

Clearing the desk

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After selling or winding up their practices, what more remains for retiring surveyors to do? This feature looks at issues such as insurance and record-keeping

Once you have sold or wound up your practice, you may think there is nothing further you need to do. However, even after you have retired there are a number of matters to which you must attend.

One of the main things to consider is which insurances you need to maintain after you cease practising. Broadly speaking, insurance policies provide cover on either an event-occurring or a claims-made basis. The former need to be in force at the date that the event giving rise to your loss or liability occurs if you are to claim under them. The latter must be in force either at the date when a claim is made against you or when you become aware of the possibility of a claim for which you will seek indemnity under your insurance.

This means that you will not normally need to maintain insurances that provide cover on an occurrence basis after you have ceased practising, such as office and contents cover, employer's and public liability insurances. However, you ought to maintain policies that provide cover on a claims-made basis, such as professional indemnity insurance (PII), or directors' and officers' insurance if you have it.

RICS requires surveyors to maintain PII for at least six years after they cease practising

The easiest way to decide which insurances you need to maintain and which you do not is to speak to your broker, who should be able to advise on this and on how long to maintain them, as well as being able to arrange these for you. Please do be aware that it is an RICS regulatory requirement for surveyors to maintain PII for at least six years after they cease practising. Where you carried on practice as a sole trader and are winding your practice up, you yourself need to arrange and pay for such run-off cover.

Where you operated your practice through a partnership or a corporate entity being continued by others, whether your former partners or a purchaser of the corporate vehicle, you may be covered under their PII going forwards. But do check whether this is the case, and confirm the insurance is maintained for long enough to protect you if a claim is made subsequently.

Where you operated your practice through a corporate entity that you have sold and this entity is continuing the practice, the share purchase agreement will usually set out who is liable for claims arising from work carried out before the change of ownership, and who

should arrange PII against any such claims.

Whether you are arranging run-off cover or relying on that arranged by former partners or the purchaser of your practice, you must ensure there are no gaps between the expiring and continuing cover, and that nothing will prevent you claiming under the policy should a claim be made against you.

Although you are unlikely to need employer's and public liability insurance after you cease practising, you should keep records of the policies you did have while in practice indefinitely. This is because some claims, such as those for injuries sustained as a result of exposure to asbestos at work, may be brought many years or even decades after the event that gave rise to them.

Another ongoing obligation concerns the retention of other documents from your practice. Again, the position may differ depending on whether you have sold your practice, it is being continued by others or you are winding it up. In either of the first two cases, many if not all the practice records are likely to pass to the purchaser or remain with your former partners.

In the case of a sale, the share purchase agreement may address what happens with the documents and records. If you are leaving these behind when you retire, you are unlikely to have any ongoing obligations under the [Data Protection Act 2018](#) or the [General Data Protection Regulation](#) (GDPR).

It is worth checking to ensure that you do not have documents or data from the practice on any of your personal computers or devices; if you do, you will have to decide what you need to do with these. If you are winding up your practice, you will have ongoing obligations under the 2018 Act and the GDPR, and will need to make arrangements either to keep any records or destroy them securely. It may be possible to keep many of these electronically rather than having to maintain paper copies.

The period for which you will need to retain records will vary with the nature of these documents. For example, you will need to keep project files should any issues arise subsequently about the adequacy of the work you carried out for your clients; these should be kept for an absolute minimum of six years from the date on which you completed the work, and best practice would be to keep them for 15 years.

You will also need to keep other records, but should not need to keep these as long. How long you need to retain the records will vary depending on the purpose for which you are retaining them. Broadly speaking, under the 2018 Act and the GDPR, you should only keep records for as long as you need them, especially when they contain personal data. Any such records should be kept safely, and when they are not needed, you must make sure you destroy them securely.

Knowing which records to keep and for how long can be quite complex and it may be worth seeking expert advice on what you should do to fulfil your obligations under the data protection legislation.

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Further information

- Related competencies include: [Business planning](#)
- This feature has come from the [RICS Built Environment Journal](#) (June/July 2019)
- Related categories: [Practice management](#)