## The Professional Indemnity Insurance Review Checklist

Aon, the Preferred Professional Indemnity CA ANZ Member Benefits Partner for Practitioners (in Australia) has put together the checklist below to assist you with reviewing your Professional Indemnity policy annually. This checklist is a summary only and we strongly encourage you to consider all your current insurance coverage requirements to ensure your policy complies with CA ANZ's Regulation CR 2A Professional Indemnity Insurance. If your insurance cover is inadequate, CA ANZ's Professional Standard Scheme may not protect you if a client makes a claim against you.



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Have you confirmed that you have the correct amount of cover?	Yes No	Have you met the limit of indemnity requirements for cost-in-addition cover or cost inclusive cover?	Yes No
The level of cover you need depends on the			
size of your business, the size of individual		Relates to cover for legal and defence costs	
fee engagements for your clients and the		for investigating, defending and settling	
nature of services you provide <u>CR 2A.5(e)</u> .		claims against the insured. Cost-in-addition	
	□ □	cover is preferred under <u>CR 2A.5(e)(iii)</u> .	
Have you declared all aspects of your services of your organisation?	Yes No	Have you considered other	Yes No
As per <u>CR 2A.5(c)</u> all business activities		important factors?	
(services) that are offered must be declared.		E.g. your annual gross revenue, your client's	
Take special care if you provide services		industry, number of principals or staff in your	
that might not be 'traditional' accounting		practice, prior claims history, the policy	
services, financial advice, audit services or		having a retroactive date of not less than	
services to publicly listed entities.		7 years <u>CR 2A.5(f)(iv)</u> , at least one automatic	
		re-instatement of sum insured <u>CR 2A.5(f)(v)</u> .	
Is your period of insurance for at least	Yes No		
12 months?		Have you included the relevant	Yes No
As per <u>CR 2A.5(d)</u> , the insurance must be		disclaimer on all documents that are	
either for a period of not less than 1 year,		or could be provided to current and prospective clients per <u>Public Practice</u>	
or for a period expiring on the next common		Regulations CR 3(3.5)?	
expiry date for insurance placed under a		<u> </u>	
scheme which requires all insurances under		Have you considered your obligation	Yes No
it to expire on a common expiry date.		to hold 'run-off' cover?	
		If you are considering cancelling your CPP	
Have you considered the fees charged	Yes No	due to retiring, ceasing to practice, or the	
for any type of engagement?		practice merges with another practice,	
Refer to <u>CR 2A.5(e)</u> to understand the		there is a requirement to hold a minimum	
minimum limit of indemnity (sum insured)		of 7 years run-off cover as per <u>CR 2A.8</u> .	
required for your practice. Different			
categories of professional services and		Have you notified your insurance	Yes No
different size engagement fees will		broker/provider of a change in circumstances?	
determine the minimum amount of		circumstances:	
Pl insurance you require.		E.g. A fee for one client has exceeded the	
· ·		amounts previously disclosed, you take on	
Have you given regard to the ' <u>Excess</u> '	Yes No	a new service, you changed your business	
charged on your policy?		location, you become aware of an error or	
CR 2A.5(e)(ii) outlines the requirements based		incident that may lead to a claim.	

## CR 2A only addresses requirements relating to Professional Indemnity insurance.

Your risk and exposure may go beyond a breach of your professional duty, so please consider cover for additional risks including but not limited to: Public & Products Liability, Business Pack Insurance, Cyber Insurance, Management Liability, Business Travel Insurance.

Aon is the Preferred Professional Indemnity CA ANZ Member Benefits Partner for Practitioners (in Australia). We would like to acknowledge the collaborative efforts of CA ANZ and Aon in producing this resource, which we believe will be useful and informative. Additionally, we aim to raise awareness of the partnership and its associated benefits. For further details on the benefits available to members, please visit: <a href="https://business-insurance.aon.com.au/aon-partners/chartered-accountants-anz">https://business-insurance.aon.com.au/aon-partners/chartered-accountants-anz</a>



on the number of principals and your fees.

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This PI Insurance Review checklist (Checklist) is current as at the date of publication and subject to any qualifications expressed. The Checklist is a summary provided for informational purposes only and does not constitute legal or financial product advice. By using this Checklist, CA ANZ Members acknowledge that they are solely responsible for determining their insurance needs. While every effort has been made to ensure the accuracy and completeness of this Checklist, no guarantee is given that the information provided is correct, complete, or up to date. CA ANZ Members who use this Checklist and respond truthfully to the questions and provide full disclosure in their professional insurance form to apply for this Professional Indemnity insurance policy (offered by Insurance ABN 11 000 016 722 AFSL 227681 trading as CGU Insurance) which is available to CA ANZ members through Aon) will likely meet the requirements of CA ANZ's Regulation CR 2A Professional Indemnity Insurance. However, this does not guarantee that any insurance claim will be accepted by the CA ANZ Members's insurance provider or that they will be covered for all losses or damages. CA ANZ Members should consult independent professionals for guidance on their insurance needs (including their professional indemnity insurance). AFF0397-AU-2402