



# 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.

**Have you confirmed that you have the correct amount of cover?**

Yes  No

The level of cover you need depends on the size of your business, the size of individual fee engagements for your clients and the nature of services you provide [CR 2A.5\(e\)](#).

**Have you declared all aspects of your services of your organisation?**

Yes  No

As per [CR 2A.5\(c\)](#) all business activities (services) that are offered must be declared. Take special care if you provide services that might not be ‘traditional’ accounting services, financial advice, audit services or services to publicly listed entities.

**Is your period of insurance for at least 12 months?**

Yes  No

As per [CR 2A.5\(d\)](#), the insurance must be either for a period of not less than 1 year, or for a period expiring on the next common expiry date for insurance placed under a scheme which requires all insurances under it to expire on a common expiry date.

**Have you considered the fees charged for any type of engagement?**

Yes  No

Refer to [CR 2A.5\(e\)](#) to understand the minimum limit of indemnity (sum insured) required for your practice. Different categories of professional services and different size engagement fees will determine the minimum amount of PI insurance you require.

**Have you given regard to the ‘Excess’ charged on your policy?**

Yes  No

[CR 2A.5\(e\)\(ii\)](#) outlines the requirements based on the number of principals and your fees.

**Have you met the limit of indemnity requirements for cost-in-addition cover or cost inclusive cover?**

Yes  No

Relates to cover for legal and defence costs for investigating, defending and settling claims against the insured. Cost-in-addition cover is preferred under [CR 2A.5\(e\)\(iii\)](#).

**Have you considered other important factors?**

Yes  No

E.g. your annual gross revenue, your client’s industry, number of principals or staff in your practice, prior claims history, the policy having a retroactive date of not less than 7 years [CR 2A.5\(f\)\(iv\)](#), at least one automatic re-instatement of sum insured [CR 2A.5\(f\)\(v\)](#).

**Have you included the relevant disclaimer on all documents that are or could be provided to current and prospective clients per Public Practice Regulations CR 3(3.5)?**

Yes  No

**Have you considered your obligation to hold ‘run-off’ cover?**

Yes  No

If you are considering cancelling your CPP due to retiring, ceasing to practice, or the practice merges with another practice, there is a requirement to hold a minimum of 7 years run-off cover as per [CR 2A.8](#).

**Have you notified your insurance broker/provider of a change in circumstances?**

Yes  No

E.g. A fee for one client has exceeded the amounts previously disclosed, you take on a new service, you changed your business location, you become aware of an error or 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: <https://business-insurance.aon.com.au/aon-partners/chartered-accountants-anz>



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