



ACS Insurance Standards Professional Indemnity Insurance Checklist for Professional Standards Scheme Participants

Disclaimer

The information provided in this checklist is only a high-level summary of the key professional indemnity (PI) insurance requirements under the ACS Insurance Standards. This checklist is intended to be a general guide only.

The information in this checklist is not intended to constitute legal/insurance/financial or professional advice and has been prepared without considering your personal objectives, financial situation or needs.

It is your responsibility to determine the applicable compliance obligations and to ensure that they are compliant with these obligations. ACS expressly disclaims all and any liability to any person, in respect of anything and the consequences of anything done, or omitted to be done, by any such person in reliance, in whole or part, or any of the contents of this checklist.

As an ACS Professional Standards Scheme (PSS) participant, your tech professional services must be covered by a Professional indemnity (PI) insurance policy that is compliant with the ACS Insurance Standards.

PI insurance protects you or your business/organisation from any claims with respect to your tech professional services. A PI insurance policy compliant with ACS Insurance Standards will also ensure your liability is capped if a claim is made against you in relation to your tech professional services.

A compliance PI insurance coverage can be achieved through one of the following:

1. complimentary ACS member errors & omissions insurance policy (eligibility conditions apply)
2. for business owners or consultants who are not eligible for, or whose services are not covered by, the member insurance – arranging your own PI insurance
3. PI insurance coverage held by your employer.

ACS has prepared this checklist to assist CP members who arrange their own PI insurance coverage.

The following checklist will assist you in determining whether your PI insurance policy complies with the ACS Insurance Standards. For more information, visit the [ACS PSS website](#) and [ACS Insurance Standards](#).

If you answer 'No' to one or more of the questions in the checklist, your PI insurance policy is **not** compliant with the ACS Insurance Standards. See 'Next Steps' for more information.



PI Insurance Checklist

Relevant ACS Insurance Standards Clause(s)	What does it relate to?	What does it mean?	What are the requirements?	Yes	No
1	Currency of PI Insurance Policy	<p>Check the policy period of your PI insurance in the policy schedule or certificate of currency to confirm currency.</p> <p>PI insurance operates on a 'claims made' basis. This means that you need to have a current PI insurance policy at the time of a claim for it to be covered.</p>	Are my tech professional services covered by a current PI insurance policy?	<input type="checkbox"/>	<input type="checkbox"/>
18	Limit of Indemnity	<p>The 'limit of indemnity' is the maximum amount of money that your insurer will pay for a single claim arising from your tech professional services.</p> <p>*This does not include the aggregate sum or any reinstatements (see below for definitions).</p>	Is the limit of indemnity or combined limit of indemnity (for 'excess layer' insurance) under my PI insurance policy at least \$2 million?	<input type="checkbox"/>	<input type="checkbox"/>
19	Automatic Reinstatement	<p>'Automatic reinstatement' means that if you use up the limit of indemnity, the limit of indemnity is restored to its original amount again.</p> <p>The 'aggregate sum' of your PI insurance is the limit of indemnity for all claims within your PI insurance policy period.</p>	<p>Does my PI insurance policy include at least one automatic reinstatement of the limit of indemnity?</p> <p>If not, does my PI insurance policy have an aggregate sum insured that is at least \$4 million?</p>	<input type="checkbox"/>	<input type="checkbox"/> You may be eligible for exemption – See 'Next Steps'
20, 21	Defence Costs	'Defence costs' are the costs incurred by your insurer in the investigation or defence of claim(s) made against you or your business/organisation. This can include legal fees and court fees. There are different ways in which the defence costs may be covered under a PI insurance policy.	<p>Does my PI insurance policy cover defence costs separately from the limit of indemnity of at least \$500,000?</p> <p>If not, does my PI insurance policy cover defence costs as part of the limit of indemnity, which is at least \$2,500,000?</p> <p>If not, does my business/organisation have assets worth at least \$1,000,000?</p>	<input type="checkbox"/>	<input type="checkbox"/> You may be eligible for exemption – See 'Next Steps'



Relevant ACS Insurance Standards Clause(s)	What does it relate to?	What does it mean?	What are the requirements?	Yes	No										
23, 26	Maximum Excess	<p>Similar to most car and home insurance policies, the 'excess' of your PI insurance policy is the amount of money you pay (usually up front) for each claim made to your insurer.</p> <p>Table 1. The Maximum Excess Requirements in relation to Annual Gross Fees as prescribed in Clause 23 of the ACS Insurance Standards</p> <table border="1"> <thead> <tr> <th>Annual Gross Fees</th> <th>Maximum Excess</th> </tr> </thead> <tbody> <tr> <td>\$0 - \$499,999</td> <td>\$5,000</td> </tr> <tr> <td>\$500,000 - \$1,999,999</td> <td>\$10,000</td> </tr> <tr> <td>\$2,000,000 - \$4,999,999</td> <td>\$25,000</td> </tr> <tr> <td>\$10,000,000+</td> <td>\$100,000</td> </tr> </tbody> </table> <p>*'Annual gross fees' refers to the income you or your business/organisation earned in the immediately preceding financial year.</p>	Annual Gross Fees	Maximum Excess	\$0 - \$499,999	\$5,000	\$500,000 - \$1,999,999	\$10,000	\$2,000,000 - \$4,999,999	\$25,000	\$10,000,000+	\$100,000	<p>Does my PI insurance policy comply with the maximum excess requirements in Clause 23 of the ACS Insurance Standards?</p> <p>If not, can my insurance broker provide evidence to support my application for a waiver?</p>	<input type="checkbox"/>	<input type="checkbox"/> You may be eligible for exemption – See 'Next Steps'
Annual Gross Fees	Maximum Excess														
\$0 - \$499,999	\$5,000														
\$500,000 - \$1,999,999	\$10,000														
\$2,000,000 - \$4,999,999	\$25,000														
\$10,000,000+	\$100,000														
25	Sufficient Liquid Assets	'Liquid assets' means any funds that you or your business/organisation possess. This includes cash or any business assets.	Do I or my business/organisation have sufficient liquid assets to pay for the excess under my PI insurance policy at least twice in one year?	<input type="checkbox"/>	<input type="checkbox"/>										
28	Retroactive Date	A 'retroactive date' is the earliest date from which your tech professional services are covered by your insurer. Any tech professional services provided by you or your business/organisation prior to the retroactive date are not covered by PI insurance.	<p>Is the retroactive date in my PI insurance policy 'unlimited'?</p> <p>If not, does the specified retroactive date in my PI insurance policy cover all tech professional services provided by me or my business/organisation?</p>	<input type="checkbox"/>	<input type="checkbox"/> You may be eligible for exemption – See 'Next Steps'										
29	Misleading or deceptive conduct	Misleading or deceptive conduct includes (but is not limited to) any express or implied misrepresentations made by you or your business/organisation to a client or potential clients in relation to the price, quality or value of your tech professional services.	Does my PI insurance policy fully cover unintentional breaches of misleading or deceptive conduct provisions in the relevant consumer protection legislation?	<input type="checkbox"/>	<input type="checkbox"/> You may be eligible for exemption – See 'Next Steps'										



Relevant ACS Insurance Standards Clause(s)	What does it relate to?	What does it mean?	What are the requirements?	Yes	No
32, 33	Coverage Exclusions	Some PI insurance policies may exclude coverage from certain types of tech professional services. Any exclusions under your PI insurance must not be too extensive.	Does my PI insurance policy cover all types of tech professional services? If not, do these PI insurance policy exclusions do not have the effect of wholly or substantially negating cover for me or my business/organisation's tech professional services?	<input type="checkbox"/>	<input type="checkbox"/> You may be eligible for exemption – See 'Next Steps'

Additional Questions

The Professional Standards Councils (PSC) also requires ACS to report any notifications, claims or settlements that may breach or breaches the liability cap. All data reported to PSC will be de-identified.

- **'Notification'** means an identified circumstance in relation to professional services provided by you, your organisation/business or anyone covered under the PI insurance policy that may give rise to a claim, which has been notified to their PI insurance broker by an ACS PSS participant.
- **'Claim'** means any actual writ, statement of claim, summons, etc served upon you, your organisation/business or anyone covered under the PI insurance policy in relation to your/their professional services, which results in a demand made on your insurer for payment or some other contractual benefit under the PI insurance policy.
- **'Settlement'** means any PI insurance claim in relation to professional services provided by you, your organisation/business or anyone covered under the PI insurance policy that has been settled and closed, whether by mutual agreement of parties or by a legally binding order.

In the previous calendar year, did you report any notifications, claims or settlements?

Yes

No

If you answered 'Yes' above, was any single notification, claim or settlements valued at over \$1,000,000?

Yes

No

Next Steps

1. **Complete the PSS Annual Compliance Declaration:** complete your PSS Annual Compliance Declaration using the personalised link provided to you in your email.



2. **Contact your PI Insurance Broker:** if you answered 'No' for any of the questions in the checklist, please contact your broker to review your PI insurance policy.
3. **Apply for an ACS Insurance Standards Exemption:** if you are unable to rectify your non-compliance and the checklist has indicated that you are able to apply for an ACS Insurance Standards Exemption, please submit an [ACS Insurance Standards Exemption Application Form](#). The ACS Capability Team will contact you regarding the outcome of your exemption application.
4. **Contact ACS:** if you are unable to rectify your non-compliance and the checklist has not indicated that you are not able to apply for an ACS Insurance Standards Exemption, please contact the ACS Capability Team at CPcompliance@acs.org.au.

For any questions, please contact CPcompliance@acs.org.au.