

Lower premiums, program enhancements for 2007 LAWPRO insurance program

LAWPRO's 2007 insurance program includes a small reduction in the base premium, and program enhancements in a number of areas.

Base premium decreases \$100

The base premium for professional liability insurance coverage for Ontario lawyers in 2007 will be \$2,600 per lawyer, \$100 less than in 2006. Many lawyers will pay significantly less than this base premium, with some paying as little as \$1,165, depending on practice and coverage options selected. Premiums for other insurance coverages, transaction levies and discounts will remain the same as they were in 2006.

Strong investment returns enabled LAWPRO to reduce premiums, despite higher claims costs. Increases in the base rate may be needed in future years to offset recent claims trends which indicate claims are increasingly complex, and as a result more costly to resolve.

Revenue to meet the forecasted \$81.5 million in total costs for the insurance program in 2007 will come from three sources: \$50.6 million from base premiums (based on 20,900 insured lawyers); \$22.5 million from transaction and claims history surcharge levies; and \$8.4 million from the premium stabilization fund.

New exemption for lawyers acting as estate trustee

Pending Law Society by-law changes scheduled for later this fall, LAWPRO will expand its exemption provisions to allow lawyers who retire or change to a non-practising status to continue to act as estate trustee, trustee for *inter vivos* trust, or attorney for

property, as residual work from that lawyers' former law practice, while exempt from having to pay the LAWPRO insurance premium.

LAWPRO will introduce an optional insurance coverage for these services yet to be provided as estate trustee, trustee for *inter vivos* trust, or attorney for property. For more details, see pages 13 and 15.

Part-time practice threshold increased

More than 1,200 lawyers who practise on a part-time basis (and are eligible for a 40 per cent discount off the base premium) will benefit from an increase in the gross billings criterion attached to part-time practice status: They will be allowed to earn up to \$75,000 per year, a 25 per cent increase from the \$60,000 gross billings threshold of past years, and still maintain their part-time practice status. This adjustment reflects the impact of inflation on billings, and ensures that the part-time criteria continue to reflect a similar size of practice today as when the part-time practice option was first introduced.

Mobility exemption expanded

Once various law societies in Canada sign the Territorial Mobility Agreement to facilitate the participation of territorial law societies in the national mobility initiative, and the Law Society's by-laws are amended, LAWPRO will expand its mobility exemption criteria to allow Ontario lawyers exercising their permanent mobility rights under the Territorial Mobility Agreement to apply for exemption from paying the LAWPRO insurance premium. The mobility exemption previously applied only to the National Mobility Agreement entered into by most provincial law societies.