

ICAEW PI

Reviewed by Matthew Bartlett, Director · Last reviewed 2026-06-22

The Institute of Chartered Accountants in England and Wales (ICAEW) sets the PI minimums for its member firms through the ICAEW Professional Indemnity Insurance Regulations. The headline requirement is that firms must hold cover of at least 2.5 times gross fee income, subject to a minimum of £1.5 million and a maximum required of £3 million each and every claim. The maximum required does not prevent a firm from buying more — and many do — it is the regulatory floor.

HOW FEE INCOME IS MEASURED

Gross fee income for the purpose of the Regulations is the total fee income of the firm's accountancy and related services in the most recent completed financial year. Disbursements recharged at cost are typically excluded. Income from work that is not accountancy-related — for example, separate property income or unrelated consultancy outside the firm's accounting practice — is excluded from the calculation.

WORKED EXAMPLE

A firm with £400,000 of gross fee income must hold at least £1.5 million each and every claim, because 2.5 times £400,000 is £1 million and that is below the £1.5 million floor. A firm with £800,000 of fee income must hold at least £2 million each and every claim (2.5 times £800,000), because that is above the floor. A firm with £2 million of fee income must hold at least £3 million each and every claim — but the regulatory maximum required is £3 million, so a firm at £5 million of fee income still has a £3 million regulatory floor.

EACH AND EVERY, WITH COSTS IN ADDITION

The ICAEW Regulations require cover on an each-and-every-claim basis, with defence costs payable in addition to the limit. Aggregate cover does not satisfy the Regulations except in limited circumstances, and the costs-in-addition requirement means defence costs cannot erode the indemnity available for damages.

RUN-OFF

Run-off is required for at least two years after the firm ceases to engage in public practice. This is shorter than the architect, surveyor, or solicitor run-off requirements, but ICAEW members may need to consider longer cover where they have advised on tax positions that could be reopened under HMRC's discovery powers in section 29 of the Taxes Management Act 1970, or on transactions that may attract claims well beyond a two-year horizon.

THE INTERACTION WITH CONSULTANCY WORK

Many ICAEW firms now run a substantial consultancy arm alongside the accountancy practice — strategy, finance transformation, restructuring, interim FD work. The Regulations apply to accountancy and related services; pure consultancy may fall outside. Where it does, a separate consultancy PI wording may be needed, or the policy may need to be extended to cover the broader activity.

Our [accountants PI insurance guide](#) covers the Regulations in detail and explains how insurers typically treat the boundary between accountancy and consultancy. Firms with a significant management-consultancy practice may also want to read our [management consultants PI insurance guide](#), which sets out the wordings used in that market and the cover gaps that can arise when accountancy and consultancy are bundled into one policy.

THE DPB REGIME

Firms holding a Designated Professional Body (DPB) licence to carry out non-mainstream regulated activities under the Financial Services and Markets Act 2000 sit under a separate, narrower regime. The PI cover must extend to the DPB activities, and the firm must hold the DPB licence in addition to its ICAEW practice authorisation. A breach of the DPB conditions is a separate disciplinary issue.

NOTIFICATIONS

The ICAEW Regulations require firms to notify circumstances to insurers as soon as reasonably practicable. Delays can prejudice the insurer's position and provide grounds for the insurer to argue prejudice under section 11 of the Insurance Act 2015 — or under common-law non-disclosure principles where applicable.

RELATED PROFESSIONAL INDEMNITY GUIDES

- [Accountants PI](#)
- [Management Consultants PI](#)