

**PROFESSIONAL LIABILITY INSURANCE
APPLICATION FORM B
EXCESS LIMITS and ADDITIONAL COVERAGES
For Members of l'Ordre des comptables professionnels agréés du Québec**

This is a claims made policy. The policy applies only to claims first made against the insured during the policy period and reported to the company in writing during the policy period or the extended reporting period. If a policy is issued, this application will become part of the policy; therefore, it is important that all questions be answered accurately.

INSTRUCTIONS

Please read carefully all statements and questions on this application.
Complete only one Form B per firm.
Answer all questions; if the question does not pertain to your situation, state "n/a".
Round to the nearest integer all numeric answers.
If space is insufficient to answer questions fully, use Section U or submit separate sheets as Addenda.

A. Applicant (List all operating firms including Professional Corporations and Incorporated Companies requiring coverage and submit a copy of your letterhead)

<u>Name of Firm</u>	<u>Nature of Business</u>	<u>Date Established</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Address _____
_____ Postal Code _____

Telephone # () _____ Fax # () _____

Email address _____

Preferred Method of Communication: Email Fax Mail

Branch Office Locations _____

Does the Branch Office operate under a different name? ____ If yes, please list the operating name(s) under Section A.

Does/did the Applicant Firm participate in any Canadian association / nominal partnership of public accounting practitioners for which professional liability insurance is required? Yes No If yes, please specify:

<u>Name of Association</u>	<u>Nature of Business</u>	<u>Date Established / Ceased Practice</u>
_____	_____	_____
_____	_____	_____

<u>Name of Other Participants</u>	<u>Qualification</u>	<u>CPA Member Number</u>	<u>Date Qualified</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

B. Please list all Proprietors, Shareholders, Partners, Officers

<u>Name</u>	<u>Qualification</u>	<u>CPA Member Number</u>	<u>Date Qualified</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Please list all contractual or per diem staff members with CPA designation

<u>Name</u>	<u>Hours per Year</u>	<u>CPA Member Number</u>	<u>Date Qualified</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

<u>Staff</u>	<u>Full-time</u>	<u>Part-time</u>
Total number of Proprietors, Shareholders, Partners and Officers	_____	_____
Number of other CPA employees	_____	_____
Number of other non-CPA staff	_____	_____
Number of CPA students	_____	_____
Number of contractual or per diem CPAs	_____	_____
Number of other non-CPA contractual or per diem staff	_____	_____
Totals	_____	_____

(Other staff includes accountants, typists, clerks, etc. **engaged in client work** but excludes telephone operators, janitors, caterers, chauffeurs, internal accounting and administration personnel.)

C. Former Firms (List all former names, firms, practices purchased etc. where you are responsible for the professional liability and require coverage)

<u>Name</u>	<u>Date Established</u>	<u>Date Ceased Practice</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

D. Annual Gross Revenues

Last Fiscal Year

1. Total all firms in Section A \$ _____
 2. Largest client/group \$ _____
 3. Second largest client/group \$ _____
 4. Approximate number of clients _____
 5. Percentage of 2 to 1 above _____%
- If over 60% state client name and services rendered

E. Nature of Work

Percentage of gross billings

1. Audit engagements for publicly held companies. Please list company names. _____%
2. Audit engagements for credit unions. Please list names of credit unions. _____%
3. Audit engagements for all others _____%
4. Review engagements _____%
5. Non-review preparation of financial statements _____%
6. Tax return preparation _____%

7. Tax and estate planning _____ %
8. Management consulting. Describe general nature _____ %

9. Receivership and Trustee in bankruptcy services _____ %
10. Valuation and business brokerage _____ %
11. Within the past five years, has the Applicant Firm or any partner, shareholder, principal or employee received, disbursed, managed, controlled or invested client funds in any capacity? Yes No If yes, please describe below: _____ %
- | <u>Client</u> | <u>Capacity</u> | <u>Amount of funds</u> |
|---------------|-----------------|------------------------|
| _____ | _____ | _____ |
12. Is the Applicant Firm bonded for handling client funds? Yes No _____ %
 If yes, please specify the amount of the bond, the expiration date and carrier. _____
13. Does the Applicant Firm have sole cheque signing authority on behalf of clients? _____ %
 Yes (not covered) No
14. Does the Applicant Firm hold the title of Controller for any clients? _____ %
 Yes No
15. Acted as Trustee (other than Trustee in Bankruptcy)? Yes No _____ %
 If yes, please specify nature of trust and amount of assets held /disbursed. _____
16. Executor; Power of Attorney services _____ %
17. Personal financial planning _____ %
18. PrimePlus formerly Eldercare services (please complete the PrimePlus Supplement if an amount is recorded) _____ %
19. Webtrust services _____ %
20. Systrust services _____ %
21. Investigative and forensic accounting services _____ %
22. Investment consulting _____ %
23. Other services; specify: _____ %

- Total _____ 100 %

F. On all engagements where the firm audits, reviews, compiles financial statements, provides management consulting, personal financial planning or projections-forecasts, does the Applicant Firm require an engagement letter annually? Yes No
 If no, please explain the firm's policy for up-dating engagement letters. Please list the services you render without the utilization of an engagement letter.

G. **Other Countries** **YES/NO** **% of gross billings**

Does the Applicant Firm render services outside of Canada? _____ %

Does the Applicant Firm render services within Canada for or on behalf of corporations or individuals in the U.S.A. or in other countries outside of Canada? _____ %

If yes to either question, please indicate the percentage of gross billings and provide the nature of services rendered.

H. **Computer Services**

Please advise if you have a separate company set up for custom computer programming. Yes No
 If yes, give details. (If separate firm, the name, billings, etc. must be included in the relevant sections of this application if coverage for this activity is required).

PLEASE NOTE THERE IS NO COVERAGE FOR THE SALE, INSTALLATION OR MAINTENANCE OF HARDWARE EQUIPMENT, THE PROGRAMMING OF PACKAGED ACCOUNTING SOFTWARE, NOR THE PROGRAMMING OF CUSTOM ACCOUNTING SYSTEMS, OR THE DEVELOPMENT AND/OR MAINTENANCE OF CLIENT WEBSITES.

I. Other Services and Relationships

In the following questions, "you" refers to the Applicant Firm, its partners, proprietors and/or officers.

1. Do you accept remuneration (e.g. finders' fees, commissions, reciprocity or revenue) from sources other than the client in respect to goods or services sold to your clients? i.e. for sale or promotion of investments, tax shelters, computers, or computer software?
2. Do you organize, arrange, or procure investments, real estate or tax shelters?
3. Do you prepare projections for use in selling tax shelters?
4. Do you make recommendations as to the sale or purchase of specific stocks, bonds or other securities?
5. Do you undertake property management?
6. Do you enter into "joint ventures" with other accounting firms?
7. Do you have affiliations/associations with :
 - a). International Accounting firms?
 - b). other CPA firms?
8. Do you have a financial interest in any client?
9. Do any clients have a financial interest in you?
10. Do you provide professional services to any outside firm or company
 - i). in which you or your spouse have an ownership interest?
 - ii) by which you or your spouse are employed?
11. Have you or are you planning to enter into a joint venture with a client whereby you will have at least 20% interest or effective control?

YES	NO

If yes to any of the above, please indicate question # and provide details.

12.
 - i. Do you perform peer review of other CPA firms?
 - ii. Do(es) other CPA firm(s) perform peer review of your firm's practice?

YES	NO

If yes to either 12.i. or 12.ii., please provide the names of the other CPA firm(s).

J. Are you a participating firm in the Canadian Public Accountability Board's (CPAB) oversight program? Yes No

K. Are you engaged in any business other than a CPA practice (offering to the public professional services included in the practice of the CPA profession) on either a part-time or full-time basis? Yes No If yes, explain and include hours per week and income.

<u>Name</u>	<u>Occupation/Business</u>	<u>Activity</u>	<u>Hrs/Week</u>	<u>Gross Income</u>

L. In addition to your CPA practice (offering to the public professional services included in the practice of the CPA profession), do you have an employer either on a full-time or part-time basis? Yes No If yes, please provide the name of your employer _____

M. Civil Penalty Coverage

Coverage is available for Civil Penalties for misrepresentation of a tax matter by a third party. Additional premium per CPA will apply. Do you require this coverage? Yes No

N. GAAR Penalty Coverage

Coverage is available for aggressive tax planning penalties as outlined in the October 15, 2009 Information Bulletin # 2009-5 issued by *Finances Québec*. For more information, please consult www.finances.gouv.qc.ca. The coverage limit per firm is \$100,000. with a \$100,000. annual aggregate limit subject to a nil deductible at a cost of \$250. per CPA in the firm. Do you require this coverage? Yes No

O. Directors and Officers Liability Extension

An extension of coverage is available to include liability where a partner or CPA employee acts as a Director or Officer of a non-profit association or corporation without share capital, constituted for some types of charitable, sporting, professional social and like objectives. If required, please indicate:

<u>Name of CPA Partner / Employee</u>	<u>Organization</u>	<u>Organization's Objective</u>
_____	_____	_____

P. Claims and Disciplinary Action

It is imperative to answer the following questions correctly. Failure to do so could prejudice your rights under the policy in the event of a claim. Matters listed by each Quebec CPA member on their application for the primary insurance under the Quebec Group Professional Liability Insurance Plan need not be repeated as each of those application forms will be deemed to form part hereof.

The following questions should only be answered AFTER ENQUIRY of the firm's partners and management personnel. Any affirmative response to the following questions should be fully explained under Section U.

Claims must be listed, even those previously reported.

1. Has any professional liability insurance been declined, cancelled or renewal refused for the Applicant Firm, any of its principals, shareholders, partners, officers, or predecessor firms?
2. Is the applicant or any principal, partner or officer aware of any claim made or pending against the applicant, any of the principals, shareholders, partners, officers, employees or any predecessor firm?
3. Is the Applicant Firm, or any of the principals, shareholders, partners, officers, employees, or any predecessor firms, aware of any claim payout that has been made within the past five years?
4. Does the applicant or any of the present principals, shareholders, partners or officers have any knowledge of any prior incident, act, error or omission, which could be a basis for claim under the insurance applied for?
5. Within the past five years, has the Applicant Firm or any of the present or former partners, officers, principals, shareholders or employees:
 - a) Had his or her accounting license or authority to practice accounting revoked or suspended?
 - b) Been subject to disciplinary action by any Ordre / Provincial Institute?
 - c) Been subjected to any fine, reprimand, criminal penalty or civil liability related to the performance of professional services?

YES	NO	Previously Reported	
		YES	NO

The policy does not cover any claim or situation stated in P(2) and/or P(3) or any claim or act, mistake, omission or circumstance which could give rise to a claim, of which the insured has knowledge prior to the inception of the policy.

Q. Previous Insurer

For the excess insurance level, were you previously insured through ACPAI Insurance? Yes No

If no, please advise: Previous Insurer: _____

Expiry date of last insurance policy: _____ Limit per claim: _____

R. In case of a new policy, effective date required: _____

S. Underlying Insurance

Is there any underlying insurance, other than the Fonds d'assurance de la responsabilité professionnelle des CPA du Québec, which provides professional liability insurance coverage for any of the Applicant Firm's proprietors, shareholders, officers, and partners? Yes No

If yes, please provide details of the underlying insurance: _____

T. Excess Limits

Indicate below the excess limits per claim and in the aggregate as well as the deductible for which quotation(s) are requested.

Please note that the limit you select is excess the amount available to you under the primary policy offered by the Fonds d'assurance de la responsabilité professionnelle des CPA du Québec (« the Fonds ») for CLAIMS covered by the policy issued by the Fonds to one or more CPAs in your firm. Depending on how the primary policy will respond to a CLAIM, that underlying limit may be \$1,000,000 or \$2,000,000.

In addition, the limit you select will be available as a primary limit for CLAIMS covered by this Policy but which are not covered by the Fonds.

The amount selected as a limit also represents the annual aggregate limit that will be available for all CLAIMS.

Same amount as prescribed by the expiring policy: and/or the following:

<p>Excess Limit</p> <p>\$ 500,000. <input type="checkbox"/></p> <p>\$ 1,000,000. <input type="checkbox"/></p> <p>\$ 1,500,000. <input type="checkbox"/></p> <p>\$ 2,000,000. <input type="checkbox"/></p> <p>\$ 3,000,000. <input type="checkbox"/></p> <p>\$ 4,000,000. <input type="checkbox"/></p> <p>Other (specify): <input type="checkbox"/> _____</p>	<p>Excess Limit</p> <p>\$ 5,000,000. <input type="checkbox"/></p> <p>\$ 6,000,000. <input type="checkbox"/></p> <p>\$ 7,000,000. <input type="checkbox"/></p> <p>\$ 8,000,000. <input type="checkbox"/></p> <p>\$ 9,000,000. <input type="checkbox"/></p>	<p>Deductible</p> <p>0 <input type="checkbox"/></p> <p>\$ 1,000. <input type="checkbox"/></p> <p>\$ 2,500. <input type="checkbox"/></p> <p>\$ 5,000. <input type="checkbox"/></p> <p>\$ 10,000. <input type="checkbox"/></p> <p>\$ 15,000. <input type="checkbox"/></p> <p>Other (specify): _____ <input type="checkbox"/></p>
---	--	---

U. Addendum

Please give Section # and additional details where space was insufficient. Alternatively, attach an addendum on your letterhead.

V. Declaration, Consent and Signature

I/We hereby declare that the above statements and particulars are true and that I/we have not suppressed or mis-stated any material facts and I/we agree that this Application shall be the basis of the contracts with the Underwriters.

By signing the application form, you represent and warrant that you are the authorized representative of all proprietors, shareholders, officers, partners and employees of all firms described in your application and that you have obtained and provide the consent of such individuals to the collection, use and disclosure of all personal information. ACPAI's complete Privacy Policy is available at www.acpai.ca.

Consent to Disclose Policy Information on your Firm's Behalf to the *Ordre des cpa du Québec (the "Order")*.

- I, the undersigned, hereby authorize ACPAI Insurance to send a copy of my firm's professional liability insurance policy and/or disclose policy coverage information on behalf of my firm to the Order.
- I **do not** authorize ACPAI Insurance to send a copy of my firm's professional liability insurance policy or to disclose any information on my policy coverage to the Order. Therefore, I hereby undertake sending the required proof of insurance to the Order.

Name of Signatory _____ Title _____

Date _____ Place _____ Signature _____

Completion of this Application does not bind the Company to provide, nor does it obligate the Applicant to purchase, this insurance. Payment of the premium after quotation is necessary to bind the coverage at the limit quoted for that premium.

Please return completed application

<p>By mail: ACPAI Insurance 4929, Jarry East, Suite 219 Montreal, QC HIR 1Y1</p>	<p>By email: services@acpai.ca</p>
--	--

For further enquiries, telephone 1-800-267-4734 or 438 799.8890 or visit www.acpai.ca.

CPA Professional Liability Insurance Application

Applicant Name: _____

PRIMEPLUS SERVICES SUPPLEMENT as referenced in Question E #18.

1. List the professionals who perform PrimePlus services for clients.

Name	Profession & Licenses	Employee/or Independent Contractor	Type of Services Rendered

2. What experience do the professionals listed above have in rendering PrimePlus services? Attach a detailed description, resume or curriculum vitae.
3. Please provide a **detailed** description of your PrimePlus consulting and attest services:

4. Please complete the following table:

	Last Fiscal Year	Estimate For Current Year
Revenues from PrimePlus services	\$	\$
Total number of PrimePlus clients		
Total number of PrimePlus clients receiving attest services		

5. Have any personnel of the firm or firm affiliates served as a conservator or guardian for a client or legally assumed responsibility for the physical well being of any client?..... Yes No

Are additional sheets attached? Yes No