

Holding the course on premiums for 2013, with an uneasy eye on claims

Quick summary:

- Base premium for 2013: \$3,350 (unchanged from 2012)
- Minimum premium period (for the purpose of mid-year status changes) reduced to 30 days from 60 days
- Claims management: Pure claims-made approach reaffirmed
- 2013 policy addresses lawyer/paralegal partnerships

LAWPRO holds course on \$3,350 premium, but keeps close watch as claims reach \$100 million territory

For 2013, the third consecutive year, LAWPRO will hold the base premium for the mandatory insurance program at \$3,350.

In recent years, LAWPRO has worked to support lawyers practising in a challenging economic climate by maintaining reasonable stability in its premium. A premium adjustment in 2011 placed the program on a solid financial footing, and cost-effective management has permitted the company to hold the premium steady for 2013.

However, as explained in greater detail on page 2, claims costs have increased dramatically in recent years compared to earlier in this century. Projected claims costs for 2012 are expected to be in the neighbourhood of \$100 million once internal claims handling costs are taken into account.

The message? Claims in the \$100 million range put pressure on premiums, regardless of our efforts to control our administrative expenses.

Minimum premium period now 30 days

Insured lawyers who begin or leave the practice of law part way through the year are eligible to pay a pro-rated premium, subject to

a minimum premium adjustment. Starting in 2013, this adjustment will be reduced to a minimum premium based on 30 days' coverage, down from 60 days. This change is being made to support lawyers who undertake brief periods of practice, for example, those who provide temporary or *locum* legal services.

LAWPRO claims administered on a "pure claims-made" basis

For 2013, the program policy has been refined to ensure greater clarity in underwriting intention regarding the "pure claims-made" rather than "claims-made and reported" form of policy for the purpose of notice of claim. As always, lawyers should promptly provide LAWPRO with notice of any claim or circumstances that may reasonably be expected to give rise to a claim, as provided for in the policy and the Law Society's *Rules of Professional Conduct*.

CPD premium credit renamed LAWPRO Risk Management Credit

The premium credit program known up until now as the "LAWPRO CPD Premium Credit" has been renamed the "LAWPRO Risk Management Credit" effective September 16, 2012. Please see page 8 for further details.

Policy adapts to lawyer/paralegal partnership structure

With lawyers and paralegals now entering into partnership together, the program policy has been updated to better reflect this. Paralegal partners in such firms may purchase their insurance from LAWPRO or other insurers meeting the paralegal insurance requirements under the Law Society by-laws, while lawyers continue to buy their insurance from LAWPRO under the Law Society program, in accordance with Endorsement No. 12.