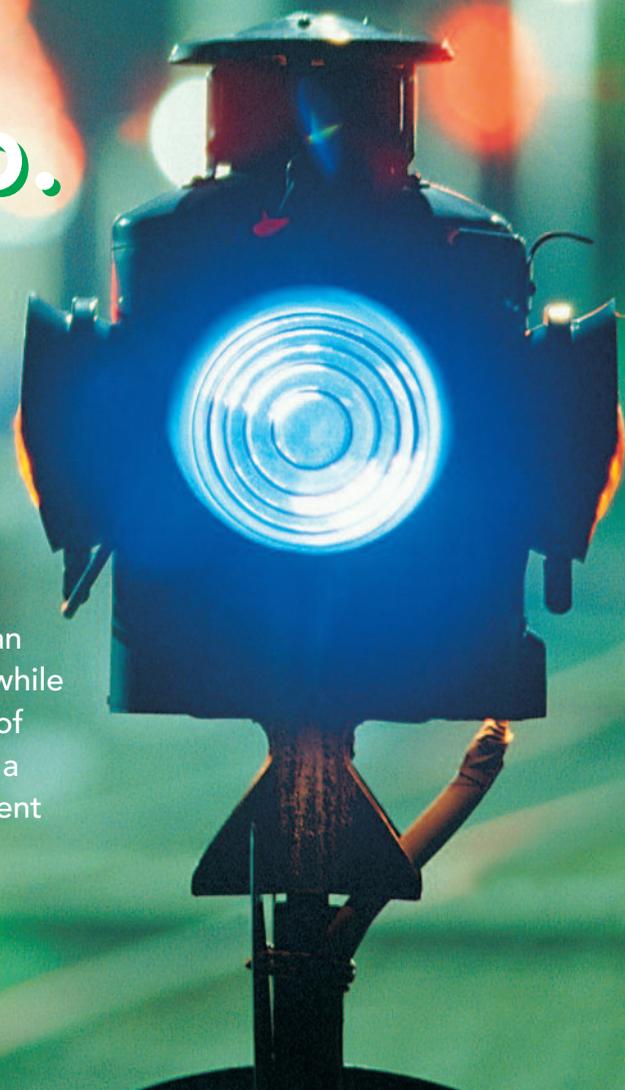


Stop. Look. Listen.



The phrase, "Stop. Look. Listen." was a slogan used to help people remember to stay alert while crossing railroad tracks before the invention of mechanical gates and flashing lights. It's also a great way to remind oneself to be both prudent and responsive.



Listening is a key skill for any professional and one we take seriously at LAWPRO. Listening for changes in the profession, to our insureds' expectations, and the risks facing Ontario lawyers was responsible for a big part of the success we enjoyed in 2014. And indeed it was a successful year – comprehensive income of \$18.7 million puts us on solid ground in an environment where the regulators keep moving the goalposts on how they define solvency for insurance companies.

At first glance, it may seem that providing good quality, cost-effective professional liability insurance to the Ontario bar is a straightforward task. That is until an ever changing mix of claims, a complex regulatory system and a potentially volatile investment market are added to the picture. These complexities are part of the reason, 20 years ago, the Law Society of Upper Canada's Insurance Committee and Insurance Task Force recommended moving the primary insurance program for its members to an independently-operated insurance company.

A changing risk profile

Over those 20 years, the risks lawyers face have changed. In the last three years administrative dismissal claims have been on the increase but with the recent changes to Rule 48 of the *Rules of Civil Procedure*, we hope to see these claims diminish. We are keeping an ear out, however, for any confusion in the profession about the transition period or how the new rules will be implemented. It is up to each lawyer to stop, look, and listen to make sure their files are in order and they stay on top of cases. To help, we are providing resources to assist you in adapting to the new procedures, including a Rule 48.14 Transition Toolkit which will be available soon.

Another modern danger is cybercrime. Cybercrime is now a mainstream issue, addressed regularly in the daily press. Its growth is not a surprise to us and we continue to provide presentations and practical advice on how to help protect clients' information and lawyers' trust accounts across the province.

Optional programs that compete with the best

Our optional insurance programs provide affordable and comprehensive choices for lawyers and law firms, whether it is excess insurance in Ontario or TitlePLUS title insurance across the country.

One of the ways the TitlePLUS program distinguishes itself is by including coverage for the legal work lawyers provide in a real estate deal at no extra premium. As you know, TitlePLUS insurance policies are written to work in conjunction with a real estate lawyer's professional advice. This benefit, combined with our 25 per cent price reduction for resale residential policies implemented at the beginning of 2014 in many provinces, resulted in 11.6 per cent increase in policies issued in 2014 over the previous year.

LAWPRO's other optional program serves small firms in Ontario that need insurance limits higher than those provided by the primary program. The excess program provides insurance of up to \$9 million per claim/\$9 million in the aggregate to 1,436 Ontario law firms with a total of 3,790 lawyers, with program premiums expected to total almost \$6.1 million this year. Without this option, many firms with fewer than 15 lawyers might not be able to meet their excess insurance needs in the commercial market.

It's tough out there

Our 2015 primary insurance program recognizes that the working environment is becoming more complex and moving at an ever increasing pace. As a result, pressure and stress are an everyday part of being a lawyer and an increasing driver of risky behaviour. We are helping our insureds manage ongoing stress by making Homewood Human Solutions e-learning courses qualify for the Risk Management Credit. Paralegal partners insured by LAWPRO are also eligible for savings through the Risk Management Credit.

There have been many changes over the last 20 years but one thing has remained the same – our intention to offer optimal insurance coverage at a reasonable premium to our lawyer insureds (and their paralegal and multi-disciplinary partners) in Ontario and to our TitlePLUS customers throughout Canada.

K. Waters

Kathleen A. Waters
President & CEO