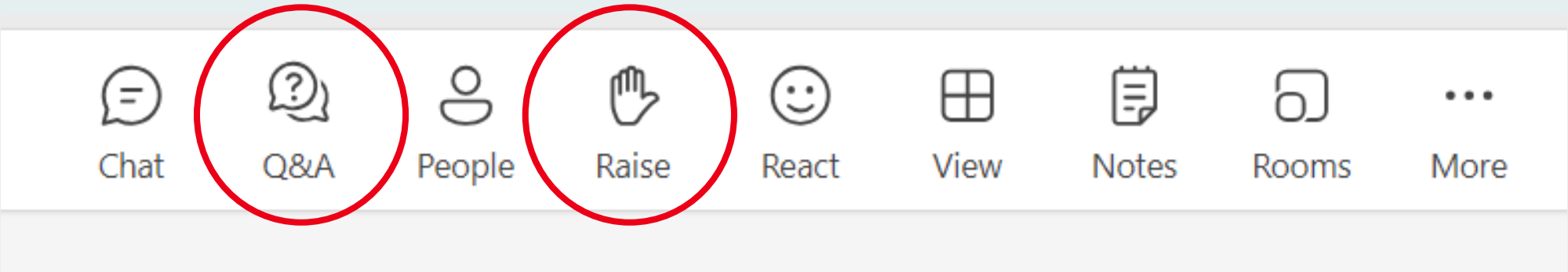


HKICPA Members PII Master Policy Mid-term Briefing Session

IMPORTANT NOTICE

There will be a Q&A session at the end of the webinar. You can either type your questions in the Q&A box or click the “Raise” button to ask them verbally.



Please do not record the webinar.

AON

HKICPA PII Master Policy

2026 Mid-term Briefing Session



Agenda

Section 1 - Aon Services Team

Section 2 - 2025/26 Renewal Statistics

Section 3 - Emerging Risks

Section 4 - 2026/27 Upcoming Renewal Timeline (3 Years Deal)

Section 5 - FAQ

Section 6 - Q&A

Aon Services Team



Aon Services Team



Joel Chan

Director



Wing Mok

Senior Manager



Carmen Cheng

Senior Account Manager



Cherry Chow

Senior Account Manager



Matthew Chik

Account Manager



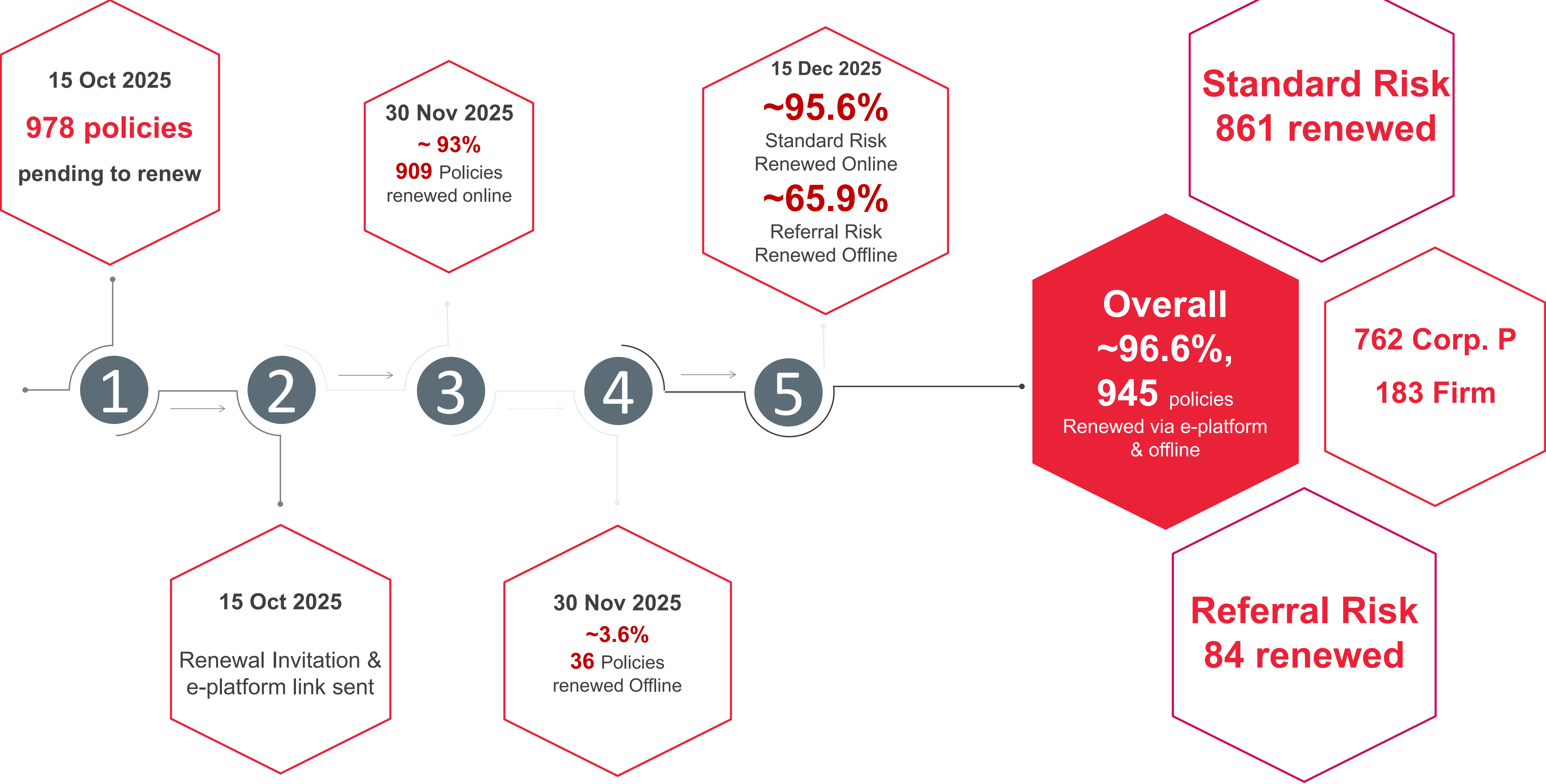
Abby Zhao

Management Associate

2025/26 Renewal Statistics



2025/26 Renewal Statistics



Emerging Risks



Emerging Risks

PIE Audits – Claim Severity

Rank	Territory	Nature	% of Total Loss
1	US/Canada	Audit works	48.31%
2	Hong Kong	Audit works	5.74%
3	Hong Kong	Audit works	4.81%
4	PRC	Audit works	4.66%
5	Hong Kong	Audit works	2.56%
6	Hong Kong	Partner Fraud	2.53%
7	Hong Kong	Audit works	2.15%
8	Hong Kong	Audit works	2.02%
9	Hong Kong	Audit works	1.82%
10	Hong Kong	Audit works	1.79%
TOP 10 TOTAL			76.41%

- 9 of the top 10 claims were audit-related, accounting for 76% of the total loss amount
- The largest claim is in US/Canada, representing 50% of the total loss amount
- An audit engagement in China ranked 4th
- The remaining 150 claims made up 24% of the total claim amount

Data Source: HKICPA PII Master Policy Claim records since 1996

Emerging Risks

Regulatory Investigations – Claim Frequency

Cause of Notification	No. of Notification	No. of Case with incurred	% no. of Claims	% of Incurred amount
PIE Audit Works	131	51	17.87%	90.48%
Regulatory Action	372	78	50.75%	4.50%
Partner Fraud	3	2	0.41%	2.54%
Business Services	41	13	5.59%	0.35%
Tax Services	8	5	1.09%	0.19%
Non-Regulatory Action	85	1	11.60%	0.08%
Liquidation/M&A	5	1	0.68%	0.02%
Secretarial Works	19	3	2.59%	0.02%
Other	69	8	9.41%	1.81%
TOTAL	733	162	100.00%	100.00%

Data Source: HKICPA PII Master Policy Claim records since 1996

- Regulatory investigation is the most common cause of notification
- Standard cover for investigation cost under HKICPA PII Master Policy is HK\$1m with option to increase limit to HK\$2m subject to additional premium
- PIE is the second most common cause of notification

Emerging Risks

Cyber Liability

- Professional Indemnity Insurance aims to cover civil liability arising from service E&O (when carrying out professional service)
- Alternative insurance solution (Cyber Insurance) is available for cyber risk exposure, covering first party expenses / crime loss incurred because of a cyber incident :
 - IT Forensic Expense: incident response, investigation, data recovery
 - Business Interruption: loss of profit due to non-access to database or system
 - Cyber Extortion / Ransom: e.g. Bitcoin payment
 - Cyber Crime: e.g. intrusion of computer system resulting in cybercrime loss

2026/27 Upcoming
Renewal Timeline



2026/27 Upcoming Renewal Timeline

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

Criteria - claim payout during the previous policy year does not exceeds HK\$100,000 (for Standard Risks) and HK\$500,000 (for Referral Risks).

Renewal Action	Timeline
Commence with the underwriter — Strategic Renewal Planning	May
Remarketing Exercise	May — July
Proposal to HKICPA in August and R&P committee in early September	Aug
Renewal Proposal to R&P Committee	Early Sept
Renewal Invitation to members*	Early Oct

*renewal invitation email & e-platform weblink will be delivered to your registered email for completing the renewal process

FAQ

AON



FAQ

1. What kind of changes do I need to inform Aon in the middle of policy period?

Type of Changes	Document to be issued	Remarks
Change of Email Address / Contact Person	N	No change in coverage
Change of Mailing / Company Address	N	No change in coverage
Change of company name	Y	No change in coverage
Change of directors (both addition / deletion)	Y for Corporate Practice	Mid-term increase of policy limit may be needed to comply with Corporate Practice (Professional Indemnity) Rules
Cease of practice (complete de-registration from AFRC)	Y	For Corporate Practice – 7 years run off cover is compulsory For Firm – run off cover is optional

Prior Notice to Aon



2. When AFRC request me to submit Cover note, what kind of insurance document should I submit?

3. What is a Claim or Circumstance? When should I notify the Claim or Circumstance to Aon?

<https://asia-business-insurance.aon.com/hk/products/hkicpa> > Report a Claim

4. Where could I find more information regarding the insurance program?

<https://asia-business-insurance.aon.com/hk/products/hkicpa>

<https://www.hkicpa.org.hk/> > Membership > Registration > Corporate practice



FAQ

5. How to Identify US / Canada Risks?

- **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
- Relatively Low

Q&A

Thank You

