

Frequently Asked Questions

for Professional Indemnity Insurance



1. What is Professional Indemnity Insurance?

Professional Indemnity (PI) Insurance provides cover for the legal costs and expenses in defending a claim, as well as compensation payable to your client if you are found to be responsible for providing inadequate advice, services or designs that cause your client to lose money.

2. Is Professional Insurance compulsory for ACCA accountants?

Yes, Professional Indemnity Insurance is mandatory for any ACCA accountants who engage in public practice.

Firms with employees also have to have Employers' Liability insurance.

3. What is the minimum level of Professional Indemnity cover I require to have in place?

- If your fee income is less than or equal to £200,000. The limit of indemnity should be the greater of 2.5 times the gross fee income or 25 times the largest single fee
- If your fee income is between £200,000 and £700,000. The limit of indemnity should be the greater of the gross fee income plus £300,000 or 25 times the largest single fee
- If your fee income is over £700,000. The limit of indemnity should be the greater of £1,000,000 or 25 times the largest single fee

4. Is the Cover compliant with the ACCA / ICAEW Requirements?

Yes, the Scheme quotation is compliant with both professional bodies.

5. I am no longer an ACCA member, am I still eligible for a scheme quotation?

Yes, Even if you are no longer a member with the ACCA, so long as you are ACCA qualified you are still eligible.

6. Do I require Professional Indemnity cover once I have stopped practising?

Yes, the ACCA stipulate that you are required to maintain cover for a minimum of 6 years after cessation.

7. What are the benefits of the Lockton/ Hiscox Quotation over other policies?

- Commercial weight of ACCA members insuring under the scheme
- Interest Free Instalments
- Professional expertise and excellent customer service from our experienced team
- Specialist claim service
- ACCA Policy Benefits;
 - Insurance Act compliant including innocent Non-Disclosure Clause
 - Loss of Documents Extension up to £250,000
 - Additional Legal Defence Costs for Hearings brought by a Professional Body
 - Free Legal Helpline
- Additional DAS Legal Expenses Assistance - £100,000 cover with Specialist advice and Legal Helplines
- Underwritten by Hiscox Underwriting Ltd who have A-Rated Security

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8. What does Any One Claim mean in respect of the Limit of indemnity?

Any One Claim, means that the limit is payable in respect of each individual claim intimated during the policy year. If the limit of indemnity is in the aggregate it is the maximum total amount payable for any claim or group of claims intimated in a policy year.

9. What is a retroactive date?

The retroactive date cover specifies the date from which you are covered (typically the date you first started practicing). Any claims arising from work that took place prior to the specified date will be excluded from cover.

10. What does Aggregate x3 mean in respect of the policy 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 your policy excess is aggregated by three you will only pay a maximum of three excesses in that policy year.

11. Would my policy respond if I have a claim for work I undertook years ago before I moved my PI Insurance to Lockton?

Professional Indemnity Insurance is underwritten on a claim made basis. It is the policy in force when the claim is intimated to insurers which would respond regardless of when the work was undertaken. The policy must however be free of retroactive date and cover is always subject to other policy terms and conditions.

12. What is meant by 'a reasonable search' on the Declaration page?

It is important that you consider who may hold information that may be relevant to insurers and should be included in the reasonable search of information. Though not an exhaustive list of those who must be engaged it may include other partners, or heads of department responsible for or privy to the way in which the business is run. A 'reasonable search' could also mean completing a review of the clients you hold and the nature of work you complete etc. If in doubt ask all about everything.

13. What does Public Liability Insurance Cover?

Public Liability Insurance covers the cost of legal action and compensation claims made against your business if a third party is injured or their property suffers damage whilst at your business premises or when you are working in their home, office or business property.

14. I only employ family members/ It's only me and the other partners/ directors in the firm. Do I still require Employers Liability Insurance?

If you have two or more partners/ directors or any employees regardless of if they are a relative you may still require Employers Liability cover.

15. Is there a minimum level of cover for Public and Employers' Liability insurance?

No, the ACCA does not specify a minimum level of cover for either of these insurances.

However, you are required by legislation to have at least £5 million Employers' Liability insurance if you have employees (even just the one). Most insurers will offer £10 million Limit of Indemnity as standard.

Most insurers offer a choice of either £1 million, £2 million or £5 million for Public Liability insurance. If you are unsure how much you need, we can help with this.

If you have any additional questions please contact us on

0117 906 5057 or email

ACCAaccountants@uk.lockton.com.