

## LAWPRO holds insurance premium increase to 3% for 2006

The base liability insurance premium for Ontario lawyers will be \$2,700 per lawyer in 2006, up \$75 from \$2,625 in 2005.

Premiums for many lawyers in 2006 will be significantly below the base premium of \$2,700, with some lawyers paying as little as \$1,217, depending on the practice and coverage options selected. Premiums for other insurance coverage, transaction levies and discounts will remain the same as they were in 2005.

Stable claims costs have helped LAWPRO hold the premium increase for 2006 to less than three per cent. The \$75 increase will help offset a projected decrease in revenues from real estate transaction levies resulting from the increased use of title insurance and a projected decline in residential real estate sales.

Revenue to meet the forecasted \$78.5 million in total costs for the insurance program in 2006 will come from three sources: \$51.4 million from base premiums (based on 20,400 insured lawyers); \$21.0 million from transaction and claims history surcharge levies; and \$6.1 million from the premium stabilization fund.

Two notable changes will be made to the insurance program in 2006:

- **Exemption for Legal Aid Clinic volunteers:** LAWPRO has made a number of changes to the insurance program over the past few years to support lawyers wishing to provide *pro bono* legal services in Ontario. The program will be expanded further to allow lawyers who are otherwise retired to volunteer their time without incurring insurance premiums for work in clinics, societies or corporations funded by Legal Aid Ontario.

- **Mortgage brokering exclusion:** Mortgage brokering activities of lawyers have been excluded from LAWPRO insurance coverage since 1995. However, the Ontario government has tabled legislation that would govern mortgage brokering and lending activities; it requires those involved in mortgage brokering activities to be accredited and insured, but specifically exempts specific legal services provided by lawyers from the provisions of the legislation.

Once the new legislation is passed, LAWPRO will modify its insurance coverage in this area to insure lawyers for specific legal services that fall within the exemption provisions for lawyers in the proposed legislation. Other services regulated by the proposed *Mortgage Brokerages, Mortgage Lenders and Mortgage Administrators Act* (and for which lawyers are not exempt from regulation) would not be insured under the LAWPRO policy.

### Expanded online transactions

LAWPRO continues to expand its e-business capabilities to better serve lawyers insured under the program. Many of the more than 17,000 lawyers who are expected to file insurance applications online this fall will have instant access to their 2006 policy documentation and invoice. In 2006, LAWPRO will roll out a new Web site that will provide a variety of new self-service, online features, including access to a personalized, detailed summary of the status of a lawyer's insurance account, as well as the ability to change payment instructions.