

GUIDANCE FACTSHEET

PROFESSIONAL INDEMNITY INSURANCE REQUIREMENTS

The Chartered Certified Accountants' Global Practising Regulations (GPRs) set out the eligibility criteria for obtaining ACCA certificates and licences and detail the continuing obligations placed on certificate/licence holders. The professional indemnity insurance requirements are primarily contained in GPR 9 and the corresponding Annexes to the GPRs. The GPRs are published in the *ACCA Rulebook* at accaglobal.com/rulebook.

This factsheet has no regulatory status. It is issued for guidance purposes only, and in the event of any conflict between the content of this factsheet and the content of the *ACCA Rulebook*, the latter shall at all times take precedence. Therefore, this factsheet should not be regarded by a member as a substitute for familiarising themselves with the appropriate regulations or, where necessary, obtaining specific advice concerning a specific situation.

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NEW PROFESSIONAL INDEMNITY INSURANCE REGULATIONS

ACCA implemented new Professional Indemnity Insurance (PII) Regulations, effective 1 September 2023. The new PII requirements are more practical and obtainable in the current insurance market and align more closely with other professional accountancy bodies. A comparison of the old and new PII requirements is provided in [Appendix 1](#).

TRANSITIONAL ARRANGEMENTS

Members and firms have a period of time to adjust to the changes in the PII requirements and obtain PII cover which is compliant with the new regulations. Under transitional arrangements, PII policy renewals on or after 1 January 2024 must comply with the new requirements. **All existing PII policies must comply with the new requirements by 1 January 2025.** Early adoption is permitted.

INTRODUCTION

PROFESSIONAL INDEMNITY INSURANCE

Professional indemnity insurance (PII) policies provide cover for practitioners against claims for professional negligence. In order to ensure that practitioners have the means to meet any claims of this nature, ACCA requires all holders of practising certificates and firms' auditing certificates, and members and firms authorised to undertake exempt regulated activities (UK) and other regulated activities, to obtain a minimum level of insurance cover.

Exceptions to the requirements of GPR 9(1) are set out in GPR 9(8). For example, if you hold a practising certificate but do not engage in public practice, you do not need PII.

FIDELITY GUARANTEE INSURANCE

Fidelity guarantee insurance (FGI) exists to safeguard the firm or organisation against theft of the firm's own money, securities or property by an employee, principal, contractor or volunteer. Where a practitioner is in partnership, or has fellow directors in an incorporated firm, or employs full-time or part-time staff, ACCA requires such practitioners to hold FGI cover.

MEMBERS ON THE REGISTER OF PRACTITIONERS

Under GPR 9(3)(f), members carrying on public practice in a country or jurisdiction other than where the member is required to hold an ACCA practising certificate, and who have been placed on the register of practitioners, must comply with the PII and FGI requirements of a recognised national body or regulatory authority in that country.

SCOPE OF INSURANCE COVER

LIABILITIES TO BE COVERED

GPR 9(2) sets out the liabilities to be covered by the PII policy.

PII should provide cover in respect of all **civil liability** incurred in connection with the conduct of the firm's business by the principals, employees or sub-contractors.

FGI must include cover against any **acts of fraud or dishonesty** by any principal, employee or sub-contractor in respect of money or goods held in trust by the firm.

A principal is an individual who is a sole proprietor, a salaried or equity partner of a partnership, a statutory, de facto or shadow director of a company, or a member (designated or non-designated) of a limited liability partnership, or any individual who is held out as being a partner, company director or member.

SUB-CONTRACTORS

Practitioners should note that GPR 9(2) now extends cover in respect of all civil liability to sub-contractors. The definition of a sub-contractor is included in GPR 2(1). This is an individual or firm which undertakes work under the direction of another firm in the course of providing professional services to clients and which is not an employee of that other firm.

An individual or firm undertaking sub-contract work may be authorised to carry on statutory audit work and act as the senior statutory auditor within their firm. However, a sub-contractor cannot be a senior statutory auditor and sign audit reports on behalf of a registered audit firm where their relationship to that firm is solely that of being a sub-contractor to that firm.

LEVELS OF COVER

GPR 9(3) sets the **minimum** limits of PII and FGI required to be held. However, practitioners **must** consider the risk profile of their work and their clients and determine whether or not they should carry PII and FGI in excess of the minimum required under the regulations. For example, some regulated work will require higher levels of PII cover arising from legislative requirements, or the requirements set by national bodies or regulators in a particular sector.

PROFESSIONAL INDEMNITY INSURANCE

The minimum limit of indemnity required on PII is dependent upon the firm's **total income** for the previous accounting year.

Total income of less than £600,000 (or euro equivalent)

The minimum limit of indemnity on PII in respect of each and every claim shall be at least the greater of:

- two and a half times the firm's relevant total income; and
- £100,000 (or euro equivalent).

Total income of equal to or more than £600,000 (or euro equivalent)

The minimum limit of indemnity on PII in respect of each and every claim shall be £1.5 million (or euro equivalent).

TOTAL INCOME

GPR 9(3)(c) defines 'total income' as the aggregate of the firm's professional charges and all other income received by the firm in the course of the firm's business. This includes commissions that are retained by the business and work sub-contracted.

This regulation now explicitly requires **work sub-contracted** to be included in the scope of total income. Income from 'work sub-contracted' means the income the firm receives from clients in respect of work which it has sub-contracted to another individual or firm under a contract of service, and for which the firm has taken professional responsibility. For example, the fees received from clients for work that a firm may have sub-contracted to another firm (eg due to a shortage of its own staff) is income from work sub-contracted. However, income that a firm receives from another firm to which it has provided staff to work as sub-contractors in that other firm is income from the firm's professional charges.

Some practitioners are part-time financial controllers under employment contracts for potentially a few different companies, and also have some contracts for service with a block of other clients. Only the latter is considered public practice and requires PII cover. However, emoluments earned under a contract of employment, where the employment status is not clearly identified to any third party through the use of a job title or similar, must also be included within the firm's relevant total income.

UNINSURED EXCESS

GPR 9(3)(d) restricts the maximum permitted uninsured excess for PII and FGI to £20,000 (or euro equivalent) per principal for each and every claim. This is the amount of any claim which is borne by the firm before there is any payment by the insurer. Practitioners retain the flexibility to choose the level of uninsured excess, up to a maximum of £20,000 (or euro equivalent) per principal in respect of each and every claim.

FIDELITY GUARANTEE INSURANCE

The minimum limit of indemnity on FGI in respect of each and every claim is £100,000 (or euro equivalent), in line with the minimum PII limit.

FGI can also be known as first party fraud, theft or employee dishonesty cover. Importantly, FGI cover should not be confused with third party fraud and dishonesty cover. Third party fraud and dishonesty refers to theft of the client's money, as opposed to the firm's own money, and is usually covered within the main insuring clause (civil liability) of a PII policy.

Fraud claims have increased in both frequency and value in the past few years. In order to reduce their exposure to fraud losses, some insurers have altered their policy coverage to leave out FGI cover completely from PII policies, whilst others have applied particularly onerous terms and conditions.

If your firm is required to hold FGI, you should check your policy includes FGI in respect of each and every claim. You should also check the policy wording to ensure there are no onerous terms or conditions which must be fulfilled for FGI cover to be valid. For example, do the policy conditions state that the firm's own accounts must be independently certified or audited on an annual basis for FGI to apply?

EURO EQUIVALENT

All the new PII limits within GPR 9(3) are expressed in pound sterling (GBP) or the euro equivalent at the time the policy commenced or is renewed. Pound sterling and euro are the two national currencies of the designated territories UK and Republic of Ireland. If you carry on public practice in a country other than a designated territory you may comply with the minimum requirements of a recognised national body or regulatory authority in that country.

HIGH-RISK EXPOSURES

ACCA continues to require PII cover for 'each and every claim', as opposed to 'each and every claim and in the aggregate', as this is in the consumer interest. However, GPR 9(3)(b) recognises the need to accommodate an 'aggregate' basis for high-risk exposures, as opposed to an 'each and every claim' basis, if that is all that is made available to the firm by insurers. These high-risk exposures may include, but are not limited to, cyber related events, tax planning or financial services.

You don't need to apply to ACCA for a waiver in respect of high-risk exposures that are insured on an aggregate basis. Ideally, you should obtain cover for high-risk exposures under a single policy with your existing insurer. However, you may need to look for additional or stand-alone cover elsewhere.

PII insurers are cautious about insuring firms that undertake high-risk activities. Due to the increased scrutiny in relation to high-risk activities, practitioners should expect the renewal process to take longer, and they may need to find a new insurer. The insurer may decline to insure the firm, or require a higher premium to be paid and procedures to minimise the risk of claims in these areas.

In particular, insurers are concerned about firms that advise on **tax avoidance** and **tax mitigation schemes**. They will also review the position of firms that just introduce clients to other firms that give advice on tax avoidance and tax mitigation schemes.

CYBER INSURANCE COVER

The threat to businesses from cybersecurity attacks continues to increase and cyber insurance for accountants is important. The type and volume of data that firms collect, process and hold can make them vulnerable, and cyber events can be very costly. Increasingly, insurers are applying cyber exclusions to PII policies, so it's usually necessary to have additional cover for cyber insurance which is more comprehensive when it comes to a data incident and includes both third and first party cover. Separate, standalone cyber insurance policies cover an organisation in the event of an accidental or malicious data breach or data incident. Cyber insurance policy wording can be complex and nuanced, so you're advised to contact an insurance broker with specialist knowledge of this area.

CONTINUITY FOLLOWING CESSATION

GPR 9(5) requires those ceasing to practise to make arrangements for the continued existence of adequate PII and FGI cover for a period of six years from the date of cessation. This is due to the high level of claims arising more than two years following cessation and the need to provide member protection.

Run-off cover for a previous practice provides cover for claims for work done while in practice but arising after the practice ceased. If the practice has been taken over by someone else, this cover may be effected by the new practice or by the previous firm. The terms and extent of any run-off cover should be equivalent to the cover provided by the firm's previous insurance. Run-off cover must comply with the minimum limits of indemnity required by the PII regulations. However, these minimum limits may not be sufficient depending on the firm's circumstances.

If a practitioner is already in run-off when the new PII Regulations are implemented, effective 1 September 2023, the terms that apply are as per the previous PII regulations and they can remain in place until the six-year period has expired.

PII cover is based on when the claim is made, not when the negligent act took place. Damage or loss caused by negligent advice, error or omission may take several years to emerge and, as a result, claims can be made at a later date for work undertaken whilst a member was in practice. It's not only the time taken to discover that a mistake has occurred; the investigation into, and defence of, the loss can often be protracted. If run-off cover is inadequate or non-existent, claims brought against the firm after cessation are uninsured and the lack of protection exposes practitioners to significant business risk and the loss of their own personal assets.

Run-off cover provides important protection for consumers and members and the requirement for PII cover for a period of six years after ceasing to engage in public practice balances the interests of practitioners and consumers. It's also linked to the normal limitation period in statute of six years from the date on which the negligent act occurred. Whilst it's no longer possible to arrange blocks of run-off cover for a six-year period in the current insurance market, you can still obtain run-off policies which are annually renewable.

RETROACTIVE COVER

GPR 9(6) requires members and firms to ensure that the PII policy includes full retroactive cover for all past business. The retroactive date is usually shown on the policy schedule or by way of an endorsement and it can be stated in a number of ways:

- **Retroactive date – None or Unlimited retroactivity** – PII policies with this wording provide full retroactive cover for all the firm's past work. Policies underwritten on this basis will respond to a claim reported to the insurer during the policy period, regardless of when the work was undertaken, or advice given.
- **Specified retroactive date** – If the PII policy has a specified retroactive date, it's important that this is the date that the practice commenced, so that all work completed in the past is covered. The date that the practice 'commenced' is when the first client was engaged, and a liability was created. Claims arising from any work undertaken or advice given prior to the retroactive date specified in the PII policy will not be covered.
- **Retroactive date inception** – Practitioners should be aware that PII policies with a Retroactive date inception do **not** cover any work undertaken or advice given before the start date of the policy. This is only acceptable if the practitioner is just starting to practise and has not undertaken any work in the past. Insurers can offer very competitive premiums for PII policies with a Retroactive date inception, but the premium is attractive because none of the firm's past work will be covered and there is little risk to the insurer.

When your firm is renewing PII, and especially if you're changing insurance broker or insurer, it's important to check that the retroactive date is accurate. If the retroactive date specified is later than the date the practice commenced, you can ask your insurer to change it but there may be a one-off premium charge to do this.

REGULATED WORK

Under GPR 9(7), members and firms holding authorisation for other regulated work are required to hold minimum levels of PII in accordance with the specific requirements set out in the regulations for such regulated activities and relevant legislation. In addition, they must comply with the minimum requirements set by a recognised national body or regulatory authority in respect of the limit of indemnity on PII for regulated work. Examples of other regulated work include public interest entity (PIE) audits (UK), the assurance of sustainability reporting (Ireland), insolvency, insurance business (UK), ATOL reporting, and legal services. You must consider the risk profile of the firm's work and your clients and ensure that the level of cover for PII and FGI provides the appropriate level of cover for other regulated activities.

NOTIFICATION REQUIREMENTS

In accordance with GPR 9(4), members and firms must confirm that they hold compliant PII cover on the initial application forms and annual renewal forms and provide ACCA with details of their PII arrangements, including the name of their insurer and the policy number.

Members and firms must notify ACCA in writing of any changes to their PII arrangements using the Practice Change of Details Notification form which is available on the [Practitioner Forms](#) page of ACCA's website.

MONITORING COMPLIANCE

ACCA reviews PII policies (including records of insurance claims) as part of its monitoring compliance procedures to ensure practitioners hold PII cover which meets our requirements. The first monitoring reviews take place within 12 months of registration. Any breaches of the PII regulations are referred to our Professional Conduct Department and members and firms are required to rectify the breach.

CLAIMS RECORDING AND CLAIMS HANDLING

Practitioners should promptly notify their insurers of claims or circumstances which could reasonably give rise to a claim. Failure to do so could seriously prejudice the firm's rights and entitlement to indemnity under the policy.

GPR 9(4)(c) requires practitioners to keep records of insurance claims made under their PII and FGI policies. Insurers generally look at a 10-year claims history but, if there are material claims before this, they should be disclosed because they are relative to the quantum of claims.

INABILITY TO OBTAIN INSURANCE COVER

The new PII requirements should reduce the likelihood of members and firms being unable to obtain PII cover which meets ACCA's requirements. However, if you're finding it difficult to obtain insurance cover you should discuss matters with an insurance broker and the options available. Members and firms in the UK are recommended to get in touch with [Lockton](#), ACCA's recommended insurance broker, as they may be able in such circumstances.

ACCA does not operate a scheme for members and firms who are unable to obtain PII cover for whatever reason. However, in exceptional circumstances where you find yourself unable to obtain PII or FGI compliant with the GPRs and relevant Annexes, or can only obtain such cover at a cost which is unreasonable, you can apply to ACCA for a waiver of the PII requirements under GPR 9(9).

If you wish to apply for a PII waiver, you should contact ACCA's Authorisation Department at authorisationemails@accaglobal.com and notify ACCA in writing that you're unable to obtain PII cover, providing full details as to why you're unable to comply with the PII regulations. The matter will be considered by the Admissions and Licensing Committee (A&LC) in its absolute discretion. PII waiver applicants should be aware that, because their firm does not have appropriate PII in place, it will remain liable for any subsequent claims.

RISK ASSESSMENT

Practitioners should ensure they limit the risk of claims against their firm and carry out a risk assessment before accepting new clients or new work from existing clients. You should also carry out a risk assessment at least annually when your PII cover is due for renewal, or when there are any changes to the firm, the services offered, and your client base. In assessing the level of risk, you should consider the work undertaken not only now, but also in the past. In particular, you should be beware of reducing your PII cover because a project or piece of work has been completed and you believe you no longer need the higher level of cover.

PRACTICE CHANGES

Practitioners should review their PII cover well before the structure of the firm changes eg practice merger or division. You must ensure that the new firm structure has sufficient PII which meets the regulatory requirements. Claims arising from work undertaken by predecessor firms which have been acquired can be challenging to defend and highlight the importance of carrying out thorough due diligence when looking to acquire another firm.

DISCLOSURE TO CLIENTS

Firms should disclose the limitations on liability to their clients in an engagement letter and standard terms and conditions of business.

ENGAGEMENT LETTER

A robust engagement letter may help protect your practice from a claim, assist greatly in the defence of any claim or at very least, mitigate any loss. It can be used to manage clients' expectations and can provide significant protection to a practitioner against potential claims. The engagement letter provides important evidence of what was agreed in the event of a dispute as to the scope of a practitioner's engagement or where there are allegations of professional negligence. This is particularly relevant given the increasingly litigious world in which business is conducted. The lack of a properly scoped letter of engagement has been identified as a key element in successful claims against accountancy professionals. PII insurers regard the failure to issue engagement letters as an increased risk, which may raise the premium.

Many practitioners now limit their liability for work done by an appropriately worded clause in the letter of engagement. You should discuss and agree the liability cap with the client at the start of the assignment. Details of the PII insurance should **not** be included in the engagement letter as the information may change. Also, the limit of the firm's insurance must **not** be given without the insurer's express consent.

ACCA's suite of [Engagement Letter factsheets](#) show practitioners how to create client letters for tax and accounts production and incorporate examples of letters of engagement, specimen letters and terms and conditions, including Limitation of Liability clauses.

PII POLICIES

PII insurers will apply different terms in PII policies and practitioners should carefully check the terms used in policy documents to ensure the PII cover meets their needs and is compliant with ACCA's requirements. You're therefore recommended to take advice from an insurance broker when taking out PII insurance.

In this section, we set out some key points to bear in mind, including the potential problems with budget policies, and define some of the terms used in PII policy documents. If you're in any doubt about the terms in your PII policy, you should contact your insurance broker or insurer.

KEY POINTS TO BEAR IN MIND

Ideally, the limit of indemnity should be 'any one claim' with defence costs in addition. Be mindful that some providers may offer cover that is 'in the aggregate' or 'defence costs inclusive'.

The policy excess usually applies to 'each and every claim excluding defence costs'. You should look out for policies that apply the excess to defence costs, or on an 'each and every claimant basis'.

The policy should be a 'civil liability' wording, and not a 'negligence' only wording. Check the insuring clause or 'what is covered' section of the policy wording (or ask your insurance broker to do this for you). You must have a civil liability wording to comply with ACCA's regulations.

Types of cover that may be missing in budget PII policies include:

- defence costs for disciplinary or regulatory investigations
- mitigation of loss clause where insurers will pay certain costs in the likelihood of preventing a larger claim
- awards by Ombudsman cover
- data protection defence costs
- fidelity/fraud or dishonesty cover is often not covered or may be limited or on an aggregate basis
- helplines (many insurers offer these for confidential claims advice), tax advice, counselling, employment, business law etc
- commercial legal protection cover for disputes involving injury, property damage, fee recovery, contract disputes.

KEY TERMS USED IN PII POLICY DOCUMENTS

- **Aggregate** – Aggregate means the total limit of indemnity available under the policy. This may be described as 'any one claim and in all' or 'each and every claim and in the aggregate'.
- **Aggregate excess** – An Aggregate excess limits the amount that a policyholder has to pay out over a specific time period (typically the policy cover period). For example, if the policy excess is aggregated by three, the insured will only pay a maximum of three excesses in that policy year.
- **Claims-made basis** – A 'claims-made' policy provides cover that is triggered when a claim is made against the insured during the current policy period, regardless of when the act that gave rise to the claim took place. The one exception is when a retroactive date is applicable to a claims-made policy (see below). In such instances, the act that gave rise to the claim must have taken place on or after the retroactive date. Most PII policies operate on a claims-made basis.
- **'Each and every' claim or 'Any one' claim** – 'Each and every claim' or 'Any one claim' means that the limit is payable in respect of each individual claim intimated during the policy year. In this case there is no overall limit to the number of claims and multiple claims each up to the limit could be made. If the limit of indemnity is 'in the aggregate' it's the maximum total amount payable for any claim or group of claims intimated in a policy year (see above).
- **Limit of indemnity** – The limit of indemnity is the maximum amount that an insurer will pay out, either in aggregate or each and every claim, to meet valid claims against the firm while the policy is in force.
- **Retroactive date** – The retroactive date specifies the date from which the firm is covered. Any claims arising from work that took place prior to the specified date will be excluded from cover. This will generally be the date from which the firm has held uninterrupted professional indemnity cover. The retroactive date should be when the firm started to provide professional accountancy services.

RENEWAL OF PII POLICIES

The PII market has been hardening as a result of a number of global issues and this is limiting market capacity. As a result, those insurers that have remained in the PII market have implemented a range of measures to limit their exposures and reduce the risk of paying out costly claims.

Practitioners should start the PII policy renewal process early, particularly if the business has filed a claim recently or performs work that insurers may perceive as higher risk. Early renewal shows the importance the business places on insurance. When renewing PII insurance, you're recommended to take advice from an insurance broker that specialises in PII.

Although you may want to shop around for compliant insurance at a more affordable price, you should be aware that this could impact on your future insurability. In the long run, it may limit the number of insurance brokers and insurers willing to offer a quote at renewal.

You should also avoid policy lapses and late renewals as insurers will see this as an indication of lack of planning and perhaps professionalism. Last minute renewals create pressure and rarely produce the best outcome. If you're likely to be late renewing, inform your insurance broker as soon as possible. Letting the cover lapse and then asking for a policy to be backdated is not good practice.

You should complete and return the PII proposal form well in advance and present renewal information in a clear and transparent manner, so if there are any issues you'll have enough time to resolve them or seek alternatives. You should not fall into the trap of treating the PII proposal form as a quick tick-box exercise.

Policy application forms must be filled in comprehensively and additional detail should always be included. If there are notable developments in the business, providing the full context of these is important. Examples include submitting a full commentary on tax schemes and for financial services firms, in particular sharing chapter and verse on how pension and investment services are conducted. In addition, if a firm undertakes overseas activities, the extent of these should be detailed. Insurers need to understand the core business fundamentals but also the 'softer facts' like details on risk management practices and corporate governance protocols. By pre-empting insurers' questions and concerns and supplying information upfront, you can shorten the quotation process and maintain insurers' interest.

You should understand your firm's risk profile and exposures. Underwriters are asking for more detailed information about specific risks or areas of the business and it can take a significant amount of time to gather this information. As a result, the renewal process may take longer if your firm provides services which are regarded as higher risk. If the business is likely to be viewed as high risk, you should identify actions that can be taken to reduce and manage the risk, for example continuing professional development (CPD), staff training, cyber awareness, or limited liability clauses.

You should carefully consider the level of cover the business needs and look out for any potential changes in policy wording or coverage. You should also review policy wordings to identify any overlaps or gaps between cyber, directors' and officers' liability (D&O) and PII policies. Overlaps can add complications when claims arise, and gaps in insurance can severely impact the finances of a business in case of a loss.

Engagement letters

These are important as they form the basis of your contract with your client and therefore need to be in place and up to date. Make sure your letters of engagement cover the scope of work agreed and are updated regularly to include any new areas of work. Limit your liability to an agreed and reasonable level. Often practitioners use their limit of indemnity as a maximum cap.

Operational procedures

Increasingly, insurers are asking about the firm's operational procedures, checks and supervision. This is to ensure that there is adequate risk management in place to reduce the likelihood of any errors, omissions or fraud.

Factors insurers will be interested in include:

- your management structure/hierarchy explaining how staff are supervised and how quality control is exercised
- do you obtain references when employing staff? Is there a documented training programme in place and is CPD recorded?
- do you operate an accessible diary system to ensure that deadlines are met?
- do you have a compliance officer who regularly audits your files?
- does your firm handle client money and how often do you check your cashbooks and bank accounts? Are these independently reviewed and reconciled against bank statements?
- is there a dual sign off procedure in place for financial transactions?
- is there a business interruption plan in place?

Evidence of a well-run, efficient practice will only be to your advantage.

Activities that will attract a higher premium rate include or require additional information

- corporate finance work
- overseas work
- tax mitigation
- financial services, Investment advice or pension advice
- mergers, acquisitions and disposals
- insolvency.

Types of client that may attract a higher premium rate or require additional information

- professional sports people
- well-known people in the entertainment industry
- clients with links to high-risk countries and/or sectors
- politically exposed people (PEPs)
- PLCs, banks, financial institutions, insurance companies, Lloyds syndicates, pension schemes, large trusts.

Claims and high-risk activities

If there have been claims or circumstances notified, insurers will want to know the cause and outcome. It's possible to improve the situation by letting insurers know what subsequent actions you have taken to prevent a reoccurrence. For example, have you had your files independently audited or reviewed to ensure there are no further matters of a similar nature, or have you put additional checks and procedures in place?

With higher risk activities, insurers will be interested in the qualifications and experience of the individual carrying out this work and whether independent specialist advice is sought. A CV can also be helpful.

ACCEPTABLE INSURANCE PROVIDERS

Responsibility for obtaining adequate cover lies with the practitioner and you can obtain PII cover with any insurance company or underwriter authorised by a relevant authority in a country or jurisdiction. For example, insurance companies in the UK are regulated by the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA).

LOCKTON

Lockton is ACCA's recommended insurance broker for professional indemnity insurance in the UK. Their exclusive ACCA Members Scheme is compliant with ACCA's PII regulations and offers wide policy

coverage and enhanced benefits. Members and firms will be insured with specialists in the field who have a thorough understanding of ACCA members' requirements for cover.

Further details about the ACCA Members Scheme can be found at:

locktonaccountants.co.uk/affiliate/acca-members-scheme

Contact ACCAaccountants@uk.lockton.com or +44 (0)117 906 5057

OTHER PII INSURANCE PROVIDERS

Other insurance brokers and insurance companies also offer professional indemnity insurance policies, and a list of possible alternatives is provided in [Appendix 2](#).

FURTHER INFORMATION

Further information is available on the ACCA website at www.accaglobal.com, or by contacting Technical Advice and Support in your region.

UK TECHNICAL ADVICE AND SUPPORT

ACCA and Lockton have put together a range of resources to help UK members and firms find out more about professional indemnity insurance. These can be found in the **Practice Insurance** section on the [UK Technical Advice and Support](#) webpage.

APPENDIX 1

SUMMARY OF CHANGES TO PII REQUIREMENTS

GPR Regulation	Category	Sub-category	Old requirement	New requirement
Regulation 2	Interpretation		Sub-contractor not defined	Sub-contractor defined
Regulation 9(1)(b)	Fidelity Guarantee Insurance		Sub-contractors not specified	FGL cover must include sub-contractors
Regulation 9(2)	Liabilities to be covered		Sub-contractors not specified	Civil liabilities cover must include sub-contractors
Regulation 9(3)(a)	Limits	Limit of indemnity	Each and every claim	No change
Regulation 9(3)(a)	Limits	Total income bands	3 Total income bands: Lower ≤ £200,000 Middle > £200,000 - ≤ £700,000 Upper > £700,000	2 Total income bands: Lower < £600,000 Upper ≥ £600,000
Regulation 9(3)(a)	Limits	PII limits (lower band)	Greatest of: <ul style="list-style-type: none"> two and one half times the firm's relevant total income; and 25 times the largest fee; and £50,000 	At least the greater of: <ul style="list-style-type: none"> two and one half times the firm's relevant total income; and £100,000
Regulation 9(3)(a)	Limits	PII limits (middle band)	Greater of: <ul style="list-style-type: none"> £300,000 plus firm's relevant total income; and 25 times the largest fee 	See above
Regulation 9(3)(a)	Limits	PII limits (upper band)	Greater of: <ul style="list-style-type: none"> £1 million; and 25 times the largest fee 	At least £1.5 million

GPR Regulation	Category	Sub-category	Old requirement	New requirement
Regulation 9(3)(a)	Limits	Minimum PII (lower band)	£50,000	£100,000
Regulation 9(3)(a)	Limits	Two and one half times firm's relevant total income	Included in calculation of limit for lower Total income band only	No change
Regulation 9(3)(a)	Limits	25 times the largest fee	Included in calculation of limits for all Total income bands	Removed from calculation of limits for all Total income bands
Regulation 9(3)(b)	Limits	PII cover on an aggregate basis	Year 2000 date recognition claims only	High risk exposures only (eg cyber related events, tax planning or financial services)
Regulation 9(3)(c)	Limits	Total income	Work sub-contracted not specified	Work sub-contracted included
Regulation 9(3)(d)	Limits	Uninsured excess	Restricted to 2% of the limit of indemnity or £20,000 per principal	Restricted to £20,000 per principal
Regulation 9(3)(e)	Limits	Minimum FGI	£50,000	£100,000
Regulations 9(3)(a), 9(3)(d) and 9(3)(f)	Limits	Currency	GBP	GBP or euro equivalent
Regulation 9(4)	Administrative provisions	PII (and FGI) records	Must be provided to Admissions and Licensing Committee on request	Must be provided to ACCA on request
Regulation 9(5)	Continuity following cessation		6 years	No change
Regulation 9(6) NEW	Retroactive cover		Not specified	PII policy must include full retroactive cover
Regulation 9(7) NEW	Regulated work		Not specified	Persons carrying on regulated work must comply with minimum PII requirements set out in all applicable

GPR Regulation	Category	Sub-category	Old requirement	New requirement
				sections of the <i>ACCA Rulebook</i> and statutory provisions. Must also comply with minimum requirements set by a recognised national body or regulatory authority in respect of limit of indemnity on PII for regulated work.
Regulation 9(8)	Exception		For specific individuals	No change
Regulation 9(9)	Waiver		In exceptional circumstances	No change

APPENDIX 2

PROFESSIONAL INDEMNITY INSURANCE BROKERS AND INSURANCE COMPANIES

Lockton is ACCA's recommended insurance broker for professional indemnity insurance. The ACCA Members Scheme offers wide policy coverage and enhanced benefits. Members and firms will be insured with specialists in the field who have a thorough understanding of ACCA members' requirements for cover.

Other insurance brokers and insurance companies also offer professional indemnity insurance policies. However, please note that the list of possible alternatives does not indicate any endorsement of these insurance providers on the part of ACCA, nor any guarantee that the policies offered will be compliant with ACCA's PII regulations. This list is intended purely for guidance purposes, and it does not purport to be exhaustive. We cannot comment on the services of any insurance broker or insurance company included in this list.

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tel: +44 (0)117 906 5057
email: ACCAaccountants@uk.lockton.com
ACCA relationship manager: catherine.davis@uk.lockton.com
www.lockton.com/professional-indemnity
www.locktonaccountants.co.uk/affiliate/acca-members-scheme

Republic of Ireland

Glennon

Charlemont House, Charlemont Place, Dublin 2
tel: +353 (0)1 707 5800
email: info@glennons.ie
www.glennons.ie/group-schemes/acca-professional-indemnity-insurance/

Willis Insurance and Risk

Newsletter Building, 55-59 Donegall Street, Belfast, BT1 2FH
tel: +44 (0)28 9032 9042
email: belfast@willisinsurance.co.uk
www.willisinsurance.co.uk/services/insurance/professional-indemnity-northern-ireland

Willis Risk Services (Ireland) Ltd

The Quartz Building, Elm Park, Merrion Road, Dublin 4
tel: +353 (0)1 661 6211
email: michelle.bowland@willisie.com
www.willis.com/ireland

Willis Towers Watson

Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, DO4 P231
tel: +353 (0)1 661 6211
www.willistowerswatson.com/ireland

Possible alternatives

Aston Lark

Ibex House, 42-47 Minories, London, EC3N 1DY

tel: +44 (0)207 543 2800

www.astonlark.com

AON Risk Services Ltd

Unit 2, Gibraltar House, Gibraltar Walk, 4 High Street, Wickford, Essex, SS12 9AZ

tel: +44 (0)1245 706 679

email: emma.southwood@aon.co.uk

www.aon.com.uk/professionals

Aviva PLC

St. Helen's, 1 Undershaft, London, EC3P 3DQ

tel: +44 (0)800 302 9507

www.aviva.co.uk/business/insurance/professional-indemnity-insurance

Axa Business Insurance

5th Floor, St Philips Point, Temple Row, Birmingham, B2 5AF

tel: +44 (0)121 644 5600

www.axa.co.uk/businessinsurance/professional-indemnity

Brunel Professions

1 Temple Quay, Temple Back East, Bristol, BS1 6DZ

tel: +44 (0)117 450 4199

email: contactus@brunelpi.co.uk

www.brunelpi.co.uk

Gallagher

Walbrook Building 25 Walbrook, London, EC4N 8AF

tel: +44 (0)800 612 3748

www.ajg.com

Howden

One Creechurch Place, London, EC3A 5AF

tel: +44 (0)20 7623 3806

www.howdengroup.com

Marsh Commercial

Castlemead, Lower Castle Street, Bristol, BS1 3AG

tel: +44 (0)345 894 4684

www.marshcommercial.co.uk/for-business/professions/partner-solutions/acca-members/

Miller Insurance Services LLP

70 Mark Lane, London, EC3R 7NQ

tel: +44 (0)20 7488 2345

email: info@miller-insurance.com

www.miller-insurance.com

NTEGRITY Insurance Solutions Ltd

The Stone Barn, Hambrook Business Park, The Stream, Hambrook, Bristol, BS16 1RQ

tel: +44 (0)1454 800800

email: ian.richards@ntegrity.co.uk

www.ntegrity.co.uk

Sennet Professional Indemnity Limited

5-7 Prospect Road, Hythe, Kent, CT21 5NS

tel: +44 (0)1303 661 200

email: insure@sennetpi.com

www.sennetpi.com

Specialist Risk Group

6th Floor, One America Square, London, EC3N 2LB

tel: +44 (0)20 7977 4800

email: clennon@specialistrisk.com

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Willis Towers Watson

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