

Group Professional Liability Insurance of the *Ordre des comptables professionnels agréés du Québec*

Frequently Asked Questions

1. I join the Group Insurance Plan for the first time on April 1, 2013 and I have knowledge of a claim or a situation that may develop into a claim related to the professional services that I have rendered. What do I do?

You must report the claim or the situation in writing to your existing insurer prior to April 1, 2013. Coverage under the group insurance plan will EXCLUDES any claims or any act, mistake, omission or circumstance which may give rise to a claim, of which you have knowledge prior to April 1, 2013.

If you need guidance in this matter, please contact the administrator of the Group Plan by phone at 1-800-267-4734, 416-204-3398 or by email at regimecollectif@acpai.ca

2. What is the definition of the practice of the profession of Chartered Professional Accountants?

As described in Section 4 of the *Chartered Professional Accountants Act*, the practice of the profession of chartered professional accountant consists, with respect to the accounting, management, finances or taxation relating to the economic activities and patrimony of a person, enterprise or organization, in

(1) gathering and organizing financial and non-financial information, analyzing and evaluating it, attesting to its conformity or certifying it, communicating the information and providing advice in relation to it; and

(2) developing and evaluating policies, procedures, processes and controls related to governance, strategy and risk management, attesting to their conformity or certifying them, implementing them and providing advice in relation to them.

The purpose of these professional activities is to optimize the performance, profit and growth of the patrimony of a person, enterprise or organization, promote good governance or accountability, or increase information reliability.

Within the framework of the profession, the professional activity reserved to the Chartered Professional Accountant is public accountancy. This activity consists in

(1) expressing an opinion to provide a level of assurance about a financial statement or any part of a financial statement, or about any other information related to the financial statement; this corresponds to an assurance engagement, which comprises the performance of both an audit engagement and a review engagement, as well as the issue of special reports;

(2) issuing any form of certification, declaration or opinion in respect of information related to a financial statement or to any part of a financial statement, or in respect of the application of specified auditing procedures with respect to financial information, other than financial statements, neither being intended exclusively for internal management purposes; and

(3) performing a compilation engagement that is not intended exclusively for internal management purposes.

3. I am a member practicing the profession as an analyst, coordinator, controller, vice-president, president or CEO of an enterprise or an institution which does not offer to the public any professional services included in the practice of the CPA profession and I do not otherwise offer any professional services included in the practice of the CPA profession to the public¹. Which category do I choose?

You belong to category #5.

4. I am a member employed in the public sector and I do not otherwise offer any professional services included in the practice of the CPA profession to the public¹. Which category do I choose?

You belong to category #3 if you work for the Auditor General of Quebec or of Canada or in the provincial or federal government. You belong in category #4 if you are an auditor of a city or if you work in the municipal government.

5. I am a member working in education and I do not otherwise offer any professional services included in the practice of the CPA profession to the public¹. Which category do I choose?

You belong to category #3 if you teach in a CEGEP or category #5 in other educational institutions.

6. Who are retired members for the purposes of professional liability insurance?

Retired members are members who are at least 60 years of age as of March 31 of the year in progress, earn less than \$10,000 per year in income from employment, the practice of the profession or the operation of an enterprise and have been continuously registered on the Roll of the Order during the five years preceding the year in which they request retired member status for the purposes of the annual membership dues of the Order.

A retired member for the purpose of annual membership dues and who earn less than \$10,000 in revenues may choose category #8.

7. Who are life members for the purposes of professional liability insurance?

A life member recognized by the Order must have retired member status for the purposes of their annual membership dues and not be active professionally. In this instance, a retired life member may choose category #9.

8. I am a life member recognized by the Order and I earn some revenue from employment, from the practice of the profession or from the operation of an enterprise within the meaning of the *Civil Code of Quebec*. Can I choose category #9?

No, you cannot. You must choose a category based on the type of your revenues and the value of the services you render.

¹ Offering such professional services as a volunteer or to family members, excluding your spouse, or to friends, and even in a sporadic manner constitutes nevertheless an offer of professional services to the public.

9. I had retired member status before the unification. Do I keep this status for the purposes of professional liability insurance?

CPA members who were considered retired or partially retired as of May 16, 2012 and met the conditions that were applicable to them at that time are considered retired members as concerns their annual membership dues. However, for the purposes of professional liability insurance, members have to select the category that corresponds to their professional situation, which may not be the same as their status for the purposes of membership dues.

10. I am a member who offers professional services of preparation of personal tax returns, bookkeeping services, consulting services or I act as a trustee in bankruptcy. Are these professional activities included in the definition of the practice of the profession of Chartered Professional Accountants?

Yes. If you offer these services and the approximate annual value is less than \$10,000, excluding compensation received as a director or a member of the audit committee of a corporation you belong in category #6.

If you offer these services and the approximate annual value is \$10,000 or more, excluding compensation received as a director or a member of the audit committee of a corporation you belong in category # 11.

11. How is the total value of services rendered calculated?

Even though you may render these services on a volunteer basis, you must consider the “value” of the services rendered when completing your self-assessment form. Services rendered to relatives, with the exception of a spouse, must be included in the total value. The total value of services rendered excludes compensation received as a director or a member of the audit committee of a corporation because services rendered in these capacities are excluded from the group insurance plan.

12. I am an employee of a CPA who renders services that fall under the definition of the practice of the CPA profession and I do not otherwise offer any professional services included in the practice of the CPA profession to the public¹, which category should I choose?

If you are an employee of a practitioner or a firm that provides to the public professional services included in the practice of the profession of CPA as defined by Section 4 of the *Chartered Professional Accountants Act*, and **you have NOT been delegated with any signing authority²** for reports or other documents referred to in *Section 4 of the Chartered Professional Accountants Act*, you belong in category #10.

If you are an employee of a practitioner or a firm that provides to the public professional services included in the practice of the profession of CPA **and you have been delegated with signing authority²** for reports or other documents, you belong to category #11.

¹ Offering such professional services as a volunteer or to family members, excluding your spouse, or to friends, and even in a sporadic manner constitutes nevertheless an offer of professional services to the public.

² Signing authority: The delegation of signature or signing authority means the authority to transmit, without any prior authorization from a partner or a shareholder of a firm, any documentation of declaration, advice, or opinion in the firm's name.

13. I am a member who practices profession on a contractual or per diem basis for (a) CPA firm(s) or for any other organization that renders services that fall under the definition of the practice of the CPA profession, which category should I choose?

If you participate in the rendering of services that fall under the definition of the practice of the CPA profession and the total value of services rendered is \$10,000 or more, you meet the requirements of category #11 because you are involved in rendering these services.

If you participate in the rendering of services that meet the definition of the practice of the profession and the total value of services rendered is less than \$10,000 you belong in category #6.

14. I am a partner, an employee or a contractual / per diem of a CPA firm or an organization that has been granted by the Order an exemption from the group insurance plan. Do I have to complete the self-assessment form and pay a premium?

All Chartered Professional Accountants must complete the self-assessment form.

If you do not render any other services than the ones provided to your firm or to your employer, you belong in category #1 and do not have to pay any premium.

If you also occasionally render services other than to your firm or to your employer, you also belong in category #2 and you will have to pay the premium. If the total value of these services is less than \$10,000 you belong in category #6 and must pay a \$50 premium plus QST. If the total value of these services is \$10,000 or more, you belong in category #11 and must pay a \$1,500 premium plus QST.

Even though you may render these services on a volunteer basis, you must consider the “value” of the services rendered when completing your self-assessment form. Services rendered to relatives, with the exception of a spouse, must be included in the total value. The total value excludes compensation received as a director or a member of the audit committee of a corporation.

15. What if I leave a CPA firm or an organization that has requested and has been granted by the Ordre an exemption from the group insurance plan mid-term?

If you leave a CPA firm or an organization that has been granted by the Ordre an exemption from the group insurance plan, you have to contact the group plan administrator immediately. Since you have the obligation under the legislation and regulation to subscribe to the Group Professional Liability Insurance Plan, you will be required to complete the self assessment form and pay the premium from the moment you leave the exempted CPA firm or the organization.

16. How can I pay my premium?

The acceptable modes of payment include by cheque made payable to AICA Services Inc. and mailed c/o Aon Reed Stenhouse Inc. / Aon Parizeau Inc., 700 De La Gauchetière Street West, Suite 1800, Montreal, QC H3B 0A5. A cheque attached to a completed self assessment form can be dropped off at the above Aon offices.

We also accept payment by VISA or Mastercard. This can be done online after completing and submitting your self-assessment form at www.acpai.ca.

Alternatively, credit card payment can be made by telephone by contacting one of the Group Plan team representatives directly at 1-800-267-4734. Please do not send any credit card details by email or by fax.

17. Do I have to contact the Group Plan administrator if my status and/or contact information changes mid-term?

Yes, you have to contact the Group Plan administrator immediately to provide the changes ***in writing*** related to: your chosen category, your employer, your address or contact information. Please include the exact date changes take effect.

If there is a change in the category in which you belong or if there is more than one change in your file, please complete a new self assessment form on-line at www.acpai.ca

Any one change in your contact information can be transmitted by email to regimecollectif@acpai.ca

Please remember to also report any changes in your contact information and/or professional status to the Order.

18. When do I have to pay?

No later than April 1, 2013. However, the group plan administrator must receive your form and payment no later than March 15, 2013. After that date, the Group Plan administrator will provide the Ordre with a list of CPAs who do not meet the requirements under Section 46 of the *Professional Code*.

19. I am practicing the CPA profession and I am a resident outside of Quebec, which category should I choose?

Please review the letter addressed to members who are resident outside Quebec.

- a. If the **approximate value of your professional services rendered in Quebec³** and included in the practice of the profession of CPA as defined by Section 4 of the *Chartered Professional Accountants Act*, excluding any compensation received as a director or a member of the audit committee of a corporation **does not exceed \$10,000, you belong in category #6.**

³ Factors to consider in determining whether you are rendering **professional services in Quebec** include whether such services are rendered to Quebec-based clients or to clients with known significant Quebec-based stakeholders.

- b. If the **approximate value of your professional services rendered in Quebec³** and included in the practice of the profession of CPA as defined by Section 4 of the *Chartered Professional Accountants Act*, excluding any compensation received as a director or a member of the audit committee of a corporation **is \$10,000 or more, you belong in category #11 or #12.**
- c. If you practice the profession under the employment of a CPA firm or entity that has been granted by the Ordre an exemption from the Group Plan: you may choose category # 1 and do not have to pay any premium if you are able to confirm that your employer's professional liability insurance policy will cover **any professional services rendered in Quebec³** and included in the practice of the profession of CPA as defined by Section 4 of the *Chartered Professional Accountants Act*. If your employer's policy does not cover any services rendered in Quebec, please review paragraphs 19a. or 19b. above.

20. Can I get coverage if I am a Director or Officer of a not for profit organization?

Yes, the Group Insurance Policy can provide some limited coverage if so requested in Section D of the self assessment form. You must choose category #11 or #12 and pay the \$1,500 premium in order to benefit from this **optional** extension of coverage.