

A guide for members regarding Professional Indemnity Insurance (PII) requirements

CPA Australia Ltd (“CPA Australia”) has minimum requirements for PII for members providing public accounting services. These requirements are detailed in By-Law 9.8 and can be found at cpaaustralia.com.au.

The purpose of this guide is to provide you with answers to commonly asked questions and to assist you in meeting your PII obligations.

Why do I have to have PII?

By-Law 9.8 requires that every member providing Public Accounting Services into Australia or New Zealand (no matter where in the world they are located), or who holds a current Public Practice Certificate, must hold a current enforceable PII policy that satisfies at least the minimum requirements.

PII is a form of liability insurance which may indemnify the accountant for legal liability to their clients and others who rely on their professional advice. Professional indemnity claims for accountants are usually made based on economic loss as a result of advice provided.

What is the minimum amount of PII required?

According to the current By-Laws, members offering public accounting services in Australia who hold a CPA Australia Public Practice Certificate are required to hold a minimum of \$2m in PII cover. Other members are required to hold a minimum of \$1m in PII cover, unless legislative or regulatory requirements stipulate otherwise.

What evidence do I need to send you that I hold a current PII policy?

A certificate of currency is the accepted form of evidence.

What is the timeframe for sending this to you?

The certificate of currency should be provided to CPA Australia within 10 business days of the issue, renewal or replacement of your PII.

Where do I send the certificate of currency?

Email the certificate of currency to publicpractice@cpaaustralia.com.au and ensure that your member number is included in the email.

Can I mail it to you?

Yes. You can post the certificate of currency to CPA Australia, Public Practice, GPO Box 2820, Melbourne, VIC 3001.

Is a tax invoice, summary of insurance or memorandum of insurance an acceptable evidence of my PII?

No.

Does CPA Australia have a preferred insurer?

No. However, members may access a dedicated member policy underwritten by QBE Insurance (Australia). In Australia, the policy is managed by QBE’s appointed brokers, Fenton Green and co. In New Zealand, the policy is managed by QBE’s appointed brokers, Apex Insurance.

The QBE policy is specifically designed by CPA Australia for members. Apart from meeting the standard minimum insurance requirements of CPA Australia’s By-Laws, the policy includes additional areas of cover often excluded or offered as extra add on in other policies.

Do I have to use QBE, Fenton Green or Apex?

No. Members can choose their insurer (or broker) provided the PII policy meets the requirements of CPA Australia’s By-Laws and professional standards schemes.

What if my PII policy is held with QBE or Fenton Green?

If you have an approved policy issued by QBE or Fenton Green you are not required to send the certificate of currency to CPA Australia, as notification of the approved policy is sent directly by the broker to CPA Australia.

If I have provided my certificate of currency to the Tax Practitioners Board (TPB) why do I also need to give it to you?

CPA Australia's requirements are governed by our By-Laws and are more comprehensive than the requirements of the TPB, thus CPA Australia needs to confirm that your current PII policy meets our minimum requirements.

What if I can't obtain PII?

Whilst holding a CPA Australia Public Practice Certificate, it is a breach of the By-Laws not to have a current PII policy that meets the minimum requirements prescribed in By-Law 9.8. In the event that you do not renew your PII and do not contact CPA Australia to discuss your circumstances or options, a member may be referred to the General Manager Professional Conduct for not meeting your requirements.

What happens if I do not provide a certificate of currency?

If a certificate of currency is not provided, you will be referred to the General Manager Professional Conduct for not meeting your requirements.

I have sold my practice and am now retired. Do I need PII?

Members must ensure they have appropriate run-off cover once they cease offering public accounting services. Please email publicpractice@cpaaustralia.com.au to outline your circumstances and arrange for the [cancellation](#) of your Public Practice Certificate.

I have sold my practice and now work for another practitioner. Do I need PII?

If you are now working for an employer you may be covered by their PII policy. Please email publicpractice@cpaaustralia.com.au to outline your circumstances.

I have retired and am doing pro-bono work. Do I need PII?

Members undertaking pro-bono work must hold PII. CPA Australia offers a complimentary PII policy specifically for members performing pro bono or voluntary accounting services in the community. All members are automatically covered by this policy. You do not need to opt-in to receive the benefit of the cover. If you would like a copy of the policy wording or the Certificate of Insurance email publicpractice@cpaaustralia.com.au

How can I contact Fenton Green and Apex?

Fenton Green can be contacted by phone (within Australia) on 1300 760 123, by email at cpa@fentongreen.com.au or via their website at fentongreen.com.au/accountant-cpa.php. Apex can be contacted by phone (within New Zealand) on 09 968 9788, by email at natasha.tennent@apexinsurance.co.nz or via their website at apexinsurance.co.nz/CPAMember.

What is a Professional Standards Scheme?

A professional standards scheme limits the liability of members with regard to economic loss for damages arising from occupational and civil liabilities. A professional standards scheme does not limit liability for death, personal injury, a breach of trust, fraud or dishonesty. Professional standards schemes are approved and monitored by the Professional Standards Councils operating in each Australian state or territory.

How does a professional standards scheme affect me?

Members to whom a professional standards scheme apply need to display a limited liability disclosure statement – *Liability limited by a scheme approved under Professional Standards Legislation* – on their practice stationery, email signatures and websites.

Where can I find more information on PII and professional standards schemes?

Guidance is available on the CPA Australia website. Go to cpaaustralia.com.au/insurance for PII and cpaaustralia.com.au/psl for professional standards schemes.

COMPLEMENTARY RESOURCES

This members' guide must be read in conjunction with the following resources:

- [PII fact sheet](#)
- [Managing your risks with insurance](#)
- [Professional Standards Scheme self-assessment eligibility tool](#)

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