

SWITCHING YOUR PROFESSIONAL INDEMNITY BROKER MID-TERM OR AT RENEWAL

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

Switching professional indemnity broker is more common than the industry pretends. The catalysts are familiar: a notification that wasn't handled well, a renewal that arrived three working days before expiry, a commission structure that didn't survive scrutiny, or a broker who simply lost capacity in the client's profession. This guide walks through the practical mechanics — what to do, what to ask, and what to watch for — when changing PI broker either mid-term or at the natural renewal point.

MID-TERM VS RENEWAL SWITCHING

Switching at renewal is mechanically simpler: the existing policy expires, the new broker arranges a fresh policy through their own panel, and the client signs whichever quote they prefer. Switching mid-term is more delicate because the policy itself usually stays with the same insurer — what changes is the broker of record. The client effectively transfers their agency from one intermediary to another while the underlying insurance contract continues.

A mid-term switch is appropriate when:

- A claim or circumstance has been notified and the client has lost confidence in the existing broker's handling of it
- A conflict of interest has emerged that the existing broker cannot resolve
- The existing broker has lost capacity with the insurer (e.g. binder withdrawn, scheme closed) and cannot service the policy as agreed
- The relationship has broken down to the point that constructive renewal is unlikely

A renewal switch is appropriate in any circumstance — there is no formal threshold and the client owes no explanation to the outgoing broker.

THE HANDOVER DOCUMENTS

The minimum set of documents the new broker should receive from the outgoing broker:

1. Current policy schedule and full wording
2. All renewal proposal forms and supporting documentation submitted in the last five years
3. The complete claims and circumstance log — notified items, declined items, open matters, settlements
4. All correspondence on open claims or circumstances
5. The premium history including any mid-term adjustments
6. Any side letters, scheme attestations, or special endorsements
7. The Terms of Business Agreement with the outgoing broker (so the new broker understands what scope was contracted)

The outgoing broker is required by FCA principles to facilitate an orderly transition. Refusal or delay in providing these documents is itself a complaint matter.

DISCLOSURE TO THE INSURER

The Insurance Act 2015 imposes a duty of fair presentation on commercial policyholders. When the broker of record changes mid-term, the policyholder should ensure that:

- The insurer is formally notified of the change in broker
- The notification confirms which broker now holds the client's authority for all post-inception correspondence
- If any open notifications exist, the insurer is told which broker is now handling them
- Any material facts that the outgoing broker was holding (e.g. emerging circumstance, pending litigation, regulatory inquiry) are confirmed in writing to the new broker before the handover completes

A new broker who fails to inherit the fair-presentation record cleanly creates a downstream risk that an insurer may later argue non-disclosure when the next renewal is presented.

WHAT THE OUTGOING BROKER IS ENTITLED TO

The outgoing broker retains the commission earned on the placement to the date of transfer. They are not entitled to compensation for the lost relationship beyond that, and they cannot prevent the switch by withholding documentation, refusing to release records, or contacting the client's insurer to challenge the change. Any of those behaviours is a DISP complaint matter and, in some cases, a SUP 15 supervisory notification matter.

WHAT THE NEW BROKER SHOULD DO IN THE FIRST 48 HOURS

1. Confirm in writing to the client what is being inherited and what is being assumed
2. Notify the insurer in writing of the change
3. Review the current policy wording for any conditions, warranties, or notification clauses the client needs to be aware of
4. Establish whether there are any open notifications and confirm who is handling them
5. Schedule a renewal review for the appropriate date — typically 90 days before expiry for commercial PI
6. Issue a fresh Terms of Business Agreement and any required regulatory disclosures

SWITCHING COSTS

There is usually no direct cost to switching at renewal — the new broker simply arranges the new placement, and the client signs whichever quote they prefer. Mid-term switching can involve a pro-rata adjustment if the new broker negotiates a different commercial arrangement, but the underlying policy premium itself is unchanged unless mid-term endorsements are required.

The hidden cost of *not* switching when service has failed is much larger: a poorly-handled notification can prejudice a future claim, and a renewal that misses a market-wide hardening cycle can mean an avoidable 30–50% increase.

ABOUT APEX INSURANCE BROKERS

Apex Insurance Brokers Limited handles mid-term broker-of-record transfers and renewal switches for UK professional services firms. We work with named insurers in each specialist class, disclose our remuneration basis on engagement, and confirm in writing what we have inherited and what we are assuming. Director Matt Bartlett holds the relevant SMCR approvals. If you are considering a change of broker and would like a structured conversation about the documentation, the regulatory considerations, and the market position for your profession in 2026, we can help. FCA firm reference number 724952.

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