

# Deputy Bonds

## Key Facts Document



### What is a Deputy Bond and why is it required?

Deputies appointed by the Court of Protection (the “**Court**”) to manage the property and financial affairs of the patient (“**P**”) are required to provide and maintain security by way of a surety bond for the duration of the deputyship. This surety bond is called a Deputy Bond.

The purpose of the Deputy Bond is to safeguard the assets of P and to effectively promise to pay back a financial loss to P’s estate should Deputies fail to perform their deputyship duties ordered by the Court. The order giving the authority to act as Deputies will not be released until the Court and the Office of the Public Guardian (the “**OPG**”) are satisfied that appropriate security is in place.

### Who issues the Deputy Bond?

Howden Insurance Brokers Limited will place your Deputy Bond with:

**HCC International Insurance Company PLC trading as Tokio Marine HCC (“HCC”)**

Registered Office: One Aldgate London EC3N 1RE United Kingdom.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number 202655. The financial ratings for the Tokio Marine HCC group of companies may be found here: <https://www.tmhcc.com/en/about-us/financial-ratings>

Please note that Howden is a broker (a type of intermediary) and it is HCC, and not Howden, that issues the Deputy Bond. Howden is able to sign Deputy Bonds on behalf of HCC under the terms of a Delegated Authority Agreement granted by HCC in favour of Howden.

### Is a Deputy Bond a type of insurance?

Please note that, whilst surety bonds are regulated as insurance products, they are not an insurance product at common law. A surety bond is a guarantee.

**Importantly, this means that in the event that a claim is made against a surety company in respect of a Deputy Bond, that insurance company will be able to seek reimbursement for its losses from that Deputy.**

### What rights does the issuer of a Deputy Bond have in the event of a claim under the Bond?

**All Deputies are liable to reimburse the surety company HCC for any loss and costs incurred by HCC should the OPG enforce the bond as directed by the Court. In the event of loss under the bond, HCC will take such action as appropriate against Deputies to recover their loss. If there are multiple Deputies appointed under the deputyship, each Deputy is liable for the actions of all the other Deputies on a joint and several basis.**

In addition, where a Deputy is acting as a professional deputy, HCC will also seek reimbursement from the firm of solicitors for whom that Deputy (whether an individual or a trust corporation) is acting. HCC will do so on the basis that, by applying for a Deputy Bond, a Deputy is acting as agent for that firm. In addition, issuers of Deputy Bonds also hold certain rights of subrogation at law which they may exercise in the event of a claim under a Deputy Bond.

### Will the Deputy Bond provide any financial protection for the Deputy?

No. The security provided by the bond is solely for the protection of P in the event that a Deputy does not perform his duties and there is no financial protection for Deputies.

### Surety Bond Payment

Please note that each Deputy (and, if more than one, all Deputies on a joint and several basis) are liable for all premiums due to HCC in connection with their Surety Bond. This is regardless of whether or not that Deputy has access to the assets of “P” in order to reimburse himself in respect of those premiums or whether that Deputy ceases to act as a Deputy for “P”.

### How A Claim Is Made

The Court is the only body that can initiate a claim on this Bond. The Bond will be forfeited by the OPG through an Order issued by the Court. This Order and the original signed Bond, held by Howden Insurance Brokers Limited, will be forwarded to HCC with the Court’s direction for payment.