

Professional indemnity insurance

2013 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 QBE Insurance (Australia) Limited (QBE).

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 fgonline.com.au/cpamp

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 hold a public practice certificate, who hold a limited practice certificate, 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 QBE 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:

- + auditing of any publicly listed company
- + professional services in connection with the merger and/or acquisition of any publicly listed company
- + any work undertaken on behalf of a publicly listed company
- + receivership, insolvency and/or reconstruction services for any company
- + business valuations of any company
- + financial planning or dealing in securities

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 QBE Insurance (Australia) Limited?

ABN: 78 003 191 035, AFS Licence No. 239545

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group, one of the top 25 insurers and reinsurers worldwide. QBE is Australian owned and operated, and provides all major lines of general insurance cover for personal and commercial risks throughout Australia.

QBE has a history of sustained and consistent performance over 120 years which can be attributed to our risk management credentials, track record of business stability, and the skill and expertise of our people.

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 fgonline.com.au/cpamp 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 QBE 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 fgonline.com.au/cpamp 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	3.85	3.85	3.08
Admin Fee	26.84	25.09	26.84	25.09	24.74	25.09	25.09	25.84
Fee GST	2.73	2.56	2.73	2.56	2.52	2.56	2.56	2.58
Total	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00

An additional fee of \$35 (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 fgonline.com.au/cpamp 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	11.00	11.00	8.80
Admin Fee	40.45	35.45	40.45	35.45	34.45	35.45	35.45	37.45
Fee GST	4.05	3.55	4.05	3.55	3.45	3.55	3.55	3.75
Total	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00

An additional fee of \$35 (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 QBE 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 QBE 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 not be limited by a 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, QBE 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 members' professional indemnity insurance and to ensure compliance with CPA Australia's Constitution, By-Laws, pronouncements and regulatory requirements.

We will use the information you provide in this 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.

QBE Insurance (Australia) Limited

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the *Privacy Act 1988* (Cth.), when collecting and handling your personal information. QBE has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make or claims made against you. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors, investigators and other insurers), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of recovery or litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you. Computer systems and support services may be provided to us by related companies within the QBE Group that may be located overseas. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our privacy policy or to access or correct your personal information, please contact:

The Compliance Manager,
QBE Insurance (Australia) Limited,
GPO Box 82 Sydney NSW 2001,
or email: compliance.manager@qbe.com

CPA Australia administration

This product is offered to CPA Australia members via Fenton Green & Co and QBE Insurance (Australia) Limited, for which a fee is paid. 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

- ☐ **\$105** no income derived from private and/or honorary accounting services OR
- ☐ **\$195** income derived from private and/or honorary accounting services (but no more than \$7500 gross per annum).

Applications made online do not incur the \$35 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' as an individual? ☐ 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 fgonline.com.au/cpamp 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 fgonline.com.au/cpamp? ☐ Yes ☐ No
- Have you read, understood and consent to the privacy policies of Fenton Green & Co and QBE Insurance (Australia)? ☐ 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)
Please delete amount not applicable.

Signature

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: PO Box 16031 Collins Street West,
Melbourne, VIC 8007

Facsimile: 03 8625 3385

* This premium includes GST, Stamp Duty and the Policy Admin Fee. It covers the period of insurance from 4.00pm AEST, 31/12/2012 or from the date of acceptance of cover whichever is the later, until 4:00pm AEST 31/12/2013.



Don't delay, apply today.

Applying for professional indemnity insurance is easy.

Save time and money by applying online.

fgonline.com.au/cpamp

Members who choose to apply using this online form incur a \$35 administration fee.

A certificate of insurance will be issued upon acceptance.

Fenton Green & Co.

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