



AICA Services Inc.
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Dear Insured Member:

Re: Changes to the Chartered Accountants' Professional Liability Insurance Program

For over twenty years, AICA Services Inc. has been proud to serve the professional liability insurance needs of Chartered Accountants nationwide. Through the combination of self-administration and self-insurance, our members have been granted immediate and continuing administrative cost savings and efficiencies, as well as greater flexibility to adapt and respond to the vagaries of the insurance market.

AICA is owned by the CA profession. Our operations continue to be overseen by our peers in the PICAs to ensure that we maintain a high level of service for our membership – it is truly *your* professional liability program. Given this mandate, we wish to keep you informed about adjustments we are making to the program this year that ensure consistency in both our competitive rates and coverage.

The most fundamental change undertaken is to our associated carriers. Effective April 1st, 2012, the program is being underwritten by the following subscribers: Aspen Insurance UK Ltd Canadian Branch: 60% participation, GCAN Insurance Company: 20% participation, Berkley Insurance Company: 20% participation.

We are also pleased to announce that our insurance broker of record – Aon Reed Stenhouse Inc. – recently negotiated with the program's insurers to provide the following additional coverage for AICA members:

- Not for Profit directors and officers liability coverage of \$1,000,000 at no additional cost for qualifying boards. Deductible reduction if an engagement letter is used or a claim is successfully settled using an alternative method to going to court.
- Coverage for traditional and non-traditional CA services including coverage for public company related services.
- Defense costs in addition to the policy limit.
- Innocent partner coverage.

Upon request; your policy can be tailored to include:

- True worldwide coverage so your policy responds to a lawsuit presented in a country outside North America where the services are being rendered.
- Insured's own expense reimbursement for attendance, at the Insurer's request, to a hearing, trial, or arbitration proceeding for a covered claim. This coverage is subject to a limit of liability of \$1,000 per day per partner and \$200 per day for all other employees subject to the annual aggregate limit of \$25,000 per policy period including any extended reporting period, if applicable.
- Summons expense coverage subject to an annual aggregate limit of \$25,000 per policy period or any extended reporting period, if applicable.

In order to avoid a rate increase as a result of this transition, insurers are removing the six year extended reporting period from the existing program. However, sole practitioners may still be eligible for the no cost discovery policy. This coverage normally costs thousands of dollars, which surprises most members when they retire and discover that despite having no revenues, additional premiums are required. No other insurer is offering this coverage at this time. Members are encouraged to contact a program representative to see if they meet the eligibility requirements.

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Thank You for Your Continued Support

AICA Services Inc. is owned and operated by the CA profession and was established twenty-two years ago to provide small and medium sized CA firms across Canada access to a stable plan of insurance at a reasonable cost. AICA values your business but we need your support and the support of as many CA firms' as possible to ensure that AICA will be able to continue to achieve this goal on your behalf.

Yours very truly,
AICA Services Inc.

Justine Bond
Chief Executive Officer