



Professional Indemnity Insurance

College Chronicle
Newsletter

September 18



Australian College
of Professionals

RTO 91513

Professional Indemnity Insurance



We have talked about this issue before, we have written newsletters about this before, we have spruiked it on our weekly Facebook Live chat on Wednesday afternoons.....but here we go again.

Professional Indemnity Insurance seems to be an issue that many agents forget is legislatively required and that must be in place when you are undertaking activities that fall within the Property and Stock Agents Act 2002.

In accordance with the Property and Stock Agents Regulation 2014 and the Property and Stock Agents Act 2002, licence holders are required to be insured under a policy of professional indemnity insurance. The Property and Stock Agents Regulation 2014, clause 10(1), provides requirements for a policy of professional indemnity insurance that licensees must hold as a condition of their licence under section 22 of the Act.

1. Which classes of licensee will be required to have insurance?

The requirement for mandatory professional indemnity insurance applies to all licensees under the Act – including real estate agents, stock and station agents and strata managing agents. However, a licensee will be required to be insured only if the licensee engages in activities for which a licence is required under the Act. This means licence holders who are not so engaged – such as trainers/educators, unemployed licensees, or licensees employed in other industries – do not need to hold professional indemnity insurance coverage unless or until they are providing property related services under the Act. Licensees that do engage in activities requiring a licence must be covered under a complying policy that is in force with respect to themselves or their employer. An ‘employer’ for the purposes of the clause, means a person (including a corporation) who employs the licensed person to perform services for which a licence is required under the Act.



2. What are the requirements in the Regulation that the professional indemnity insurance policy must comply with?

The Regulation requires policies to provide a minimum level of indemnity coverage of not less than \$1 million for any one claim; and not less than \$3 million in the aggregate, for all claims made during the period of insurance.

These indemnity amounts are inclusive of costs incurred or payable by the claimant in connection with any claim. Policies must provide cover for civil liability (including for personal injury) of the following types, and as described in the regulation, that arise in the conduct of an agency business:

- » liability arising from any acts or omissions of the licensee that constitute:
 - negligence, or
 - unintentional misleading or deceptive conduct, or
 - breach of professional duty, or
 - unintentional defamation, or
 - unintentional interference with

- intellectual property rights;
- » vicarious liability arising from any acts or omissions of an employee, agent or other person engaged in the agency business that constitute:
 - negligence, or
 - unintentional misleading or deceptive conduct (for which the claimant is not at fault), or
 - breach of professional duty, or
 - defamation (for which the claimant is not at fault), or
 - interference with intellectual property rights (for which the claimant is not at fault), or
 - fraud or dishonesty by the employee, agent or other person (for which the claimant is not at fault).

It should be noted that the required types of coverage and level of cover under the regulations are only minimum requirements. Licence holders would be able to obtain a higher level of cover if they consider it necessary. Licensees would also be free to obtain a policy for a range of

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other insurance events that can be covered by professional indemnity insurance, provided the policy they obtain has coverage that meets the mandatory requirements.

3. Which activities are excluded from the professional indemnity insurance requirements?

A licensee is not required to be insured under a policy of professional indemnity insurance if they are involved in the conduct of either of the following activities:

- a. commercial property agency work with respect to any property that exceeds \$10 million in value,
- b. commercial property agency work carried out by a corporation on behalf of an affiliate that has

indemnified the corporation against claims in accordance with the professional indemnity insurance policy requirements in the regulation.

This legislative requirement for licensees to be insured under a policy of professional indemnity insurance does not change the entitlement of consumers who suffer a pecuniary loss because of a failure to account for trust funds, held by a licensee, to lodge a claim on the Property Services Compensation Fund.

'Til next time, wishing you every success in your business ventures,

Rosy Sullivan
Director | College Principal

UPCOMING WEBINARS

3 HOUR COMPULSORY CPD

Sales & Leasing	TUE 29 TH SEP
Strata Management	TUE 13 TH OCT
Sales & Leasing	TUE 27 TH OCT

3 HOUR ELECTIVE CPD

Residential Property Management	TUE 6 TH OCT
Property Sales	TUE 20 TH OCT
Residential Property Management	TUE 17 TH NOV

DIPLOMA OF LEADERSHIP & MANAGEMENT - EVENING WEBINARS

Support the recruitment, selection and induction of staff	TUE 29 TH SEP
Ensure a safe workplace for work area	TUE 13 TH OCT

Facilitate continuous improvement	TUE 27 TH OCT
Manage intellectual property to protect and grow business	TUE 10 TH NOV

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UPCOMING FACE TO FACE COURSES

COMBINED CPD (COMPULSORY & ELECTIVE) - REGIONAL NSW

Property Sales Wollongong	THU 24TH SEP	Stock & Station Armidale	MON 19TH OCT
Stock & Station Scone	TUE 13TH OCT	Stock & Station Tamworth	TUE 20TH OCT
Property Sales Castle Hill	THU 15TH OCT	Property Sales Gosford	WED 21ST OCT

Two 3-hour sessions. 9am - 4pm unless stated otherwise

3 HOUR COMPULSORY CPD

Sales & Leasing	FRI 25TH SEP
Sales & Leasing	FRI 16TH OCT
Strata Management	FRI 23RD OCT

3 HOUR ELECTIVE CPD

Residential Property Management	FRI 25TH SEP
Property Sales	FRI 16TH OCT
Strata Management	FRI 23RD OCT

ASSISTANT AGENT - CERTIFICATE OF REGISTRATION

Real Estate and Stock & Station	6TH - 9TH OCTOBER
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Units taken from nationally accredited training qualifications from the CPP41419 Certificate IV in Real Estate Practice.

Strata Management	16TH - 19TH NOVEMBER
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Units taken from nationally accredited training qualifications from the CPP40516 Certificate IV in Strata Community Management.

Please note: All face to face courses will be held at our Town Hall premises in the Sydney CBD with the exception of combined regional CPD



From the office

And on we roll with our hand-sanitisers, face masks and disinfectant wipes. Every day at ACOP brings some new masks to the College, with weird and wonderful patterns and designs – Rosy being most excited about her gift from our trainer Jane of a mask with cats drawn all over it.

We are comparing who has the most outrageous masks – wow, no-one thought that we'd ever be having these conversations. Our training this past fortnight has ranged from property licensing courses in Trust Accounting and Property Management, to weekend workshops for the Mortgage Broking diploma. We have also been conducting so many CPD classes ranging from webinars for sales, property management and strata management, to face-to-face courses in Dee Why, Parramatta, Bringelly and

of course in our training rooms here in the CBD. And then there are all the agents who are completing their CPD requirements online – we love speaking to our online students when they call in. Next fortnight means more on-the-road activity for our trainers, so check our calendar for when we are coming to your area next.

Naturally, we have had celebrations here over the past fortnight. We are all still very excited about our new website and the great feedback that we are receiving from students who are finding it really easy to navigate and enrol into their programs. We have celebrated one birthday for John Roberts (naturally with a red velvet cake – his favourite for some reason) and a one year anniversary for Michelle with a magnificent carrot cake. Rosy wanted yet another cake to celebrate Michael Buble's birthday, but no-one supported her and she had to settle for playing his music (loudly) from her office.

UPCOMING FACE TO FACE COURSES

PROPERTY LICENSING

Commercial Sales & Leasing SYDNEY CBD	1 ST - 2 ND OCT
Property Sales SYDNEY CBD	28 TH - 30 TH SEP
Stock & Station Agency Practices SYDNEY CBD	26 TH - 28 TH OCT
Strata Management Agency Practices SYDNEY CBD	19 TH - 21 ST OCT
Auctioneering SYDNEY CBD	29 TH - 30 TH OCT
Property Mgmt Business Development & NCAT SYDNEY CBD	29 TH - 30 TH OCT

PROPERTY LICENSING

Financial Management SYDNEY CBD	30 TH NOV - 1 ST DEC
Trust Accounting + Insurance SYDNEY CBD	THU 22 ND OCT
Trust Accounting SYDNEY CBD	9 TH - 10 TH NOV
Property Management SYDNEY CBD	11 TH - 13 TH NOV
Business Broking Agency Practices SYDNEY CBD	3 RD - 4 TH DEC

Units taken from nationally accredited training qualifications from the CPP41419 Certificate IV Real Estate Practice and CPP40516 Certificate IV in Strata Community Management.

FINANCE & MORTGAGE BROKING COURSES

Certificate IV in Finance & Mortgage Broking SYDNEY CBD	12 TH - 14 TH OCT
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Diploma of Finance & Mortgage Broking Management <i>(Upgrade Program - Must hold Certificate IV in Finance & Mortgage Broking)</i> SYDNEY CBD	12 TH - 16 TH OCT
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Units taken from nationally accredited training qualifications from the FNS Financial Services Training Package.

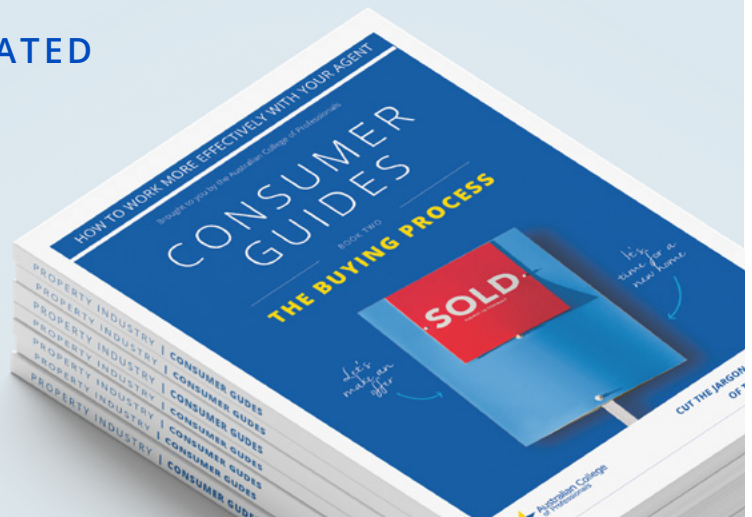
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