

Quebec Group Professional Liability Insurance

Frequently Asked Questions

1. What is the definition of the practice of the profession of Chartered Accountants?

The practice of the profession of Chartered Accountants includes the practice of public accounting and the other functions when offered to the public as described in Section 1 of the *Code of Ethic of the Chartered Accountants*. The definition includes, but is not limited to, audit, review and compilation engagements, personal and corporate taxation, bookkeeping, financial planning, forensic investigation, management consulting and acting as a trustee in bankruptcy.

2. Are the preparation of personal tax returns, bookkeeping consulting services or acting as a trustee in bankruptcy included in the definition of the practice of the profession of Chartered Accountants?

Yes, if you offer these services and the approximate value is less than \$5,000, 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 \$5,000 or more, excluding compensation received as a director or a member of the audit committee of a corporation you belong in category # 11.

3. 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 excludes compensation received as a director or a member of the audit committee of a corporation.

4. I am an employee of a CA, CGA or any other organization that renders services that fall under the definition of the practice of the CA profession, which category should I choose?

If you participate in the rendering of services that fall under the definition of the practice of the CA profession and the total value of services rendered is \$5,000 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 \$5,000 you belong in category #6.

5. I am a contractual or per diem employee of a CA, CGA or any other organization that renders services that fall under the definition of the practice of the CA profession, which category should I choose?

If you participate in the rendering of services that fall under the definition of the practice of the CA profession and the total value of services rendered is \$5,000 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 \$5,000 you belong in category #6.

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

Yes, all chartered accountants must complete the self-assessment form.

If you do not render any other services than the ones provided to your firm or 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 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 \$5,000 you belong in category #6 and must pay a \$50 premium plus QST. If the total value of these services is \$5,000 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.

7. What if I leave a CA 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 CA firm or an organization that has requested and has been granted by the Ordre an exemption from the group insurance plan, you have to contact AICA 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 CA firm or the organization.

8. How can I pay my premium?

AICA accepts payments by cheque made payable to AICA Services Inc. c/o Hub International Québec Limitée.

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

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

9. Do I have to contact AICA if my status and/or contact information changes mid-term?

Yes, you have to contact AICA immediately to provide the changes related to: your chosen category, your employer, your address or contact information.

10. When do I have to pay?

No later than April 1, 2010. After that date, AICA will provide the Ordre with a list of chartered accountants who do not meet the requirements under the *Regulation respecting Professional Liability Insurance for Members of the Ordre des comptables agréés du Québec*, the consequences of not meeting the requirements include being stricken off the membership roll.

11. I am practicing the CA 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 Quebec**, i.e., services rendered to Quebec-based clients or to clients with Quebec-based stakeholders and included in the practice of the profession of CA as defined by Section 1 of the *Code of Ethics*, excluding any compensation received as a director or a member of the audit committee of a corporation **does not exceed \$5,000, you belong in category #6.**
- b. If the **approximate value of your professional services rendered in Quebec**, i.e., services rendered to Quebec-based clients or to clients with Quebec-based stakeholders and included in the practice of the profession of CA as defined by Section 1 of the *Code of Ethics*, excluding any compensation received as a director or a member of the audit committee of a corporation **is \$5,000 or more, you belong in category #11 or #12.**
- c. If you practice the profession under the employment of a CA firm or entity that has requested and 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 Quebec, i.e., services rendered to Quebec-based clients or to clients with Quebec-based stakeholders and included in the practice of the profession of CA as defined by Section 1 of the *Code of Ethics*. If your employer's policy does not cover any services rendered in Quebec, please review situations 11a. or 11b. above.

12. I am a life member 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 #10?

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

13. 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.