



PROFESSIONAL INDEMNITY FOR APPOINTED REPRESENTATIVES OF ASSOCIATION OF FINANCIAL ADVISERS (SINGAPORE) (“AFA(S)”)

Frequently Asked Questions Regarding the AFA(S) PI Scheme

1. Why is there a need to take up a Professional Indemnity insurance cover?

Any Appointed Representative (“AR”) providing advice or other professional services are exposed to claims. If a party suffers financial loss after relying on your advice, he/she may have the right to sue for the loss. ARs require cover as such insurance can help to protect against the potential financial burden of litigation and help to protect your reputation, personal integrity and personal assets.

Professional Indemnity Insurance protects professionals against legal liability for breach of professional duty and provides cover for (i) settlement, (ii) compensatory damages awarded against you and (iii) legal costs and expenses.

2. What am I covered for?

The policy indemnifies you for any losses resulting from a claim:

- that falls below the deductible of your firm’s cover and for which you are liable (provided you are insured either with one of the coinsurers of this Scheme, QBE Insurance or Federal Insurance), and
- that has exhausted your firm’s cover and for which you and/or your firm becomes uninsured.

3. Does the Scheme provide cover for work done prior to me signing up?

The Scheme covers you for all work you have done as an AR in the past provided you are not aware of any known claim and/or claim circumstance prior to signing up for the cover.

4. What kind of professional services are covered?

All regulated activities under the Financial Advisors Act (Chapter 110) are covered under this Scheme.

Conditions for precise coverage details. Please note that this literature is descriptive ONLY. Do refer to the Policy Terms and



5. Will I be given a chance to read through the policy contract?

The Master Policy Wording for the Scheme will be available on the AFA(S) website for your review.

6. What is the Policy Period for the Scheme?

The insurance policy commences coverage for a 1-year period from 01 February of each year to 31 January of the following year. Any new take up of insurance cover will expire on a common expiry date of 31 January to coincide with AFAS membership renewal.

The inception date is either 01 February 2016 or the date which the AR submits his or her application to AFAS. All cover expires on 31 January 2017.

7. What are the Limits of Indemnity available for this Scheme?

There are 2 options to choose from:

Option 1

Limit of indemnity – SGD 500,000*
Deductible – SGD 2,500
Annual Premium – SGD 239.70 (inclusive of GST)

Option 2

Limit of indemnity – SGD 1,000,000*
Deductible – SGD 2,500
Annual Premium – SGD 359.50 (inclusive of GST)

*The maximum limit for which Insurers are liable under this Scheme is SGD 10,000,000 for all claims notified within a single policy period of one year.

8. What is a deductible?

The deductible is the amount to be borne by the AR before QBE responds to a claim.

The imposition of a deductible will inculcate a sense of good risk management in the provision of your service. It is also used to help in reducing the premium payable.

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9. What if I only decide to take up this policy mid-term?

The above rates will be short-rated. Please refer to the table below for the premium calculation.

Sign Up Date	Premium (GST inclusive) for Option 1 (Limit SGD500,000)	Premium (GST inclusive) for Option 2 (Limit SGD1,000,000)
1 February 2014 to 30 April 2014	SGD239.70	SGD359.50
1 May 2014 to 31 July 2014	SGD188.30	SGD278.20
1 August 2014 and after	SGD128.40	SGD188.30

All policies will expire on 31 January 2017.

10. What are the enhancements for this policy period?

- Data protection breach - provide coverage in respect of any claim made by a third party against the adviser for any data protection breach (SGD5,000 any one claim any one adviser and SGD 50,000 in the aggregate per financial consultant)
- Court attendance costs - will provide court attendance costs incurred if an adviser is legally compelled to attend a civil proceeding as a witness in connection with a claim covered under this policy (SGD500 per day per adviser and SGD50,000 in the aggregate)
- Deductible – reduced from SGD 3,000 to SGD 2,500 each and every claimant
- Premium – 20% reduction in premium

11. What happens if I already have a Professional Indemnity cover with another Association? Can I have more than one policy?

There is no restriction to the number of Professional Indemnity policies that you can take up. However, please note that not all policy contracts are structured similarly and the terms and conditions of each policy may differ, and it may not be advisable or beneficial to you to be insured under more than one scheme.

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12. Do I have to be a member of AFA(S) to join Scheme?

It is only available if you are an Appointed Representative of an **ordinary member** (licensed financial adviser) of AFA(S).

13. What if I leave the profession after I sign up for the policy for a year?

If you leave the profession before the expiry date of the policy, your policy will continue to cover your past errors or omissions prior to the date that you have ceased practicing. No premium refund is allowed.

14. How do I sign up?

For new applicants, you may contact AFA(S) for the application form. QBE will process the application form once the form is completed, signed and dated along with your premium payment.

For renewals, you do not need to complete any form as your company will make a declaration on behalf of you.

15. Who should I contact if I have any queries on the Scheme?

Please refer your enquiries to the following parties:

- (i) For administration issues – AFA(S)
DID: 6273 8823 or Email: secretariat@afas.org.sg

- (ii) For policy coverage – QBE
DID: 6224 6633 or Email: proliab.sg@qbe.com >

16. Can I admit liability to the policyholder if I know that I have misrepresented?

A condition under the policy stipulates that you are not allowed to admit liability without QBE's consent. You should consult QBE immediately if there is a possible claim to be reported under the policy.

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17. What do I do if I have a possible claim?

There is a Claims Hotline: 65-6477 1123. For all notification, please call the Claims Hotline to lodge notification during office hours (from 8:30 hrs to 17:30 hrs, Monday to Friday, except Public Holidays) as soon as practicable.

Please mention that you are covered under the AFAS(S) PI Policy Scheme so that the claims handler will be able to assist you better.

18. Who are the Insurers for this Scheme?

The AFA(S) PI Scheme is coinsured by QBE Insurance (Singapore) Pte Ltd and AIG Asia Pacific Insurance Pte. Ltd.

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FAQ for Policy Year 01 February 2016 to 31 January 2017