



Fonds d'assurance responsabilité professionnelle
DE L'ASSOCIATION DES COURTIERS ET AGENTS IMMOBILIERS DU QUÉBEC

Subscription and Billing Policy

Subscription to the Fonds d'assurance responsabilité professionnelle de l'ACAIQ is mandatory. The broker has an obligation to protect himself from the monetary consequences of professional civil liability for his own faults and those of each holder of a chartered or affiliated real estate agent certificate, for each real estate broker in his employ or authorized to act on his behalf, for the representative referred to in section 7 of the *Real Estate Brokerage Act*, and for each person who manages an establishment in accordance with section 13 or who acts as an assistant manager.

The real estate broker pays the total premium for the entire coverage period. **Premiums paid to the Fonds d'assurance (FARCIQ) will not be reimbursed in case of suspension of an agent (voluntary or imposed) or termination by the broker.** Reimbursement only applies in cases of relinquishment, cancellation or expiry of a certificate. This reimbursement to the broker who has paid the premium is made according to the terms set out in the **Short-Term Cancellation Table** of the insurance contract.

If your policy is to invoice each agent for their insurance premium individually, we recommend that you set up fast payment terms.

Salaried Real Estate Agents

Real estate brokers employing salaried real estate agents cannot bill each agent individually for the insurance premium since it is deemed to be part of the broker's operating expenses and payroll costs.

New Real Estate Agents (graduates)

The broker identified in the Application for Issuance will receive an invoice for the new real estate agent. However, **if the new agent does not intend to begin practising real estate brokerage right away, he must apply for simultaneous issuance and relinquishment of his certificate, in order for the broker not to be invoiced for him.**

The premium billed will represent **the premium payable by the broker** for the new agent, prorated to the number of insurable days between the effective date of the new agent's certificate and the universal expiration date of the insurance policy. The document accompanying the adjustment invoice will show the name and certificate number of the agent concerned.

We recommend that the broker who signs the real estate agents' Application for Issuance or Reinstatement discuss the payment of the insurance premium with the agent without delay, since the signing of the Application for Issuance allowing a student to write his exam, commits the broker to the payment of the applicant's professional liability insurance premium.

Billing Process

The professional liability insurance policy issued by the Fonds d'assurance covers the 12-month period between July 1st and June 30th of the following year. Brokers will receive the renewal invoice 45 days before the expiration of their current professional liability insurance policy. This invoice will be accompanied by the list of real estate agents, representatives, managers and assistant managers justifying the total premium payable as of the date of the issuance of this invoice.

The individual annual premium has been set in a by-law at \$550, plus the applicable 9% insurance tax.

If the subscription to the Fonds d'assurance occurs after July 1st, the amount of the premium will be pro-rated in the number of days between the effective date of the policy and the universal expiration date, namely June 30th.

Payment Terms and Methods

The total amount of the invoice is payable by the broker for the effective date of the policy. Payment may be made by cheque or by electronic funds transfer. Only the full amount paid by the broker will be accepted. Individual cheques from agents will be refused. However, brokers whose bill totals more than \$3,000 may pay in four equal instalments as follows: ¼ upon receipt of the invoice, ¼ within 30 days of receipt, ¼ within 60 days of receipt and the last ¼ within 90 days of receipt of the invoice. Administration fees will apply. **If the broker fails to abide by any of the above conditions, he will lose the privilege of these terms and will be required to pay the full amount immediately.**

Default of Payment

The broker who does not pay the amount due will receive a reminder letter with a statement of account. Should he fail to remedy the situation, a formal registered letter will be sent and the failure to pay will be notified to the ACAIQ and shall result in the suspension as of right of his certificate.

Adjustment Invoice

If changes in the number of agents in a real estate broker's office occur between the date of the invoice and the date the payment is due, the broker must still pay the total amount of the invoice. Adjustment invoices will be sent to the broker in these instances. If the adjustment shows that an additional amount must be paid, the broker must pay it within 15 days following the issuing of this notice.

▪ Adjustment Invoice During the Course of the Year

For any changes occurring in the course of the year, whether it is an application for issuance, reinstatement, relinquishment or expiry, adjustments will be made on a monthly basis and sent to the broker concerned. The amount billed for each of these changes will be pro-rated to the number of insurable days between the effective date and the universal expiration date of the policy.

Adjustments must be paid by the broker **in a single payment** by cheque or electronic funds transfer.

However, if an agent changes broker during the course of the year, the new broker will receive an invoice at \$0 for this agent, since the insurance premium for this agent would have already been charged to the previous broker.

For more information

**Fonds d'assurance responsabilité professionnelle de l'Association
des courtiers et agents immobiliers du Québec**

Tel. : (450) 656-5959 / 1-866-956-5959

assurance@farciq.com