2. Scope of cover required

- (a) Members must insure by means of a policy no less comprehensive than the form of the RTPI Approved Policy in force at the time when the policy of insurance is taken out.
- (b) Subject to sub-paragraph (c) of this Regulation every Member must ensure that he or she and any firm offering planning services to the public of which he or she is a principal, partner or director should be insured against claims arising from work undertaken or performed within the United Kingdom (including the Channel Islands and the Isle of Man) and/or within the Republic of Ireland and that each partner or director of or consultant to such firm is also be insured.
- (c) If a Member who is practising solely as a consultant to a firm offering planning services to the public can show:
 - (i) that the firm to which he or she is a consultant covers the Member under its policy of insurance; and
 - (ii) that such policy of insurance gives no less cover to the Member than that required by these CPII Regulations

then that Member will not be under an obligation to carry any separate insurance cover over and above that carried by the firm concerned.

3. Minimum limits of indemnity

Subject to regulation 4 the minimum amount of cover required under these CPII Regulations must be:

- (a) £100,000 for each and every claim where the gross income of the firm in the preceding year did not exceed £40,000; or
- (b) for each and every claim two and a half times the gross income of the firm in the

preceding year where that income exceeded £40,000 but did not exceed £200,000; or

- (c) £500,000 for each and every claim where the gross income of the firm in the preceding year exceeded £200,000.

4. Uninsured excess

The uninsured excess under any policy of insurance must not normally exceed:

- (a) in the case of a policy with a limit of indemnity of up to and including £250,000 a maximum sum of £7,500 each and every claim; or
- (b) in the case of a policy with a limit of indemnity of more than £250,000 a maximum of 2.5% of the sum insured or £10,000 each and every claim, whichever shall be the greater.

5. Run-off cover

- (a) Expert professional advice should always be sought and followed as to whether run off cover is required in all and any relevant circumstances.
- (b) In particular, run off cover (and following expert professional advice in respect of the same) is strongly recommended in the following situations:
 - (i) any former partner, director, sole principal or consultant be insured on an each and every claim basis against any claim arising from work previous undertaken for a period of six years from the date when such individual ceased to be a partner, director, sole principal or consultant.
 - (ii) any former partner, director, sole principal or consultant of a firm that amalgamates, merges, dissolves or is wound up or otherwise ceases to trade be insured for the six-year period following such amalgamation, merger, dissolution or winding up in compliance with the requirements set out in these CPII Regulations.
 - (iii) any Member who has formerly practised as a sole principal and has ceased to do so, for a period of at least six years.

6. Monitoring and return of certificates

- (a) Every Member must provide to the Chartered Institute within 28 days of being required by the Chartered Institute to do so, such evidence and in such form as the Board of Trustees will from time to time prescribe either that the Member is not subject to these CPII Regulations or that the Member has complied with them.

7. Exclusion of liability

No Member must be insured under a policy of indemnity insurance which contains an exclusion of liability for claims arising from the Member's previous practice activity unless:

- (i) it is limited to claims arising as a result of work undertaken more than six years previously; or
- (ii) the same liability is covered by a separate policy of indemnity insurance.

8. Territorial application

Although these CPII Regulations do not require Members to insure in respect of work which is undertaken outside the United Kingdom and/or the Republic of Ireland the Chartered Institute advises Members to obtain the best available cover for all work that they undertake wherever it is undertaken and expects them to abide by the spirit of the Regulations in so far as they are compatible with the laws of the countries in which they undertake work.

9. Effective date

These Regulations shall come into force on 10 February 2016.

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