



Ref. No. : MEMO/036/2015
To : All Members and Chief Executives
From : Jase Yiu – Chief Administrative Executive
Date : 29 September 2015
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Dear all,

**Deductible greater than Net Assets Value (“DGNAV”)
under the Professional Indemnity Insurance (“PII”) Policy**

The DGNAV shall pose an on-going concern of our member brokers as well as an insolvency issue when there is a claim under the PII Policy. It will literally affect the insuring public confidence on our industry.

Moreover, your Certified Public Accountants will qualify your annual accounts in their preparation of your financial report in line with the Practice Note 810.1 (“PN 810.1”)* jointly prepared by the Hong Kong Institute of Certified Public Accountants and the Office of the Commissioner of Insurance.

Would member brokers review your current PII’s deductible and net assets value, and adjust the level of the deductible and/or improve the net assets value or increase paid up share capital as appropriate.

Best Regards,

Jase Yiu
Chief Administrative Executive

* http://www.piba.org.hk/extra/pdf_random_check/practice_note.pdf

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