

Professional Liability Insurance

Activities pertaining to professional liability coverage

(A) Regulation respecting professional liability insurance for members of the Ordre des comptables agréés du Québec

The Regulation respecting professional liability insurance for members of the Ordre des comptables agréés du Québec came into force on April 1, 2008. This Regulation led to the creation of a new compulsory professional liability group insurance plan for all Ordre members.

Under the Regulation, during a 12-month period of coverage, the amount of coverage is:

- 1) at least \$1,000,000 per claim against a chartered accountant; and

- 2) \$2,000,000 per claim when a chartered accountant employs at least one other CA or when two or more CAs practice within the same partnership or company and the claim is made against more than one CA.

In 2008-2009, 23 members were subject to a decision rendered by the Executive Committee ordering that they be struck off the Roll of the Ordre for failing to enroll in the professional liability group insurance plan. Their striking off the Roll remains effective until the Ordre receives proof that they have met the requirements of the Regulation.

Coverage method	Number of members	Amount of coverage	
		Per claim	For all claims
Members exempted under section 3 of the Regulation (single coverage)	2,318	1,000,000 \$	No ceiling
Professional liability group insurance plan	15,066	1,000,000 \$	No ceiling

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B) Regulation respecting the practice of the chartered accountancy profession within a partnership or a joint-stock company

Members who carry out their professional activities within a limited liability partnership (LLP) or a joint-stock company (JSC) must maintain professional liability coverage on behalf of such partnership or company in accordance with the *Regulation respecting the practice of the chartered accountancy profession within a partnership or a joint-stock company*.

Where a chartered accountant is a sole practitioner, and practices as the unique shareholder of a joint-stock company in which no other member is an employee, coverage of at least \$500,000 per claim and for the aggregate of claims made against the company in a 12-month period of coverage is required.

Moreover, coverage of at least \$1,000,000 per claim and for the aggregate of claims made against the partnership or company in a 12-month period of coverage is required for all other partnerships or companies.

Category	Amount of coverage	Number of partnerships/ companies		Number of members	
		JSC	LLP	JSC	LLP
Sole shareholder (no CA employees)	\$500,000	371	N/A	371	N/A
Other partnerships/ Companies	\$1,000,000	197	122	742	3,761
TOTAL		568	122	1,113	3,761