

Act No. 110

## LEGAL PRACTITIONERS (AMENDMENT) BILL 1987

NEW SOUTH WALES



### EXPLANATORY NOTE

**(This Explanatory Note relates to this Bill as introduced into Parliament)**

This Bill is cognate with the Legal Profession Bill 1987.

The object of this Bill is to amend the Legal Practitioners Act 1898 to enable the Law Society, through the medium of a company, to manage the Solicitors' Mutual Indemnity Fund established by the proposed Act. The Indemnity Fund will be used to pay amounts towards meeting the difference between the extent to which a solicitor is indemnified under a policy of indemnity insurance and the actual liability of the solicitor.

The Bill also proposes amendments to that Act to provide for a compulsory system of further legal education for solicitors.

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Clause 1 specifies the short title of the proposed Act.

Clause 2 is a formal provision that gives effect to the Schedule of amendments to the Legal Practitioners Act 1898.

Schedule 1 (1) makes an amendment enabling the Law Society Council to impose a condition of a practising certificate requiring its holder to undertake and complete a specified course of further legal education and enables the Council to establish and administer those courses.

Schedule 1 (2) makes a consequential amendment.

Schedule 1 (3) enables the Law Society Council to refuse to issue a further practising certificate to a solicitor who fails to comply with a condition requiring further legal education.

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Schedule 1 (4) inserts Part IXA containing proposed—

- (a) section 74A which provides for the interpretation of the Part;
- (b) section 74B which provides for the establishment and management of the Solicitors' Mutual Indemnity Fund by a company under the control of the Law Society;
- (c) section 74C which requires the Law Society to refuse to issue a practising certificate to a solicitor to whom the new Part applies (an "insurable solicitor") unless the solicitor is covered by an approved policy of indemnity insurance;
- (d) section 74D which requires the company to maintain a separate bank account with the name "Solicitors' Mutual Indemnity Fund";
- (e) section 74E which provides for investment of the Fund;
- (f) section 74F which provides for the payments to be made from the Fund including an amount towards meeting the difference between the indemnity provided under an approved insurance policy and the liability of the insured;
- (g) section 74G under which insurable solicitors are required to make an annual contribution to the Fund;
- (h) section 74H which enables the company to impose a levy to cover a possible insufficiency of the Fund;
- (i) section 74I which suspends the practising certificate of an insurable solicitor who fails to pay an annual contribution or levy; and
- (j) section 74J which enables the company to extend the operation of the Part to areas such as the Australian Capital Territory.

Schedule 1 (5) extends to the company operating under the proposed new Part IXA and its directors the protection from liability afforded other persons in the execution of the Act.

Schedule 1 (6) authorises the making of regulations requiring solicitors to undertake and complete a course of further legal education.

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