

FREQUENTLY ASKED QUESTIONS OF COVERAGE OFFERED BY INSURANCE MADE EASY/CHUBB INSURANCE



Question: What level of cover will I need, how do I determine this?

Answer: It is hard to gauge exactly what level of cover is required when Bookkeepers have such varied clients. As a registered BAS Agent, the TPB requires a minimum level of cover of \$500,000 (or a higher level when you earn over \$75,000 per annum). Insurance Made Easy offers a minimum level of cover of \$250,000 however, we prefer to play it safe and recommend at least \$500,000.

Question: If my income increases significantly during the period of insurance do I have to disclose this?

Answer: Your insurance premium will be derived from your predicted income during the period of insurance. If you are aware that you will be exceeding the income bracket you are insured for, all you need to do is contact Insurance Made Easy and pay an additional fee for the extra risk. Failure to do this could result in an insurer not paying your claim or reducing the claimable amount.

Question: Will the income of contractors affect the way the premium is calculated?

Answer: The income of your contractors will affect your premium when they are working for you only. This is due to the fact they do not bill your client directly and the money received from their work is considered income of the business.

Question: Does the policy incur an excess on claims?

Answer: The Insurance Made Easy-Chubb insurance policy does not charge an excess on claims for businesses whose turnover is less than \$200,000.

Question: Does the policy offer Run Off Cover?

Answer: The Insurance Made Easy-Chubb insurance policy provides Run-Off Cover for Seven Years. Most Professional indemnity policies don't give run off cover unless requested often at an additional cost.

When you sell your business, retire or simply close it down you may still be responsible and liable under the Statute of Limitations for claims made against you for up to seven years. As an ICB Member and holder of the ICB preferred Insurance Product you are automatically covered free-of-charge for seven years from the time you cease operation. This offer is available to you provided you do not cancel your policy mid-term or insure with another company.

Question: What happens if I retire, sell my business or cease trading?

Answer: The policy offered by Insurance Made Easy includes FREE **seven** year Run-Off Cover for ICB Members. What this means is, that in the event that you close-up your Bookkeeping Business, and you maintain your insurance for the balance of the insurance period, if a claim is made against you, in the seven years following for an act made during the period of insurance when you were operational, you will be covered up to your original policy limits.

If you are not insured with Insurance Made Easy, you may have to purchase this cover at additional cost.

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Question: How many reinstatements of the limit of cover are offered?

Answer: The Insurance Made Easy-Chubb insurance policy provides Unlimited Reinstatements of cover.

Should you have a Professional Indemnity Claim(s), your Insured Limit simply resets to the full amount.

Question: Does the policy include cover for Defamation?

Answer: The Insurance Made Easy/Chubb policy extends to cover libel, slander and defamation.

Question: Does the policy include cover for Fraud and Dishonesty of employees?

Answer: The Insurance Made Easy /Chubb Insurance policy extends to cover include Fraud & Dishonesty of employees.

Please note many insurers sublimit cover to \$50,000 and some insurers exclude money or negotiable instruments altogether. The limit offered by Insurance Made Easy/Chubb for fraud and dishonesty is \$100,000 and does not exclude money or negotiable instruments.

Question: Will I be covered if my employee or contractor steals from one of my clients?

Answer: You will be covered for any dishonest conduct by your contractors or employees. It is worth noting however, any dishonest acts you are aware of, or take part in, will not be covered. As an additional bonus to this insurance there is cover for fidelity, which protects your business assets from theft by an employee or contractor.

Question: Do my contractors or employees also need insurance?

Answer: You are automatically covered for any claims made against you due to the negligent acts or omissions of employees or contractors that you are directly responsible for. Even contractors providing BAS services need to be registered, and to be registered they need to hold Professional Indemnity Insurance. In this scenario a claim would be made against you, our Insured. The Insurer would settle or defend any action against you. The Insurer then may wish to pursue the contractor for reimbursement - often referred to in insurance policies as Subrogation

Question: Does the policy include Fidelity cover (Theft of business's own money)?

Answer: The Insurance Made Easy/Chubb Insurance policy extends to cover theft by employees.

Please be mindful that many insurers sublimit cover to \$50,000 and some exclude money or negotiable instruments altogether. The limit offered by Insurance Made Easy/Chubb for Fidelity is \$100,000 and does not exclude money or negotiable instruments.

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Question: Does the Policy Include Legal Defense costs in addition to the sum insured?

Answer: The Insurance Made Easy/Chubb Insurance policy offers cover for legal and defense costs in addition to the sum insured. There is no limitation on legal and defense costs.

We have noticed some insurer's sublimit this cover to \$50,000

Question: Does the policy include cover for the sale, installation and configuration of commercially available software and the use of remote location software?

Answer: The Insurance Made Easy-Chubb insurance policy has no exclusions relating to the above and provides cover for all of the above activities.

Question: You say I am covered for software installation, maintenance and use. What does this mean?

Answer: Your insurance policy with Insurance Made Easy/Chubb Insurance automatically includes cover for: **Installation, Set up, Configuration, Training and Use, Data File Management, Backup, File Management, Location of all Accounting and Financial Management Software.**

Question: Does the policy include cover for Sale and Supply of Goods including advise on the usage of the product?

Answer: The Insurance Made Easy/Chubb policy includes cover for supply, installation, configuration, training and use of commercial available accounting software.

Question: Does the policy include cover for the loss, damage and or destruction of any computer records including but not limited to computer printouts or computer memory whether programmes, databases, software or otherwise are however recorded.

Answer: The Insurance Made Easy-Chubb insurance policy has no exclusions relating to the above and provides cover for all of those activities.

Question: As an ICB Supervising BAS Agent, is the supervision of bookkeepers in regards to BAS preparation, covered under my existing Insurance Made Easy policy?

Yes. It is also recommended that the bookkeeper is covered under the same Insurance Made Easy policy or checks with their current policy provider to ensure that they are covered.

Question: I am an ASIC Agent, am I covered?

Yes, Insurance Made Easy coverage includes all ASIC reporting and registration activities.

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Question: Does the policy offer Privacy Remediation Expenses

Answer: The Insurance Made Easy-Chubb policy provides Privacy Remediation Expenses

Breaching someone's privacy can be unintentional, but unfortunately it can happen so easily. Loss of a USB stick, misplacement of paperwork or even a few innocent words in general conversation can breach a client's privacy.

The ICB preferred insurance policy provides cover for costs to assist, remediate this embarrassing situation. This may include specialist consultants or even newspaper advertisements giving an apology.

Question: Does the Policy offer Return of Professional Fees?

Answer: The Insurance Made Easy/Chubb policy provides cover for the Return of Professional Fees.

We all have clients that push the boundaries regarding their payment for services you supply. Often out of goodwill you continue to supply these services until you or they terminate the relationship. It is at this time that any payment from your client may not be forthcoming. After much chasing you usually give up because the legal costs are too high to recover your outstanding fees.

The ICB preferred Insurance Policy includes an automatic benefit covering legal costs to chase up those outstanding amounts.

The legal costs are sub-limited to 10% of the Insured Limit. There are conditions applicable for this clause. You must have commenced legal proceedings, your client has either given notice of their intention to defend the action or made a counter-claim against you (in which case your Professional Indemnity kicks in) and the insurer considers there is a strong possibility of success.

Question: Does the policy cover the completion of regulatory documents, such as super guarantee, workers compensation etc?

Answer: The Insurance Made Easy/Chubb policy provides cover for such work where the bookkeeper has written authority from the client to complete such documents.

Question: Does the policy cover signing of cheques and/or electronic transfer of monies?

Answer: The Insurance Made Easy/Chubb policy provides cover for such work where the bookkeeper has written authority from the client to undertake such work. This authority also needs to stipulate the levels of authority for such money transactions.

Question: I have access to my client's bank accounts - Does this insurance cover me if I make a mistake?

Answer: Cover is provided, however, we recommend that you have written agreements with your clients that set out your authorised access, limits, etc.

**FREQUENTLY ASKED QUESTIONS OF
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Question: I'm insured elsewhere but if I change I'm worried if a claim is made against me for an act in the previous period of insurance I won't be covered?

Answer: You will be covered under what is called Retroactive Cover for any claim circumstance that was unknown to you at the time you changed Insurers. Professional Indemnity insurance works on a claims-made basis. This means that when you first become aware of a claim the Insurer covering you at the time is the one that handles the claim.

Question: When should I notify my insurance company of a situation that may lead to a claim? Will this increase my premium?

Answer: To continue on from the last question, you should notify any potential claim or circumstance that may lead to a claim immediately you become aware of the situation. This is most important especially if you are changing insurers. The consequences of not doing so may lead to both your old insurer and your new insurer denying cover.

Notifications will be noted by the Insurer; however, this does not mean you will be paying an additional premium. Doing this also may expose problems with your business procedures or staff.

Question: If a claim is made against me, will I be reimbursed for my time spent fixing accounts?

Answer: It will often be alleged that the claim against you is for faulty workmanship, for which rectification of such work is excluded. If it is deemed that you must fix the problem. This is common in most classes of insurance. However, any resultant damage caused to the client or other costs the client incurs such as getting external consultants in to fix the errors, should be claimable against your policy.