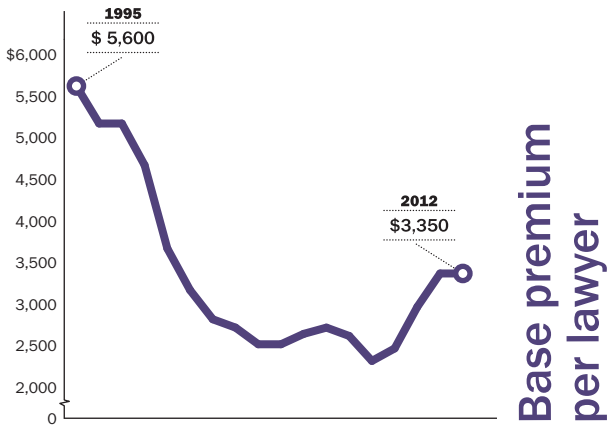


Hitting our stride: Fine-tuning Coverage



Premium for 2011 increased by \$400 to \$3,350 in response to record-level claims costs, continuing weak investment returns, a decline in the discount rate, impact of the HST, and the need to maintain minimum capital ratio (MCT) at a prudent level.

Premium changes for 2012 announced in September 2011

Base premium steady at **\$3,350/lawyer**

REPCO premium reduced to **\$250** from \$400

Discount for part-time or restricted practice (criminal/immigration) increased to **50%** from 40%

new lawyers **max 50% discount**

(50% first year of practice, 40% in second; 30% in third; 20% in fourth)

from 40%

More lawyers tailoring coverage to their needs

Coverage option	New call discount	Discounts for part-time practice	Restricted area of practice option	Innocent party buy-up	Run-off buy-up	Real estate practice coverage
Feature	10 to 40% base premium discount for those called in the last one to four years (20% to 50% for 2012)	40% base premium discount for eligible lawyers (50% for 2012)	40% base premium discount for immigration/criminal law practitioners (50% for 2012)	Increase in Innocent Party sublimits up to as much as \$1 million per claim/aggregate	Increase limits for past services from \$250,000 per claim/aggregate to as much as \$1 million per claim/\$2 million aggregate	Required for all lawyers practising real estate law in Ontario. Sublimit coverage of \$250,000 per claim/\$1 million aggregate
No. of lawyers participating as of Jan. 31, 2011	3,772	1,466	1,343	3,268 (based on \$249/lawyer)	867	7,171
No. of lawyers participating as of Jan. 31, 2012	3,975	1,463	1,383	3,309 (based on \$249/lawyer)	891	7,255

VALUE
INTEGRITY

Hitting our stride: Fine-tuning service

Correspondence volume:

Did you know that the LawPRO customer service department handled over 23,000 individual pieces of correspondence in 2011? Each of our customer service representatives is trained to address a wide range of service issues, from accounts management to coverage inquiries to the referral of claims to our claims department. While we received roughly the same volume of correspondence in 2011 as we did in 2010, we are seeing a higher percentage of that correspondence (53 per cent last year) arriving via email instead of traditional mail.

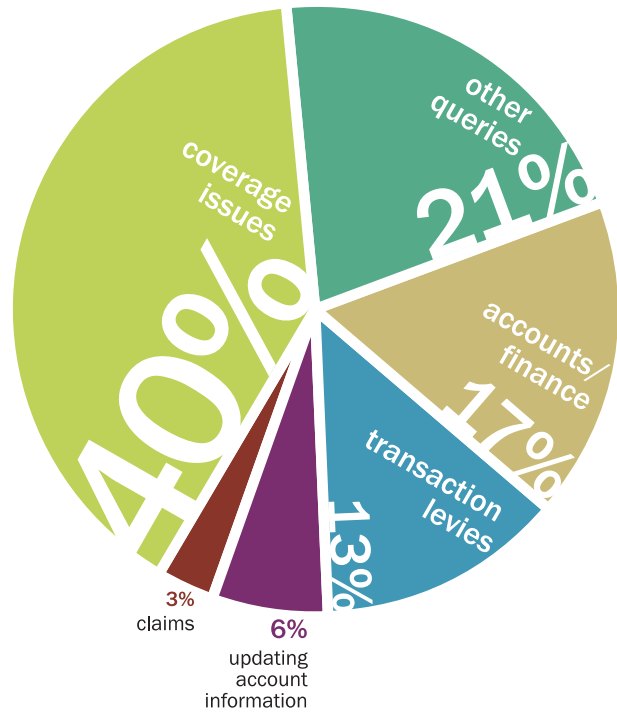
98 per cent filed online:

consistent with the trend toward email correspondence is the increase, every year, in the percentage of lawyers filing their policy applications online. We're grateful for your support of our efforts to minimize the environmental impact of our insurance program.

French forms available:

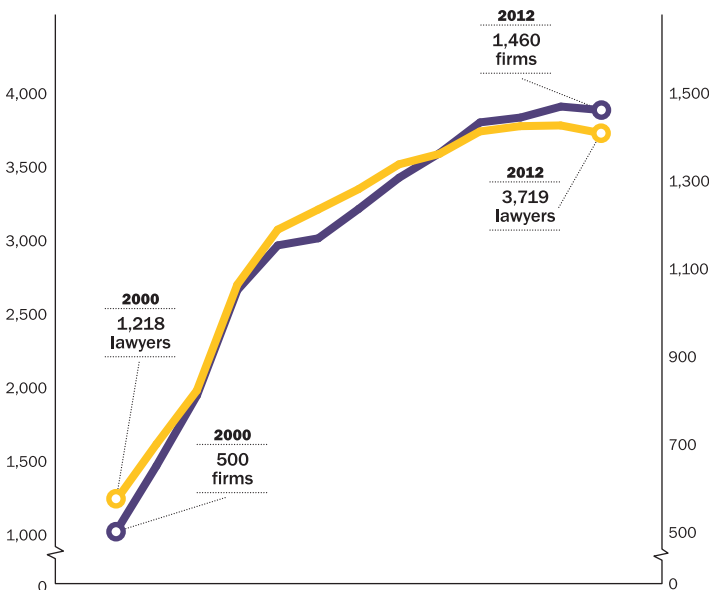
We completed our French translation project in time for the 2012 policy renewal season. All of the written materials that support our mandatory insurance program are now available in both official languages.

You called customer service about...



VALUE SERVICE

Excess insurance: Loyal client base, claims on horizon



LawPRO's Excess Insurance program provides additional coverage (above the coverage provided by the mandatory program) required by many firms. The LawPRO Excess program, while available to any firm, is marketed primarily to small and medium-sized firms of 50 or fewer lawyers.

97 per cent of LawPRO's Excess Insurance program subscribers renewed their policies for 2012.

As of December 31, 2011, the Excess Insurance program had not paid any claims; however, one claim was paid in early 2012, and the program has reserved funds in connection with a number of other claims.