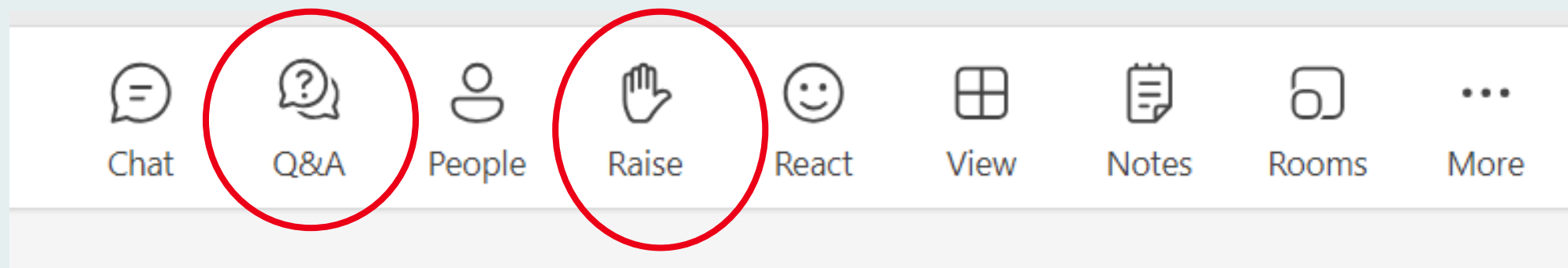


HKICPA Members PII Master Policy Renewal Onboarding Session

IMPORTANT NOTICE

1) There is a Q&A section at the end of the seminar, you may raise questions if there are any in the Q&A box.



2) Please do not record the seminar.

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HKICPA Members PII Master Policy

Renewal Onboarding Session

13 & 16 Oct 2025



Agenda

Section 1 – Introduction of Aon Services Team Members

Section 2 – Insurance Market Insights

Section 3 – 2025 Renewal Terms

Section 4 – Minimum Insurance Requirement for Corporate Practices

Section 5 – Recap of Policy Features and Premium Calculation Factor

Section 6 – Renewal E-Platform Demonstration

Section 7 - Q&A

1

Aon Services Team

AON



Aon Services Team



Joel Chan

Director



Kelvin Leung

Senior Manager



Carmen Cheng

Account Manager



Cherry Chow

Senior Account Manager



Wing Mok

Senior Account Manager



Matthew Chik

Account Manager



Abby Zhao

Management Associate

2

Insurance Market Insights

AON



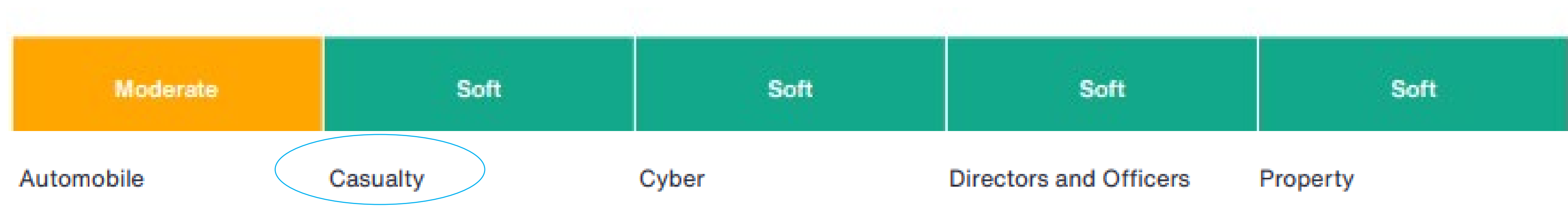
Insurance Market Insights

- Hong Kong Insurance Market Dynamics (Q1 2025)

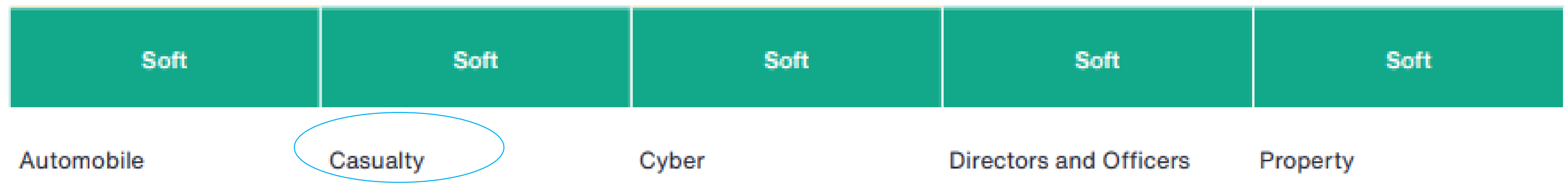
Asia	Soft	-1-10%	Abundant	Flexible	Flat	Flat	Stable
China	Soft	-1-10%	Abundant	Prudent	Flat	Flat	Stable
Hong Kong	Soft	-1-10%	Ample	Prudent	Flat	Flat	Stable
India	Moderate	+1-10%	Abundant	Flexible	Increased	Flat	Broader
Japan	Challenging	+1-10%	Constrained	Rigorous	Decreased	Flat	Stable
Korea	Soft	-1-10%	Abundant	Flexible	Flat	Flat	Stable
Singapore	Soft	-1-10%	Ample	Prudent	Flat	Flat	Stable
	Overall	Pricing	Capacity	Underwriting	Limits	Deductibles	Coverages

Insurance Market Insights

- Asia PI Insurance Market Dynamics (Q1 2025)



- Hong Kong PI Insurance Products Dynamics (Q1 2025)



3

2025 Renewal Terms

AON



2025/26 Upcoming Renewal

Premium Rating

Long Term Agreement (3-Year Deal)	Year 1 - 2024		Year 2 - 2025		Year 3 - 2026		3 Year Total	
	Standard Risk (Rate Charge)	Referral Risk	Standard Risk (Rate Charge)	Referral Risk	Standard Risk (Rate Charge)	Referral Risk	Standard Risk (Rate Charge)	Referral Risk
Insurer Premium Rate Reduction	14%	12%	10%	7.5%	5%	5%	26.47%	22.67%

Insured CPA Practices are entitled to the above premium rate discounts, if they did **NOT** have any claim paid out more than:

- Standard Risk – HK\$100,000
- Referral Risk – HK\$500,000
- during 1 December, 2024 to 30 September, 2025

2025/26 Upcoming Renewal

Aon Client Discount

Risk Category	Client Discount	
	2025-2028	2022-2024
Standard Risk	12%	9.4%
Referral Risk (1)*	12%	7.4%
Referral Risk (2)*	7.5%	6.9%

Referral Risk (1)* - Referral Risk other than Referral Risk (2)

Referral Risk (2)* - Referral Risk with US Exposure &/or Claim

Other Insurance Terms and Conditions

Same as expiring policy.

2025/26 Upcoming Renewal

Renewal Invitation

Insured CPA Practices will receive email with the link to access to our ePlatform during the week of 13th October, 2025 (this week).

Renewal Process

1. Most of the insurance policies are able to renew online.
2. Insured CPA Practices declared new & significantly increase of US/Canadian income will be reviewed and reapproached if the leading underwriter requests to impose additional terms.
3. The following renewals are requested to be assessed by leading insurance underwriter:
 - Claim paid out exceed the threshold of Long Term Agreement
 - 25 Selected Insured CPA Practices which are either sizable, complex in business or request for higher insured limit. The selected Insured CPA Practices will be notified respectively.

4

Minimum Insurance Requirement for Corporate Practices



Minimum Insurance Requirements – Corporate Practice

Professional Accountants Ordinance (Cap 50) Section 51

Parties – Insured (S.5. (a))

The insured shall include:

- (i) the corporate practice;
- (ii) every director of the corporate practice;
- (iii) every former director of the corporate practice; and
- (iv) in the event of the death, incapacity, or bankruptcy of any person specified under (ii) to (iii) above, the estate or the legal personal representatives of that person.

The Insured Profession and Business (S5. (c))

The insurance shall cover all professional business undertaken by a corporate practice.

Minimum Insurance Requirements – Corporate Practice

Professional Accountants Ordinance (Cap 50) Section 51

Minimum Limit of Indemnity (S5.(e))

- (i) The minimum limit of indemnity of the corporate practice in relation to each and every single claim during the period of insurance shall not be less than:
- (A) the minimum limit of indemnity of the HKICPA PII Master Policy; or
 - (B) 2½ times its gross fee income for the financial year immediately preceding the beginning of the period of insurance subject to a maximum of HK\$15,000,000; or
 - (C) the amount calculated by multiplying the number of principals in the practice as at the beginning of the period of insurance, by HK\$3,000,000; whichever is the highest.

According to HKICPA Corporate Practice (Professional Indemnity) Rules, you may consider to adjust the existing insured limit downward due to the resignation of director(s). However, this is not recommended as professional indemnity insurance is covering the claim you received during insurance period arising from previous services, thus reducing of number of director(s) does not mean your liability will be immediately reduced. If you have any query, please feel free to contact with us.

Run-Off Requirement (S.5(g))

If a corporate practice shall cease to be a corporate practice registered under the AFRCO, it shall ensure that run-off insurance will cover liability arising from any circumstances acts errors or omissions occurring in the last seven years prior to the date of cessation of registration, and where the insurance cover is on a claims made basis, the insurance is maintained through a period of not less than seven years after the date of cessation of registration.

5

Recap of Policy Features and Premium Calculation Factor



Master Policy Features

- This is a claims made policy covering claim &/or circumstance received during insurance period -
 - late notification of claim or circumstance may jeopardize the interests under the policy.
 - Run Off Cover is required for tailed liability
- The former, present and future partners, directors and employees are covered
- Professional Services will extend to individual personal appointment, e.g. liquidator or Inspector
- By default, the Policy excludes any claim arising from US / Canada, unless specifically agreed by the insurers (subject to special terms and conditions and premium loading)
- **The following are considered as US Risks:**
 - Auditing US and Canadian Listed Companies
 - Provide Auditing or Accounting Services to Companies intending to list on US or Canadian Stock Exchange
 - Assisting Companies to Acquire or Merge with US or Canada
 - Providing Services to a local US or Canadian companies where the services agreements are subject to US or Canadian
- **Level of Risks:**
 - High
 - High
 - High
 - Moderate

Referral Risks

Referral Risks – member declares any of the followings will be referred to the lead underwriter for quotation:

1. Any claims/ circumstances/ losses know to the Insured and/or notified to previous insures in past 10 years
2. Any USA / Canadian exposure
3. Any Partner / Former Partner and/or Employee / Former Employee has been subject of disciplinary action by HKICPA or other equivalent professional body
4. Ratable fee income declared in respect of below which exceeds 30% of total declared fee income
 - Mergers / Acquisitions / Corporate Sales / Listings
 - Insolvency / Receivership
 - Investment Business / Advice
5. Ratable fee income declared in respect of auditing Listed / Quoted Companies which exceeds 10% of total declared fee income
6. Ratable fee income declared exceeds HK\$50M

} Referral Risk (1)

Others without any of the above risks are Standard Risks, and Aon has binding authority from the insurers to issue quotes to all firms with Standard Risks.

Premium Factors

Major Risk Factors Affecting Premium Calculation:

- Annual fee income movement
- Change of policy limit to comply with the minimum requirement of HKICPA (for corporate practice)
 - Change in director numbers: Regulator requirement on policy limit – Director number X HKD3m
 - Change in revenue: Regulator requirement on policy limit – 2½ times X gross fee income, subject to a cap of HK\$15m under this rule
- Fee income from a Major Client with more than 30% of total fee income is generated from the same client
- Requesting higher additional sublimit option for 1.4 Investigation costs
- Change in Claim Record – any claim paid out exceeding HK\$100,000 / HK\$500,000 during 1 Dec 2024 to 30 Sep 2025

6

Renewal E-Platform Demonstration

AON



Q&A

Thank You

