

## SRA MTC CLAUSE 2.5

*Reviewed by Matthew Bartlett, Director · Last reviewed 2026-06-22*

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Clause 2.5 of the Solicitors Regulation Authority Minimum Terms and Conditions (SRA MTC) governs aggregation. It provides that the insurance may treat as one claim all claims arising from one act or omission, one series of related acts or omissions, the same act or omission in a series of related matters or transactions, and similar acts or omissions in a series of related matters or transactions. The wording was tested in *AIG Europe Ltd v Woodman* [2017] UKSC 18, where the Supreme Court considered the meaning of "a series of related matters or transactions" in the context of failed property development schemes.

### WHAT AGGREGATION DOES

The MTC requires every firm authorised by the SRA to carry at least £2 million each-and-every-claim (£3 million for incorporated practices). Aggregation reduces that protection. Where 30 conveyancing matters are tied together by a single defective title check on a development site, the insurer may treat the 30 matters as one claim against one £2 million limit, rather than 30 claims with their own limit each.

### THE WOODMAN TEST

The Supreme Court held that the matters or transactions must have an "intrinsic" connection — a similar fact pattern alone is not enough. There must be a real relationship between the matters such that they form a connected whole. A common cause (one missed search across 30 plots in the same scheme) typically aggregates. A common error of method applied independently to unrelated clients typically does not.

### WHY THIS MATTERS AT RENEWAL

Firms with a high volume of similar work — residential conveyancing, will-writing, personal injury panels, lender panel work — carry the highest aggregation exposure. The MTC limit applies per claim after aggregation, not per matter. A firm with a £2 million primary layer and an unrelated aggregation cluster of £5 million in damages will exhaust the primary and any excess layers it has bought above it.

Our [solicitors PI insurance guide](#) explains how excess layer structures are typically arranged and where the gaps tend to appear. Practices that act as brokers' panel firms or that share a common methodology across many client files may want to read it alongside our [insurance brokers PI insurance guide](#), which deals with the parallel aggregation question for intermediary firms.

### EXCESS LAYER AGGREGATION

Excess layer policies do not have to follow the MTC. They are written on their own terms. Some excess wordings aggregate more aggressively than the MTC; some less. A practice buying £5 million excess of the £2 million MTC primary should check

whether the excess layer aggregates on the same basis as the primary. A mismatch can leave a layer of self-insurance the firm did not realise it had bought.

#### NOTIFICATIONS AND CIRCUMSTANCES

The MTC requires notification of circumstances that may give rise to a claim. Where a firm identifies a systemic error — a missed clause across a tranche of leases, for example — early notification of the circumstance attaches every subsequent claim to the policy in force at the time of notification. Late notification of individual claims as they emerge can split the cluster across multiple policy years, sometimes with different limits and different insurers.

#### PRACTICAL STEPS

Firms may want to consider:

- Mapping the high-volume work areas and identifying the common-cause risk in each.
- Reviewing the excess layer wording against the primary MTC wording for aggregation parity.
- Notifying systemic issues as a circumstance promptly, rather than waiting for the first claim to crystallise.

Aggregation is the single largest source of unexpected exposure in solicitors PI. The wording is short; the consequences are not.

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