

# Professional indemnity insurance

2012 mini policy for CPA Australia members

## What is CPA Australia's mini policy?

Fenton Green & Co. has arranged a professional indemnity insurance (PII) mini policy (mini policy) for CPA Australia members with ACE Insurance Ltd (ACE).

As well as providing competitive rates, Fenton Green & Co. has streamlined the application process for eligible CPA Australia members. Members may now submit their application over the internet using an online application form which is available at [fentongreen.com.au](http://fentongreen.com.au)

Acceptance is subject to the member having no known claim or circumstance that might give rise to a claim. This policy does not include cover for those members who cease to be in public practice and seek run-off cover.

### Who is eligible?

The mini policy is designed specifically for those CPA Australia members who perform private and/or honorary accounting services as an individual, in their own name.

The mini policy is not designed for CPA Australia members who are in public practice, who advertise their services or who provide their services through a business entity.

### Why do I need PII?

CPA Australia's By-Laws require any member who performs any type of accounting service to hold PII. This includes members who perform private and/or honorary accounting services.

This essential insurance provides protection to members against the damaging financial consequences that may arise from allegations of failing to observe a proper standard of professional care, skill or competence.

Even though the member must hold PII, the mini policy underwritten by ACE is optional and CPA Australia members can source their own PII cover.

## When do I need a mini policy?

This mini policy is only for members whose expected gross annual income from private and/or honorary accounting services is less than \$7500.

Every CPA Australia member providing public accounting services shall (whether or not holding a current public practice certificate or being entered on the retired membership list) hold current an enforceable policy of professional indemnity insurance that satisfies at least the minimum requirements set out in By-Law 9.8. This requirement also applies to members who offer private and/or honorary accounting services.

If your expected gross annual income from private and/or honorary accounting services is greater than \$7500 you are required to hold a CPA Australia Public Practice Certificate and full PII coverage.

[CPA Australia's Constitution, By-Laws and website provide guidance for public practice certificate holders.](#)

If you do not earn any income from the provision of pro-bono or voluntary accounting work undertaken in the community you can opt-in to a complimentary professional indemnity policy for CPA Australia members.

For further information visit the **CPA Australia website** and access the 'Manage My Membership' facility under the 'Member Services' tab.

## Coverage

### What am I covered for?

The mini policy offers protection against civil liability for breach of professional duty a member owes to his/her clients.

### What am I not covered for?

Private and/or honorary accounting services not covered by the mini policy include:

- + financial planning or dealing in securities
- + any work undertaken on behalf of a public listed company
- + receivership, insolvency and/or reconstruction services for any company
- + business valuations

even if you expect to earn less than \$7500 gross from private and/or honorary accounting services.

### The policy also does not cover any:

- + breaches of Part IVA of the Income Tax Assessment Act, or
- + financial failure, liquidation, insolvency or similar occurrence of any superannuation fund.

If a member has a public practice certificate, or a limited practice certificate, or earns more than \$7500 gross annual income from private and/or honorary accounting services, or breaches CPA Australia's By-Laws regarding the provision of accounting services, the member will not be covered.

## Who is ACE Insurance Limited?

ABN: 23 001 642 020 AFSL: 239 687

ACE Insurance Limited (Australia) is a member of the ACE Group of Companies®, a global leader in insurance and reinsurance. With a history dating back to 1792, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries and a strong presence in Asia Pacific.

The 'A' financial strength rating by Standard & Poor's is indicative of ACE Australia's strong capitalization and reflective of its parent's rating outlook. (ACE core operating companies rated A+/Stable- - by Standard & Poor's)

Operating in Australia for over 50 years, ACE provides specialized and customized coverages including marine, property, liability, energy, professional indemnity, directors and officers, financial institutions, utilities and accident and health. ACE delivers this broad range of quality risk products backed by exceptional service to large corporations as well as small to medium businesses.

### What is in the policy document?

Please read the policy document carefully for full terms and conditions. A full copy of the policy wording can be accessed via the Fenton Green & Co, (ABN 14 074 776 631 AFSL 247258) website at [fentongreen.com.au](http://fentongreen.com.au) or by request from the broker. You must read the policy document before applying, to confirm that the policy meets your precise needs and ensure that you are eligible.

### Excess and Aggregate Limit

The policy has an excess of \$1000 for each and every claim. The policy is subject to a limit of indemnity of \$500,000 for any one claim and in the aggregate for any one member. There is also an aggregate limit for all claims for all members insured under the scheme of \$20 million during the 12 month period of insurance. Once that aggregate limit is committed by ACE to all claims notified to them there will be no more cover available to any CPA member even though they may hold a current certificate of insurance under the Policy.

## How much do I have to pay?

If you do not expect to earn any income from the provision of private and/or honorary accounting services, the following premiums will apply:

For applications completed using the online form available on the Fenton Green website at [fentongreen.com.au](http://fentongreen.com.au) the total cost including Premium, GST, Stamp Duty and the Policy Admin Fee, is as follows:

State	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
	\$	\$	\$	\$	\$	\$	\$	\$
Premium	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Premium GST	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Stamp Duty	1.93	3.85	1.93	3.85	4.24	3.08	3.85	3.85
Admin Fee	22.34	20.59	22.34	20.59	20.24	21.29	20.59	20.59
Fee GST	2.23	2.06	2.23	2.06	2.02	2.13	2.06	2.06
Total	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00

An additional fee of \$33 (including GST) is payable for applications not submitted online.

If you expect to earn income from the provision of private and/or honorary accounting services (but gross annual income of less than \$7500 per annum), the following premiums will apply:

For applications completed using the online form available on the Fenton Green website at [fentongreen.com.au](http://fentongreen.com.au) the total cost including Premium, GST, Stamp Duty and the Policy Admin Fee, is as follows:

State	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
	\$	\$	\$	\$	\$	\$	\$	\$
Premium	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Premium GST	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Stamp Duty	5.50	11.00	5.50	11.00	12.10	8.80	11.00	11.00
Admin Fee	35.91	30.91	35.91	30.91	29.91	32.91	30.91	30.91
Fee GST	3.59	3.09	3.59	3.09	2.99	3.29	3.09	3.09
Total	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00

An additional fee of \$33 (including GST) is payable for applications not submitted online.

## Important Notices

### Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance. Your duty however does not require disclosure of any matter:

- + that diminishes the risk to be undertaken by the insurer
- + that is of common knowledge
- + that your insurer knows or, in the ordinary course of its business, ought to know.

It is important that all information contained in this proposal is understood by you and is correct, as you will be bound by your answers and by the information provided by you in this proposal. You should obtain advice before you sign this proposal if you do not properly understand any part of it. Your duty of disclosure continues after the proposal has been completed up until the contract of insurance is entered into.

### Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of voiding the contract from its inception.

## Claims Made Contract

Subject to its terms and conditions the policy will cover your civil liability for a breach of professional duty arising from any claim:

- + first made against you during the policy period
- + resulting from any facts of which you become aware during the policy period which might give rise to a future claim by you, provided you inform ACE via Fenton Green & Co. in writing of such facts as soon as reasonably practicable within the period of insurance. Section 40(3) of the Insurance Contracts Act 1984 however, provides that an insurer cannot refuse to pay a claim by reason only that the claim was made after the inception date of the policy in circumstances where you gave notice in writing to the insurer of facts that might give rise to the claim as soon as was reasonably practicable after you became aware of those facts but before the end of the period of insurance. The policy however, will NOT cover your civil liability for a breach of professional duty arising from any claim:
  - (a) first made prior to the inception date of the policy or
  - (b) directly or indirectly based upon, or attributable to, or in consequence of, any incident, occurrence, fact or matter known to you prior to the inception date of the policy and which you knew, or ought reasonably to have known, had the potential to give rise to a claim under the policy or
  - (c) directly or indirectly based upon, or attributable to, or in consequence of any circumstance or occurrence which has been notified under any other insurance attaching prior to the inception date of the policy.

## Change of Risk or Circumstances

You should, as soon as practicable, advise Fenton Green & Co. who will then notify ACE of any material change to the information supplied in your application, such as changes in location, acquisitions, changes in activities and changes to your private and/or honorary services.

Please note that your duty of disclosure also applies when you amend, alter or endorse a policy.

Please refer to policy documentation for details.

### **Retroactive Date**

The proposed insurance will be limited by a retroactive date. If so, the policy does not cover any claims or facts/circumstances arising from any act, error or omission or conduct prior to such retroactive date.

### **Subrogation**

Where you have agreed with another person or company, who would otherwise be liable to compensate you for any loss or damage which is covered by the policy that you will not seek to recover such loss or damage from that person, ACE will not cover you, to the extent permitted by law, for such loss or damage.

### **Utmost Good Faith**

Every insurance contract is subject to the doctrine of utmost good faith, which requires that parties to the contract should act toward each other honestly and fairly, avoiding any attempt to deceive in assuming and performing contractual obligations.

Failure to do so on the part of the insured may permit the insurer to refuse to pay a claim or cancel the policy or both.

### **Average Provision**

One of the provisions of the insurance states that where the amount required to dispose of a claim exceeds the sum insured under the policy the insurer shall only be liable for that part of the total costs and expenses expended in the investigation, defence, avoidance or reduction of any claim as the total sum insured bears to the amount to dispose of the claim.

### **Not a Renewable contract**

Most professional indemnity insurances are not renewable contracts so the policy will terminate on the expiry date indicated. If you therefore require a subsequent policy, you will need to complete and submit a new proposal form for assessment prior to the termination of the current policy.

# Privacy Statement

## **Fenton Green & Co.**

Fenton Green & Co. is bound by the obligations of the Privacy Act 1988 as amended by the Privacy Amendments (Private Sector) Act 2000 regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information. We may disclose your personal information to CPA Australia which is utilised by CPA Australia to administer the Members' Professional Indemnity Scheme and to ensure compliance with CPA Australia's Constitution, By-Laws, pronouncements and regulatory requirements.

We will use the information you provide in this Proposal Form (including any supplementary documentation) to consider your application for insurance, to determine policy terms, to assess a claim, etc.

We may disclose your personal information to third parties who we believe are necessary to assist us. These third parties will only use your personal information for the purposes we provided it to them (or if required by law). We may also be required to disclose your personal information to others for the purposes of public safety and/or law enforcement.

If you provide us with personal information about other individuals you must ensure that you obtain consent from those individuals to disclose that information to us.

You are entitled to access your personal information and request any correction if required.

## **ACE Insurance Ltd**

ACE Insurance Limited ("ACE") is committed to protecting your privacy. ACE collects, uses and retains your personal information in accordance with the National Privacy Principles. Our detailed privacy policy is available on our website at [aceinsurance.com.au](http://aceinsurance.com.au)

ACE collects your personal information (which may include health information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim. We collect the information to assess your application for insurance, to provide you or your organisation with competitive insurance products and services and administer them and to handle any claim that may be made under a policy. If you do not provide us with this information, we may not be able to provide you or your organisation with insurance or to respond to any claim.

We may disclose the information we collect to third parties, including contractors and contracted service providers engaged by us to deliver our services or carry out certain business activities on our behalf (such as assessors and call centres), other companies in the ACE group, other insurers, our reinsurers, and government agencies (where we are required to by law). These third parties may be located outside Australia.

You agree to us using and disclosing your personal information as set out above. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer.

From time to time, we may use your personal information to send you offers or information regarding our products that may be of interest to you. If you do not wish to receive such information, please contact our Privacy Officer using the contact details provided below.

If you would like to access a copy of your personal information, or to correct or update your personal information, please contact our customer relations team on 1800 815 675 or email [customer.relations@ace-ina.com](mailto:customer.relations@ace-ina.com).

If you have a complaint or want more information about how ACE is managing your personal information, please contact the Privacy Officer, ACE Insurance Limited, GPO Box 4907, Sydney NSW 2001, Tel 1800 815 675 or email [customer.relations@ace-ina.com](mailto:customer.relations@ace-ina.com).

## **CPA Australia Administration**

This product is offered to CPA members under a license provided by CPA Australia to Fenton Green for which Fenton Green pays a fee. The revenue generated from that fee helps cover CPA Australia's administrative costs and is also applied to maintain the quality and diversity of CPA Australia's services, benefiting members, professionally and personally.

# Application for mini policy Minimum Premium

\$98 no income derived from private and/or honorary accounting services OR

\$188 income derived from private and/or honorary accounting services (but no more than \$7500 gross per annum).

Applications made online do not incur the \$33 application fee included in the above premium.

## Application for Cover

(Please complete all questions)

- Please state your income:
  - last year
  - next year estimate
- Do you offer your 'Accounting Services' under a registered business name?  Yes  No
- Do you hold a:
  - public practice certificate?  Yes  No
  - limited practice certificate?  Yes  No
- Have you undertaken any work in the following activities:
  - audit of public companies?  Yes  No
  - any other work undertaken for public companies?  Yes  No
  - receivership, insolvency, and/or reconstruction services?  Yes  No
  - business valuations, mergers or acquisitions?  Yes  No
  - financial planning?  Yes  No
- Do you represent your services to the public i.e. advertise?  Yes  No
- Have you ever had a claim made against you or been aware of any circumstances that could have resulted in a claim against you (whether reported to an insurer or not) which might have been covered under a professional indemnity insurance policy?  Yes  No  
  

*If yes, please complete a mini policy claims addendum which is available on the Fenton Green & Co website at [fentongreen.com.au](http://fentongreen.com.au) and submit with this application. We cannot guarantee acceptance if you are aware of any claim or circumstance that might give rise to a claim under the policy.*
- Have you read and understood the policy wording as it appears on the Fenton Green & Co website at [fentongreen.com.au](http://fentongreen.com.au)?  Yes  No
- Have you read, understood and consent to the privacy policies of Fenton Green & Co and ACE Insurance?  Yes  No

Signature

Date

Membership Number

Title First Name

Surname

Address

Email Address

Phone Fax

## I wish to pay by

Cheque made payable to Fenton Green & Co.  
(ABN 14 074 776 631)

Visa  Mastercard  AMEX

Card Number

/   
Expiry Date Cardholder's Name

Amount (GST inclusive) Signature

Please delete amount not applicable

Please keep a copy of this document.  
This will be your TAX INVOICE when you make your payment.

Please return this form to Fenton Green & Co:

Postal address: GPO Box 3181  
Melbourne VIC 3001

Facsimile: 1300 760 522

\*This premium includes GST, Stamp Duty and the Policy Admin Fee. It covers the period of insurance from 4:00pm AEST, 31/12/2011 or from the date of acceptance of cover whichever is the later, until 4:00pm AEST 31/12/2012.



**Don't delay, apply today**

Applying for Professional Indemnity Insurance is easy. Save time and money by applying online.

**[fentongreen.com.au](http://fentongreen.com.au)**

Members who choose to apply using this form incur a \$33 administration fee.  
A certificate of insurance will be issued upon acceptance.

**Fenton Green & Co.**

GPO Box 3181  
Melbourne VIC 3001  
Australia

Telephone 1300 760 123  
Fax 1300 760 522  
Email [cpa@fentongreen.com.au](mailto:cpa@fentongreen.com.au)  
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**Fenton Green & co**

**[cpaaustralia.com.au](http://cpaaustralia.com.au)**

