ACCOUNTANCY PRACTICE LAUNCH PROGRAMME · ARRANGE PROFESSIONAL INDEMNITY INSURANCE

PII buying checklist

What to confirm before you bind professional indemnity cover, so the policy actually pays out. Not insurance advice; confirm limits with your body and quotes with a broker.

01 Get the cover level right

Your minimum limit is set by your professional body, not by the cheapest quote. Confirm the current figure with them.

- [ ] Required limit by body: ICAEW's floor is £2m; AAT uses a formula (the greater of around £50k or 2.5 times gross fee income); ACCA sets its own minimum. Confirm yours.
- [ ] Match the limit to your actual and expected fee income, not to what feels affordable.
- [ ] If your body phases changes in, diarise the date your required limit next rises.

02 Cover that protects a real claim

- [ ] Run-off cover: pays claims that arrive after you stop trading, sometimes years later. Ask how it works and what it costs.
- [ ] Approved insurer: some bodies require you to buy from an insurer on their approved list. Check before you commit.
- [ ] Retroactive date and exclusions: make sure past work and your main services are actually covered.

03 Services to declare

Under-declaring to shave the premium is the fastest way to have a claim refused. Declare everything you actually do.

- [ ] List every service line you offer, including any bookkeeping, tax, payroll and advisory work.
- [ ] State your actual and expected gross fee income accurately.
- [ ] Flag any higher-risk work, such as tax planning or specialist advice, so it is on the policy.
- [ ] Tell the insurer about any regulated or referral work, so nothing sits outside the cover.

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