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*How are SME law firms
handling the increased pressure
around risk and compliance in a
more digital world?*





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Last year was a busy year for new rules and regulations – some firms took this as an opportunity to review and change their risk and compliance strategy. With increased expectations from regulators, insurers and clients, risk and compliance can no longer be just a tick-box exercise. How have behaviours and approaches to risk management and compliance changed with the onset of Covid-19 in 2020?

LPM investigates changes to the risk, insurance and compliance landscape in the SME legal space a year on from the beginning of the pandemic. How have firm and insurer relationships been tested? What about firm and client trust? With internal processes being squeezed by staff on furlough and increased risk, how are firms managing their resourcing challenges? We'll also cover key impact areas, including new cyber threats, Covid-19's impact on the cyber insurance space and on claims (the types and how firms are dealing with them), and wider risk strategy.

Kayli Olson, editor
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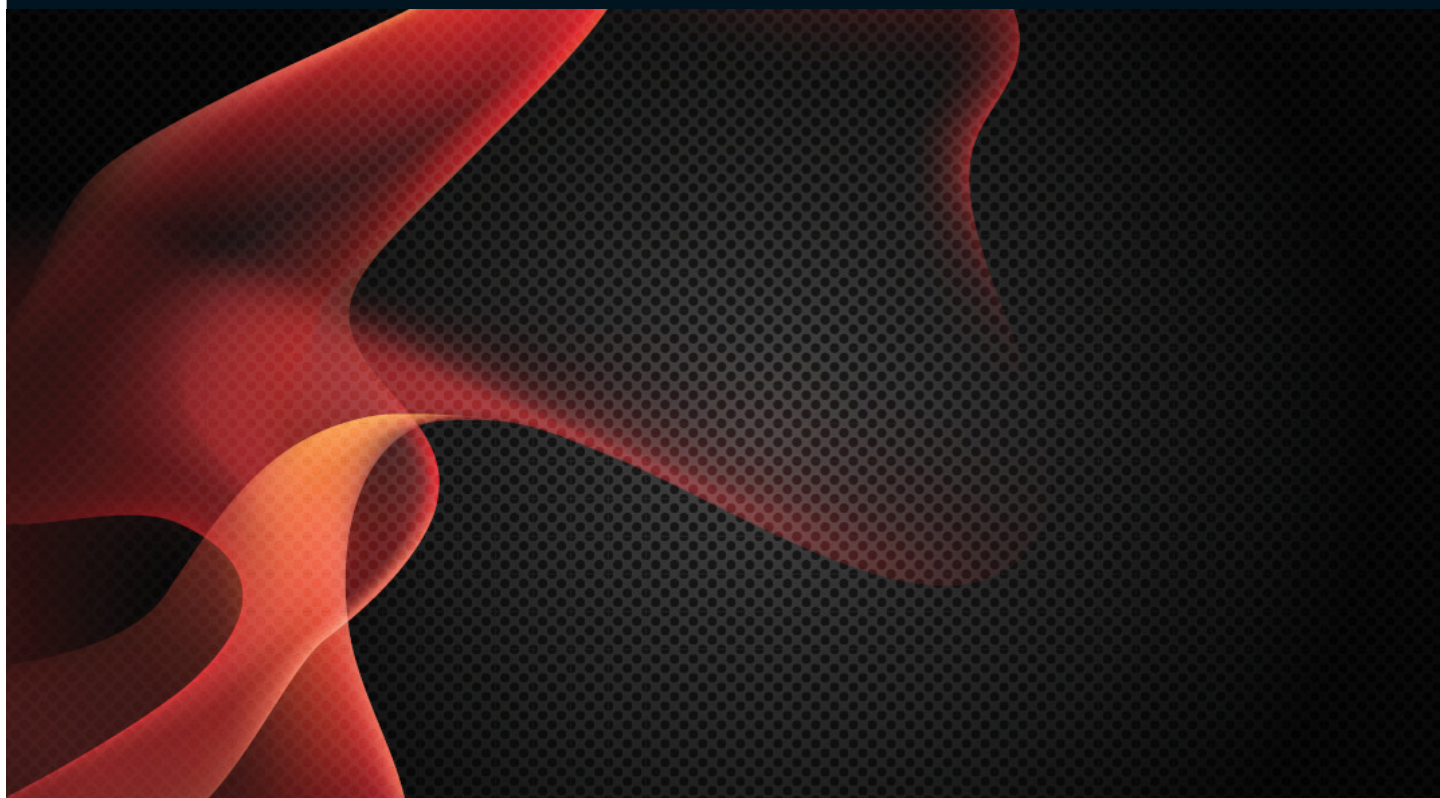


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Remote risk

The compliance function of SME law firms was already facing sufficient challenges when the 2020 pandemic hit. How is risk being managed in this new landscape? And what's to come? Kayli Olson reports

Risk management is, and always should be, a top priority – as client service and the security of client data and communication will always come first, whatever the current situation, says Nicola Hughes, partner and head of business risk and compliance at national serious injury firm CFG. “Covid-19 made us review the way we worked, and we had to adjust the extensive procedures and policies we already had in place.”

Karen Holden, founder and managing director at A City Law Firm, says there were four main priorities going into lockdown, but her own team was top of mind: “It was important to make sure they weren’t isolated, that they still felt part of a team and had someone they could go to – not just for their mental wellbeing but also for work and supervision.

“Of course, the other big priority was that we had to continue maintaining our quality service and meet clients’ needs. As for remote compliance, we were fortunate to have looked at our digital risk and compliance processes years before the pandemic happened – so we were well positioned on that front. And finally, I had to consider when we needed to go into the office for bundles, court work or similar and how to do that safely if we couldn’t avoid it.”

Similarly, for Aman Johal, director at Your Lawyers, the firm’s management of data risks and

compliance hasn’t changed much. “We’ve had people working from home on a permanent basis since before the pandemic. We didn’t really need to reinvent the wheel, we’ve just expanded the scope of what we were already doing. And it has been an easy transition because our servers, systems and workflows are accessible via the cloud.”

He adds that because the firm deals with data breach claims cases, good data protection and risk management have always been a top priority. “It is important to make sure that we have the right data protection measures in place and that we’re compliant – there’s not much worse than a law firm that deals with GDPR non-compliance failing to comply with regulations itself.”

OUT OF DATA

Hughes at CFG says that data security was a big focus for lockdown and remains so. “With increased email traffic and less reliance on post for confidential documents, we’ve put in place additional procedures for sending personal data.”

She says the firm uses a combination of tools that mitigate risks in this area, such as recipient address checking, password protection, email attachment scanning and secure file sharing.

And as homeworking increased, so too did the possibility of attack – so, she adds, it’s been a crucial period for reviewing cybersecurity tools.

LPM FIRM FACTS

A City Law Firm

Revenue: Over £750,000

Corporate status: Ltd

10 fee earners, 14 total staff

Office: London

LPM FIRM FACTS

CFG Law

Revenue: £5m

Corporate status: Ltd (ABS)

47 fee earners, 71 total staff

Offices: Cheadle, Manchester

LPM FIRM FACTS

Douglas-Jones Mercer

Revenue: £4.5m

Corporate status: Ltd

30 fee earners, 55 total staff

Offices: Swansea, Mumbles, Porthcawl, Cardiff

LPM FIRM FACTS

Your Lawyers

Revenue: Undisclosed

Corporate status: Ltd

Offices: Chesterfield and Sheffield

“That’s especially true when it comes to protecting the most vulnerable areas, which are, of course, the devices we all use to access corporate systems from our homes.

“We’ve also seen a huge increase in the volume of email and SMS traffic in the sector and, alongside that, noticed an increase in spam and phishing attempts. We have many prevention and protection tools deployed – supported by reporting on activity within our network – allowing us to understand where our threats are and respond to them accordingly.”

The recent Solicitors Regulation Authority (SRA) remote conference (and risk outlook) highlighted the fact that cybercrime is massively high on the agenda, with law firms being targeted – and the more than threefold increase in theft over the last 12 months is a sobering statistic, says Barry Davies, practice director at Douglas-Jones Mercer.

“Our firm experienced a close call, which, if not for the quick thinking of our staff, might have caused unnecessary complications. The attacks are becoming more and more sophisticated and everyone should be alert. It’s when you experience it first-hand that you realise the risks are very real.”

To combat this, Hughes at CFG says, the firm quickly delivered training on cybersecurity for staff through the Access LMS online courses. The firm also uses secure messaging to alert people to new threats. “It’s an area where we’ll continue to have a real focus. The picture is changing all the time. You have to keep on top of it and make sure staff are prepared.”

Jonathan Whittle, senior manager at Your Lawyers, says part of good data handling is making sure that someone in the firm has ownership over it. “As we’re already very focused on data security and having the right policies implemented, we knew how important it was to have a data protection officer when GDPR rolled around. Working on data protection cases opens your eyes to the carelessness of other people and how easy it is to make a small mistake that can create a huge loss for the business. You really do have to teach people about applying common sense.”

He’s seen a case where a defendant posted sensitive employee information on a Facebook Group: “Sometimes the best thing you can do to mitigate risks is to ask yourself whether you should be doing something.

“We have top-of-the-range antivirus software, an appropriate firewall and so on to protect us against cyberattacks. But, in general, you have to realise – and get your staff to realise – you’re possibly only ever one click away from completely ruining the company’s security.”

On the other hand, it’s important to recognise that we’re all human and it’s very easy to make mistakes, Johal adds. “Yes, there is the odd human error but really everything should fall upon the employer to mitigate that risk. We see a number of actions where we’re bringing a claim for data breaches as a result of employees not Bcc-ing other people on their customer list, which holds sensitive, personal information. It’s incumbent on the managers of a business to make sure they provide adequate training and retraining, and the same is true for law firms like ours.”

As such, Your Lawyers regularly requested staff to confirm their understanding of the firm’s data protection policies even before anyone started remote working. In terms of the more technical security coverage, Whittle says the firm has a dedicated IT security person, who reviews potential IT issues and cyberattacks. On top of that, the firm works with an external company: “We want to make sure that our IT and data policies are well supported.”

DIGITAL PROCESSING

As matters progressed throughout the pandemic, it was important to keep communicating to everyone about any recent firm-based challenges, but this had to be kept fluid rather than imposing a strict edict, says Davies at DJM. “This includes communication to clients, staff, and third parties. We did this through our firm’s intranet for internal purposes, and our website for external parties. It was also important to keep in touch with those who were placed on furlough.

“When it came to risk, it was evident that our



A one-size risk assessment wouldn't work so we carried out individual assessments on each of our clients

Nicola Hughes, partner and head of business risk and compliance, CFG

long-tested systems and practices – such as file management and supervision methods – were still holding well. Our board held frequent video meetings to discuss emerging risks and ensure we were operating as we felt was best for all – with outcomes being communicated at departmental level. We found that our teams welcomed the frequent video calls, not only from the risk perspective, but, once again, as a check in with colleagues.”

Supervision was a big question on many SME legal leaders' minds. Over at CFG, the firm reviewed supervision guidelines, had additional training for supervisors and put in place enhanced and clear communication and supervision meetings with support from HR – and, of course, “those of us in risk and compliance,” says Hughes.

“Assessing the risks of Covid-19 and the needs of individual clients was also crucial. A one-size risk assessment wouldn't work so we carried out individual assessments on each of our clients. We took the opportunity to speak to all of our clients and their families to ensure they were all okay.”

She says the firm realised at the start that it couldn't have a static approach to risk management when everything was constantly changing – and that still applies now. “The thought process continues to be ‘how do we make this happen?’ rather than about what we can't do because of Covid-19. And it has to stay like that – especially for our clients.”

Holden at A City Law Firm says instead of having a head of department or higher tier of management trying to supervise remote junior staff, the firm implemented a buddy system. “Everyone had a direct contact and we had daily meetings so that everyone knew exactly what

they had to work on that day: timescales, problems and solutions, and so on. And the client management team (typically three senior staff and two trainees) needed to divvy up the work to make sure compliance was dealt with. We started using a diary entry system to ensure work wasn't being duplicated, to check if someone was struggling, and allocate work effectively.

“Having more dialogue between staff, rather than just relying on technology and lists, has really been working and it's something we'd like to keep up going forward.”

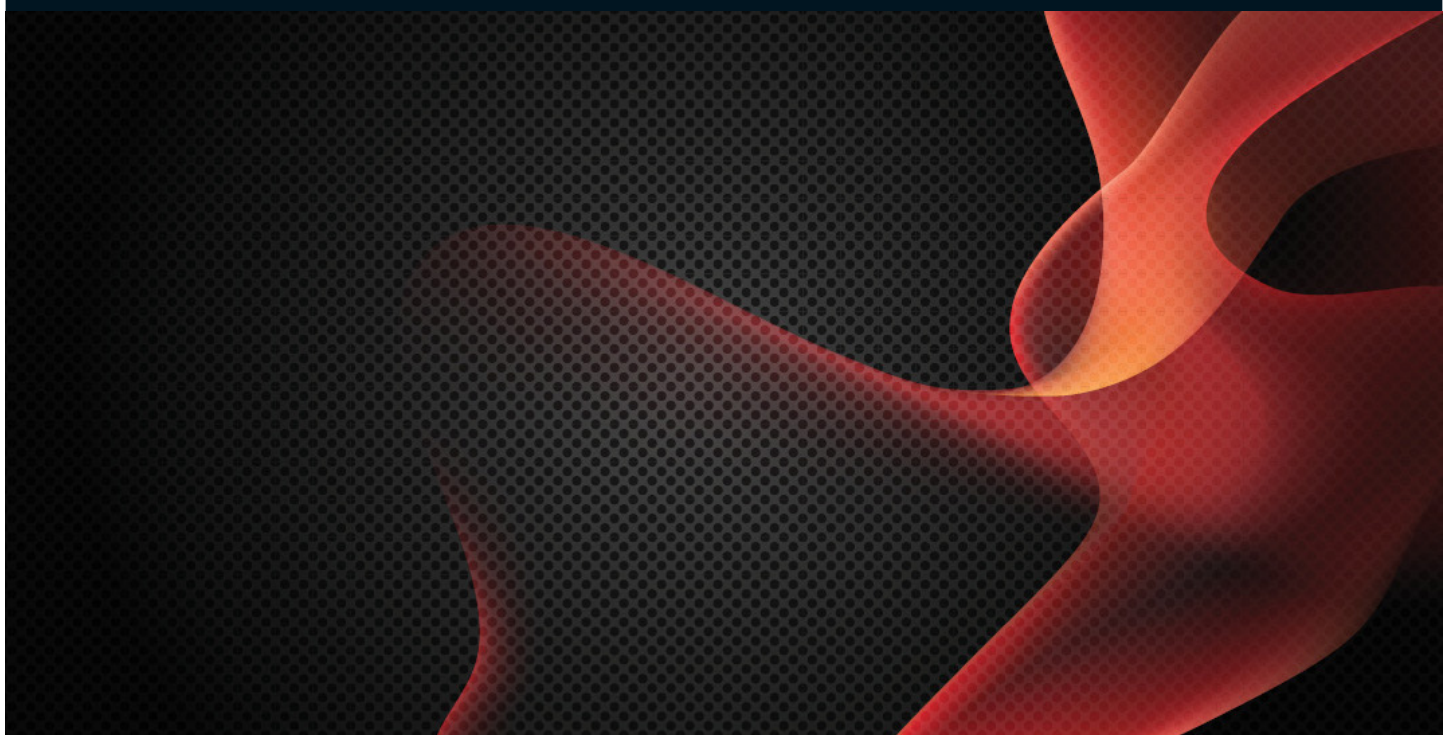
With regard to making stricter risk management processes work in a virtual setting, it has been a mixed bag. For A City Law Firm, a lot of its contractual work still needs wet signatures. “With wills, for example, we'd either send documents via email for clients to print or post it to them. We'd then set up a Zoom meeting so we could visually see them and have their neighbour sign it, and they'd send it back to us. And the session is recorded in case of any disputes.”

Similarly, ID checking was done over Zoom. The firm uses Creditsafe, approved by the SRA – and after a virtual meeting, the client scans and posts or emails copies so that the firm could run it through the Creditsafe check for legitimacy. “It's far more impressive actually, because we have a clear email trail, scan documents to the cloud, and have the recording. We might continue with this in some form post-pandemic.”

A City Law Firm has also set up PayPal and Go Cardless to make payments easier for clients – the courts having adapted their systems has also helped, she adds.

Digital payment is also on the mind of Davies at DJM. “One concern we did have was our clients' ability to pay our legal fees. Many local banks had closed, and we did not want to be handling physical cheques to the extent we had previously. Our concerns were not purely from a financial stance; we would not want any confidential information being verbalised when people were working at home and may be sharing a working area.”

DJM engaged a company (Legl) to develop its pay online facility, which was also a favourable measure with its clients. It was noted early on that over 60% of clients making a payment did so out of usual business hours. “And it really helped



In order to mitigate future risks and stay on top of compliance, legal leaders will need to do some refreshing of their books

Karen Holden, founder and managing director,
A City Law Firm

not only our firm's cashflow, but the convenience for our clients. While this was more of a financial management project it was also to ensure that compliance is being held in the highest order when working remotely."

FUTURE WAVES

This situation has felt like something out of a George Orwell novel, Davies remarks. "The top priority for me and for my firm was to try not to panic. This is much easier said than done with what the world was facing, but from a business perspective we must remember that some actions you take are irreversible. It was important to let the 'slow' side of the brain overrule the fast, often knee-jerk, decision-making side." This will remain true for future planning and mitigating any new risks to come.

A mass change toward agile-enabled working is sweeping the legal sector, for sure – hopefully to stay. Whether you're in court and need to access something, or need to go or stay home for personal reasons, the list is endless; "we've always wanted to support agile working and will continue to do so going forward," says Holden at A City Law Firm.

"We have many clients who were either travelling or living abroad before the pandemic and so we've always had to think about how to

service them in an effective and more digital manner. The pandemic lifted this to a grander scale and showed us that we can work effectively, successfully and safely using long-term remote behaviours."

Whittle at Your Lawyers foresees an increase in the use of digital processes and platforms going forward – especially where the courts accept that this is the new normal. "We'll see more acceptance of electronic bundles and perhaps even some hearings remaining virtual. But at the same time, it's important to note that many clients may want to go back to more traditional ways."

He adds that the firm's online presence has never been more important. Johal agrees: "Everyone must have a proper digital presence, good digital systems in place, and an ability to communicate with the client in multiple and increasingly digital ways. A lot of businesses, not just law firms, have seen the benefits to digital processes and remote working. We have found that working from home is as productive, if not more productive, than working in the office. It has worked and it has worked well.

"And though many people will be wedded to old ways of working, the future will be increasingly digital, and we are unmistakably leaving behind the days of signing contracts with pen and paper."

One thing is for certain: law firms will have to update their policies. Holden at A City Law Firm points out that many people forgot during the first lockdown. "Obviously, firms were reacting rather than planning for this. But now that we are coming up to a year of these new working habits and security measures, in order to mitigate future risks and stay on top of compliance, legal leaders will need to do some refreshing of their books.

"Many things will continue to change but we mustn't forget about catching up with ourselves and staff and making sure policies, training and communication addresses where we want to be." **LPM**

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PREMIUM PANIC

Scott Thorne, SME professions, and Zarina Lawley, head of solicitors, at Miller Insurance let us know what SME law firms should know about the April professional indemnity insurance deadline

Being able to present your firm in the best light to insurers can be a daunting task, especially with the pandemic as a backdrop. Scott Thorne, SME professions at Miller Insurance, says the October renewal saw more questions from insurers to do with risk management and working from home – obviously with regard to how the firms are handling new pressure and risk brought on by Covid-19. “The April renewal period will be much of the same – Covid-19 has not gone away and we find ourselves in another lockdown.

“Many firms have struggled and there is some concern in the insurance market as to whether firms will see it through the pandemic. There has been government support but that won't last forever.”

He says that, on top of these wider economic struggles for SME law firms, there haven't been any new entrants coming into the market – which, he adds, will be the turning point that creates a more competitive market to help bring PII premiums down. “It will be another difficult

renewal, but I don't think many firms will be left high and dry like some might have seen in October.”

PROPOSAL PANDEMONIUM

Zarina Lawley, head of solicitors, says one of the key things to highlight is that some insurers are not interested in writing new business. She adds, that this has partly been driven by the pandemic, but more so by the fact that the Solicitors Regulation Authority (SRA) has decided not to amend its minimum terms and conditions around PII. Insurers find the minimum terms and conditions very onerous, particularly around the inability to cancel a policy for non-payment of the premium.

“Not changing the minimum terms means insurers are quoting little new business and therefore there's minimal choice for law firms. Rates go up because of this imbalance in supply and demand – and taking on risk in the current recessionary environment is neither attractive nor profitable. It's really hampering the industry, and

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some insurers are continuing to band together to confront the SRA about this issue.”

PII is already a huge overhead to SME law firms, never mind having to navigate cashflow challenges and increased risk during the pandemic. She says: “In a buoyant market, insurers would be more willing to take on the risk. Hoping that a business will survive in a declining market isn’t worth the risk, so the criteria for renewals has become stricter.”

Thorne agrees, run-off risk is always on insurers’ minds – they don’t want to end up with hundreds of thousands in run-off premiums unpaid from business failing due to the pandemic.

So what can SME law firms do to ensure they secure PI insurance? Thorne says firms should provide up to date claims summaries or ask their broker to obtain these for them, alongside the proposal form, accounts and management information, a Covid-19 questionnaire and any additional risk management information which helps their firm stand out as a better risk than most. “Annoyingly, each insurer has its own style for some of these things, like the Covid-19 questionnaire. And the problem with the proposal form is that there are a lot of standard questions that don’t necessarily give you full oversight of how the firm operates.

“You could easily have three or four firms that do the same work but receive different quotes because one firm may be able to demonstrate why they are lower risk compared to others. You have limited scope in that form, so any additional information you can provide around how the firm manages risk – is able to work remotely or minimise Friday afternoon fraud, for example – goes a great way to lowering your premium.”

He warns that this doesn’t mean firms should hand over a 150-page office manual – these summaries should be kept to a page or two.

Lawley says the ability to summarise successfully is essential: “Underwriters don’t have time to read through masses of information on one firm when they have an equally massive

number of proposals to get through anyway.”

Thorne says he understands that it may be hard to simplify the complexity and size of risks involved in running your firm. “We’re able to offer insurer meetings, in case anything gets lost in translation. We can arrange a video conference with them to make sure nothing is missed. But if you’re initially struggling with the proposal form, take time to break it down and address everything step by step. We can help with that.”

CLAIMING CALMLY

Something to consider around providing information on claims, Thorne points out, is that for small claims it’s okay to simply explain what went wrong and what the firm has done to ensure it won’t happen again. But on larger claims, he says, obviously you need significantly more information and a more in-depth explanation. “You’d be surprised to see some firms that have over a hundred thousand pound claims and only provide a one-liner to say that the person involved doesn’t work there anymore. This is not a solution and doesn’t demonstrate forward thinking or good risk management.”

He says full-service firms can be more of a concern because of the types of work they deal with or types of clients they take on. “Insurers will question and seek reassurance from partners who undertake work in five or six areas of law. A specialised firm is more attractive to insurers because the risks are in one area, one process. Therefore, traditional law firms will need to work a little harder to demonstrate their risk management processes and how they keep up to date on the law across each of their practice areas.

Another thing that can go a long way in demonstrating proactive risk management, Lawley says, is having cyber insurance. “This is especially true today when people are working from home, and cyberattacks and fraud are on the rise. Cyber insurance is one way of showing your insurer that you take this seriously – and it doesn’t cost nearly as much as you’d think. You can find quality cyber insurance for under a thousand pounds – why would you compromise, when, if the firm were to have a breach, bringing in an external cyber consultant can cost thousands.”

Thorne adds that law firms underestimate how big a target they are for hackers and other criminals. There certainly are a lot of moving parts when it comes to demonstrating good risk management. He says the top piece of advice he has is to start early. “The more time you have to speak to your current insurer or broker, the better chance you have of getting the best possible outcome for your practice.” **LPM**



In a buoyant market, insurers would be more willing to take on the risk. Hoping that a business will survive in a declining market isn’t worth the risk, so the criteria for renewals has become stricter



PII, THE UGLY TRUTH

Mark Lee, head of product and proposition, and Blake Hynds, senior client account manager, at Wesleyan, say SME law firms need to wake up to the reality of the current insurance market

Even before the hardships brought on by the pandemic, the solicitors' professional indemnity insurance (PII) market was becoming more turbulent. The year 2019 was a difficult one for many and premiums were on the rise. This continued into 2020 as insurers took a closer look at law firm financials than ever before, further driven by the impact of Covid-19. This means that insurers are becoming less likely to take on risk – which is particularly troubling when many SME law firms need the support.

Mark Lee, head of product and proposition, and Blake Hynds, senior client account manager at Wesleyan, say SME law firms need to wake up to the reality of the current PII market and focus hard on how to demonstrate the stability and flexibility of their businesses going forward.

"We've noticed in 2020 that many firms were leaving PII renewal later than usual, which is understandable given the situation, but this has worked against them. Despite knowing that it's going to be a bumpy ride, people never seem to fully believe it until they start seeing the premiums coming out the other end," says Hynds.

For firms due to renew in 2021, he stresses that the biggest thing is to start early. This is especially important, not only because of the increase in work firms need to do for proposals, but also due to changes in the insurance market. A few insurers decided against writing any new business for the October 2020 renewal, which put pressure on insurers that were; it also meant

less choice for law firms. He says this has created a seller's market, which means it's down to law firms more than ever to demonstrate that their risk is worth it.

ASKING A LOT

"This isn't going away, and as brokers we'll need to learn a lot more about businesses in order to help them, especially as insurers are introducing new questionnaires, more rigorous checks on accounts, management, cashflow and more."

He adds that this may be difficult for smaller firms that might not have good mediums of presenting that financial information or may struggle to meet new reporting requirements.

"Unfortunately, we're seeing businesses go under, law firms included, which is why more insurers are asking for two years of accounts and the additional management information – and also why they don't want to be on the hook for six years' worth of run-off cover with the notion they may not get any of the premium back."

Another thing they are looking out for is how well firms have managed their remote workforce. "Insurers are concerned about any divisions in the workforce and the need for better supervision and quality control carried out on all fee earners."

Firms will likely need to complete a Covid-19 questionnaire, which will include sections on business continuity plans and remote working – so insurers can get an understanding of how

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A friendly face

Mark Lee, head of product and proposition at Wesleyan, outlines his key advice for firms facing renewal in 2021:

- **You have to make yourself look good in the current market.** Yes, it's our job as a broker to help you put everything together and articulate that to an insurer, but ultimately it's down to your firm to be honest and represent the business's abilities.
- **Start early.** If you're due on 1 April, get it in on 1 February. Give yourself and your broker enough time to review and work through the proposal. Nothing is worse than a badly completed form or missing information – you will only get poor quotes back in return.
- **Risk management is key.** If you need help, ask your broker. We can provide a risk manager and other solutions to help do file reviews, procedure checks and ensure you're doing what you need to do to alleviate risk and stay compliant.
- **Find flexible funding.** Because of our ties to Wesleyan Bank, we're able to offer PII funding at 1% APR. Finance providers are also being stricter with their arrangements and financing. The better you're able to position yourself here, the smoother your PII renewal will be. **LPM**



resilient the firm has been during lockdown and how it will cope with a new normal, Hynds explains.

"From a broker's perspective, this and other areas of risk management are crucial for law firms to master and demonstrate. Wesleyan offers all clients access to free risk management services, and we're planning on having a dedicated legal compliance helpline for any further needs in early 2021."

PARTNERING UP

With PII being one of the big three overheads, it's easy for firms just to go through the motions and get it over and done with so they can 'move on with the running of the business'. But there's a lot more to PII renewal than just getting the firm's procedures on paper.

It comes down to their relationship with the broker, Hynds says. "Having a good relationship with your broker means they know your business and can give you honest advice. Building trust is crucial. And you should be confident in your broker's ability to get you the best deal for your business."

He says it's definitely an educational process. "It's up to your broker to tell you what is influencing your premiums. Unfortunately, it's not just changes to risk in solicitors' PII but also the general insurance market that means premiums are going up for everyone. And this is happening not only because of an influx of solicitors' claims but also heavy losses at Lloyd's, insurers leaving the market and more."

Lee adds that keeping it all under one roof and



Unfortunately, it's not just changes to risk in solicitors' PII but also the general insurance market that means premiums are going up for everyone

being able to provide a wide range of services to law firms is really useful. "Especially as our biggest lending through Wesleyan Bank is for premium finance and practising certificates. You want a broker that's a genuine partner and one that will look after you when times are hard." Keeping all of your insurances together can help to build a better partnership, as this enables the broker to better understand the uniqueness of your business and its requirements.

Ultimately, Hynds says, Wesleyan wants firms to understand the position they're in and how important it is to find a good business partner in a broker – one that actually cares for your business and can help in more areas than just your PII renewal. **LPM**



THE DIGITAL DISEASE



Richard Roebuck, managing director at Accesspoint, says the digital virus needs consistent monitoring, just like the one currently sweeping the globe

At the root of all legal-IT evil at this moment in time – like the ever-present, ever-persistent Covid-19 – is the digital scourge of email phishing, the effects of which can be incredibly devastating to an organisation and its clients.

For law firms, the hustle, bustle and everyday pressures on fee earners and administrators alike, compounded by the ever-increasing use (or misuse) of email services, make law firms particularly vulnerable to email-based attacks. Since the first lockdown, which saw the rapid expansion of home/remote working, I have witnessed a truly alarming rise in the number of successful phishing attacks perpetrated against unsuspecting firms and their clients.

A man-in-the-middle phishing attack usually involves three players: the victim, the person with whom the victim is trying to communicate, and the criminal, notably the ‘man in the middle’, who is the one intercepting your communications. Critical to this scenario is that the victim isn’t

aware of the man in the middle.

Cybercriminals are increasingly targeting the email accounts of law firms. Once they gain access (usually by enticing unsuspecting users to click on a link embedded within an email), they then monitor transactions between the fee earner and client or accounts teams and suppliers. The attackers then spoof your employee’s email address and send their own instructions to your ‘hoodwinked user’, usually within meaningful context, making the intrusion even harder to detect. This in turn convinces your client to follow the attackers’ instructions rather than your employee’s. As a result, an unwitting client winds up transferring funds directly into the attackers’ hands.

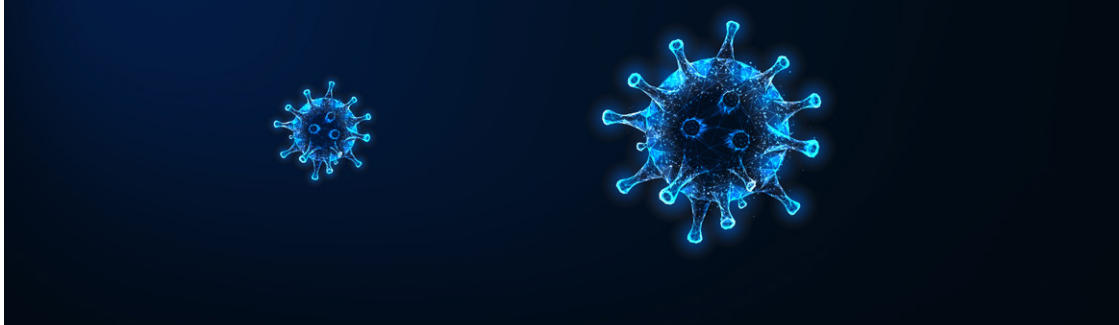
The pain, disruption and destruction caused by such breaches is very difficult to comprehend and, for many, not truly understood until they, their organisation or a client falls victim – at which point, it’s clearly too late. As email platforms become an ever-bloating part of

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everyday life, the first port of call in the post-breach pandemonium and call to arms is usually the IT department or mail service provider. Questions like, 'why didn't we do this?', 'why is our policy like that?', 'why don't we have the other?', all come to mind, as a target is sought out to latch on to. When rational, reasoned responses have been worked through, the spotlight then shines brightly upon the owner of the breached account. This natural human behaviour is a part of the problem and indeed a large part of the solution.

The harsh reality in every single one of the breaches that I've had the unenviable task of working on – when everything is distilled down – is that at the very heart of the breach itself, it is human behaviour or habit that has been exploited.

By and large, the 'low-level' phishing attacks themselves are not usually perpetrated by the types of technological wizards that you might expect to trace somewhere along the Gates, Musk, Zuckerberg lineage. These are street-level gangsters who are no different to the guy hanging out by the bank (in the more analogue, freedom-filled days pre-pandemic) who peered over your shoulder to catch your pin number at the cashpoint, to then beat you to the ground and 'legged it' with your cash card. To that end, unlike

the movies, these unwarranted system penetrations are not usually the work of some MI5-type whizz kid, with a pocket full of password-cracking software that can hack a password stored in a Windows service database, sitting behind a firewall on a private network with multiple layers of intrusion software. No! They are the work of opportunistic villains, exploiting human behaviour.

The sole intended purpose behind any phishing attack is to have the unsuspecting user give away their system credentials or to 'spooof' (clone) their email address one way or another. Not dissimilar in any way to obtaining your pin, before stealing your card, or cloning it. Generally, once they have your email address (part one), they'll email target you, seeking to have you follow a simple link (part two), diverting you to a very believable 'website' where you're asked to enter your username and password (part three). One common example is a fake internal system notification advising you that you have a voicemail – 'click the link to listen' – then upon arrival at the fake website, 'please enter your system username and password'. That's then game over and mission accomplished! The information is then either used directly or sold online for the remainder of the scam to be executed.

It's important that firms take all the available technology-based precautions possible to mitigate perimeter and mail system breaches, at the very least. These will not provide a 100% guarantee that this scourge sidesteps you, but they do make it somewhat harder. It's also equally important that organisations engage with staff and impart information and knowledge – yes, on what to look out for, but, more to the point, what to do if a link is inadvertently followed and security data divulged. Managers should actively encourage staff to speak up when things go awry without fear of recrimination.

The National Cyber Security Centre published a very helpful document specifically about phishing that readers may find helpful. This can be found on our website or at <https://www.ncsc.gov.uk/guidance/phishing>. **LPM**

Help your firm avoid the bait

Phishing attacks are on the rise, adding multiple layers of defence can provide the best chance to **protect your firm against hackers** trying to get into your firm's IT systems.



Take the next steps **now**

**Making IT happen is critical,
Making it happen well is an art**

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