



## Lawyers and Conveyancers Act (Lawyers: Indemnity) Rules 2008

Pursuant to sections 94 and 99 of the Lawyers and Conveyancers Act 2006, the New Zealand Law Society, with the approval of the Minister of Justice and after consultation in accordance with section 100 of that Act, makes the following rules.

### Contents

		Page
1	Title	1
2	Commencement	1
3	Interpretation	1
4	Professional indemnity insurance	2
5	Review by Law Society	2

---

### Rules

- 1 Title**  
 These rules are the Lawyers and Conveyancers Act (Lawyers: Indemnity) Rules 2008.
- 2 Commencement**  
 These rules come into force on 1 August 2008.
- 3 Interpretation**  
 In these rules, unless the context otherwise requires,—  
**Act** means the Lawyers and Conveyancers Act 2006  
**Law Society** means the New Zealand Law Society  
**practice** means a law practice, whether conducted by 1 lawyer, a partnership of lawyers, or an incorporated law firm.

**4 Professional indemnity insurance**

- (1) The Law Society does not require lawyers or incorporated law firms to hold professional indemnity insurance.
- (2) However, lawyers who are partners or directors of a practice must, in the interests of clients of the practice, give consideration to the practice holding appropriate professional indemnity insurance and in so doing must take into account—
  - (a) the nature of the practice; and
  - (b) the ability of the practice to meet any likely claims against the practice without professional indemnity insurance; and
  - (c) such other factors as may be relevant in the circumstances.
- (3) Each lawyer who is a partner or director of a practice must take appropriate steps to ensure that the practice complies with the disclosure requirements relating to the professional indemnity cover of the practice set out in rule 3.5(b) of the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008.

**5 Review by Law Society**

- (1) The Law Society must, within 2 years after these rules come into force, consider and determine whether to require lawyers and incorporated law firms, or any class of lawyers and incorporated law firms, to hold professional indemnity insurance.
- (2) The Law Society may, from time to time, review and amend or revoke any decision that it has previously made under rule 5(1).
- (3) Nothing in this rule limits the courses of action available to the Law Society, whether under section 99 of the Act or otherwise.

Dated at Wellington this 18th day of July 2008.

The Common Seal of the New Zealand Law Society was affixed  
in the presence of:

[Seal]

John Marshall,  
President.

C Grice,  
Executive Director.

### **Explanatory note**

*This note is not part of the rules, but is intended to indicate their general effect.*

These rules are made by the New Zealand Law Society and come into force on 1 August 2008.

*Rule 4(1)* establishes that it is not compulsory for lawyers to hold professional indemnity insurance. However, *rule 4(2)* does require lawyers who are partners or directors of a practice to consider holding appropriate professional indemnity insurance.

*Rule 5(1)* requires the Law Society, within 2 years of the commencement of these rules, to consider and determine whether to require lawyers or incorporated law firms to hold professional indemnity insurance.

---

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 24 July 2008.

These rules are administered by the Ministry of Justice.

---