

Assigned Risks Pool Panel: terms of reference

Version 3 with effect from 1 April 2021

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All definitions in this document shall be as per the latest *Rules and Procedure for Admission to the Assigned Risks Pool*, unless the context requires otherwise.

1 Composition and appointment

1.1 The constitution and membership of the Assigned Risks Pool (ARP) Panel (the 'panel') shall be approved by the RICS Standards and Regulation Board.

1.2 RICS members of the panel shall be appointed in accordance with the Global Appointments Model, as approved by the Governing Council from time to time.

1.3 RICS members of the panel may serve for an initial three-year term and will be eligible for re-appointment for a second three-year term. A person may not serve for longer than six years continuously on the panel.

1.4 The panel shall comprise:

- a** a chair, who will be a chartered surveyor
- b** one panel member who is an RICS member and
- c** up to three panel members who are listed insurers ('insurer members'), or the ARP manager as their representative.

A representative from RICS Regulation will attend but will not be a member of the panel.

1.5 Insurer members may delegate authority to the ARP manager to represent them at the panel.

2 Functions of the panel

2.1 In summary, the functions of the panel will be to:

- a** advise insurer members on the panel about the nature of the firms admitted to the ARP
- b** sanction or ratify admissions to the ARP
- c** monitor firms' progress within the ARP
- d** provide input into the business review and investigative process and advise insurer members on the panel accordingly
- e** advise the applicant firm on the terms within the ARP and interpret the *Rules and Procedure for Admission to the RICS Assigned Risks Pool* and

f determine premiums, return premiums and other insurance terms and conditions.

2.2 The panel may delegate to the ARP manager or to its nominated subcontractor such of its functions as it considers appropriate.

2.3 If the panel is unable to reach agreement on the premium and/or other insurance terms, it shall adjourn until a future date, which shall be at least five working days after the adjourned date.

3 Meetings and voting rights of the panel

3.1 The panel shall meet when:

- a** a business review is required under Rule 40 of the *Rules and Procedure for Admission to the RICS Assigned Risks Pool* or
- b** when RICS, the ARP manager or an insurer member feels it is appropriate to do so.

3.2 The panel may invite any person whom it believes is able to contribute to its decisions to attend a meeting to deal with any particular case. Any person so invited will have no right to vote at meetings of the panel.

3.3 The panel may adjourn at any time to enable it to obtain further information and may reconvene provided that at least five working days have elapsed.

3.4 The panel shall keep minutes of its deliberations and decisions but the circulation of those minutes shall be confined to members of the panel, the ARP manager and RICS Regulation.

3.5 The panel will be supported by RICS staff.

4 Powers of the panel

4.1 The powers of the panel will be as delegated to it by the RICS Standards and Regulation Board and may be amended from time to time.

4.2 The powers of the panel shall include the following:

- a** to decide matters relating to firms admitted to the ARP
- b** to monitor firms during their period within the ARP
- c** to require a firm to answer such questions in addition to matters covered in the proposal form as the panel considers appropriate and to invite the firm and/or its insurance or legal advisers to make such written representations as they may wish to the panel
- d** to consider the compliance checklist prepared by RICS in respect of the firm's compliance with RICS rules
- e** to commission an investigative report and business review of the firm requesting admission. In the event of commissioning such reports as a matter of urgency, the authority of the chair and two other members of the panel will be required
- f** to decide the final premium to be paid by the firm admitted to the ARP and other terms and conditions

- g** to decide the appropriate level of cover and excess for the firm while in the ARP
- h** to consider the recommendation(s) of the investigative report. Where necessary, the panel will direct the firm of actions the firm should take to become an acceptable risk to the insurance market once more
- i** to agree the period that a firm shall be in the ARP and any extensions to that period
- j** to have reported to it all significant claims of interest that arise during the period within the ARP
- k** to review the limit of indemnity of the firm should the aggregate limit be eroded or extinguished by paid or outstanding claims while the firm is still in the ARP and
- l** to monitor and approve any other matters as appropriate in relation to a firm's admission and stay in the ARP.

5 ARP manager

5.1 The ARP manager will be appointed by RICS to, *inter alia*, advise on insurance matters and implement decisions made by the panel. The ARP manager will, unless otherwise determined by the panel, be entitled to attend and speak at all meetings of the panel.

5.2 The ARP manager will not be entitled to vote unless insurer members delegate authority to the ARP manager to vote on their behalf.

6 Panel meetings: roles and responsibilities

6.1 The role and responsibilities of the chair are as follows:

- a** to lead and control the panel meeting or any discussions necessarily held between panel members outside of the panel meeting forum
- b** to ensure any panel meeting is run in a timely manner and
- c** to arbitrate on any points of disagreement.

6.2 The roles and responsibilities of the RICS member on the panel are as follows:

- a** to provide background information and knowledge to insurer members on questions of surveying practice
- b** to assist the panel with the setting of membership restrictions to the ARP and
- c** to vote as necessary on points of contention.

6.3 The roles and responsibilities of the insurer members on the panel are as follows:

- a** to set terms for insurance
- b** to provide background information and knowledge to the panel on questions of insurance practice and
- c** to vote as necessary on points of contention.

6.4 The roles and responsibilities of the business reviewers are as follows:

- a** to provide factual written reports to the panel prior to the meeting
- b** to provide verbal additional information and opinion to the panel, as necessary
- c** to answer questions from the panel arising out of reports and
- d** to provide background information and knowledge to insurer members on questions of surveying practice and/or accounting practice, as applicable.

6.5 The roles and responsibilities of the ARP manager are as follows:

- a** to provide underwriting information to the panel
- b** to answer questions from insurers arising out of the underwriting information
- c** to provide background information and knowledge to the panel on questions of insurance practice
- d** to record the terms for insurance within the ARP agreed by the panel and pass these on to the firm's broker and
- e** to represent and vote on behalf of insurer members if insurer members delegate such authority to the ARP manager.

6.6 The roles and responsibilities of RICS Regulation representatives are as follows:

- a** to record points of clarification arising out of information provided
- b** to record the decision of the panel relating to membership restrictions and insurance terms
- c** to report membership/regulatory breaches to relevant departments within RICS and
- d** to provide background information and knowledge to insurer members on questions of regulation.

7 Panel meeting format

7.1 Panel meetings should adopt the following format:

- a** conflict of interest declaration
- b** underwriting information/verbal report, supplied by the ARP manager
- c** consideration of compliance checklist supplied by RICS
- d** business review (if relevant): verbal report supplied by reviewer to supplement written report
- e** questions from insurer members arising from verbal and written reports
- f** questions from panel members arising from verbal and written reports only for clarification and to assist with setting membership restrictions to the ARP
- g** setting of insurance terms, premiums and instructions to the ARP manager
- h** setting of membership restrictions
- i** ARP manager and RICS Regulation confirmation of cover and terms

- j** matters arising from current membership of the ARP and
- k** any other points arising.

7.2 The discussion should be limited to business practices and the implications these have on the insurance cover and should not include regulatory issues. Regulatory breaches should be noted and reported to RICS Regulation.

Proof

Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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