

CPA/CPAP

Professional Liability Insurance Quick Program Orientation 2023

- Your Association is a member of CPAP, and has signed a participation agreement allowing your members to purchase Professional Liability Insurance in the national program
- What do you need to know about this program?

- Your members get access to a world class PLI program, which includes
 - Only National program in Canada, which currently covers over 11,500 psychologists
 - Discounted pricing
 - Pro bono 30 minute legal hot line
 - Coverage for complaints to your regulatory College (which is the most common claim)
 - Access to a number of auxiliary products, such as cyber liability, Employment practices and Office insurance, personal legal
 - Ongoing risk resources to assist in managing their practice
 - Access to bursaries for students (\$7500 per year for the program)

- Each psychologist must be a member of your association and/or CPA
- Members of both associations (aka dual members) receive a heightened discount
- Student coverage available
- The program year runs June 1 to May 31

Your Association receives other benefits

- For your efforts to recruit and retain members, you are reimbursed with an Admin fee, equal to approximately 3.5% of policy revenue – these amounts are paid in two installments, typically in November and August
- Additional 2.5% Admin fee on Auxiliary policy sales
- A proportionate share of \$15k in sponsorship \$ for your annual event/conference
- Assistance with a vetting process, to identify psychologists who falsely claim membership in your Association
- Regular reporting on risk related issues and claims made
- In years in which there is very low claims, access to a Low Claims Bonus, which can be used in a limited list of expenditures

Your Association is required to

- Exclusively endorse and promote the program, through your website, member communications and other methods
- Pass through joint communication messages
- Adhere to restrictions on how to spend funds

Your Association is encouraged to

- Participate in the governance of the program, as discussed in following slides

Variety of funds that an Association may receive, with different restrictions

1. Administration fee - no limitations as it is a compensation for Association funds spent to attract and maintain membership
2. Sponsorship Fee (e.g. for a conference) – no limitations, as it is compensation to CPA and CPAP in exchange for the exposure gained by BMS
3. Low Claims Bonus – if claims are below the annual claims threshold, the excess is returned to the Associations. Restrictions are described in BMS Agreement. Note that it takes several years to finalize claims made in a given year.

Governance

- CPA and CPAP are the Sponsors of the Program
- They have agreed to manage the program via Steering Committee (Professional Liability Insurance Steering Committee aka PLISC)
- PLISC meets 2-3 times annually, typically supported by Insurance Broker BMS
- PLISC includes 3 reps from CPA and 3 reps from CPAP
- CPA also acts as “Manager” whose duties are described later

Governance

- Approval required from Sponsors for following
 - Modification to PLISC Terms of Reference
 - Significant changes to the policy renewal
 - Approval of PLISC annual budget
 - Use of Low Claims bonus

Duties of Program Manager (who is CPA) include

- Review of claims and generation of recommendations to PLISC
- Monitor insurance markets
- Risk management strategies for policy holders
- Regular reporting to PLISC and/or Sponsors
- Develop communication plan with Sponsors
- Collect any amounts owed from insurer/broker and report thereon, and distribute as appropriate
- Work with BMS on individual questions of practice as required
- Co ordinate risk management activities to be provided to sponsors
- Day to day liaison with BMS and other key partners such as Gowlings, QBE
- Assistance with vetting
- Fees

BMS Canada is our insurance broker and a key partner to us

- BMS duties include
 - continue sponsorships and advertising
 - Electronic marketing and communication to policy holders
 - Toll free calling available
 - Bilingual Service
 - Electronic transaction system for membership
 - Education sessions and materials
 - Provide renewal information in advance (March 1 each year) to PLISC
 - Detailed claims reporting
 - Payment of Admin Fee of 5% of gross premium for PLI and 2.5% for auxiliary policies
 - Support for vetting process
 - Regular reporting on issues such as Claims, Brokerage Fee calculation, Admin Fee payments and other
 - BMS funds \$15k per year to CPAP and CPA, pro rata for events
 - BMS funds \$7500 scholarship program

Emerging and continuing issues

- High incidence and cost of claims – continue to work to understand causes
- Should riskier activities attract higher premiums?
- Update Participation Agreements with provinces, to ensure that they reflect current practices

Summary

- Program provides valuable service to psychologists and students
- Only accessible by members
- Funding provided back to the Associations to reimburse for costs incurred
- National program provides best pricing for members due to economies of scale as well as opportunities to improve risk management