

How do you prepare for the unknown?

As an insurance company, LAWPRO addresses that question every day.

We have claims professionals, financial analysts and actuaries to help us and our insureds understand and prepare for what might happen – from the malpractice errors we see year after year (e.g. lawyer/client communications) to new technology dangers that put information and trust accounts at risk.

In 2013, we continued to see a high level of claims arising from administrative dismissals and new risks due to fraud and cybercrime.



As you know, we offer not only coverage but also advice to help you avoid and be protected from those perils. In fact, building on the “Cybercrime and law firms” issue of *LAWPRO Magazine*, we are visiting many areas of the province this year to present a cybercrime awareness CPD program to help law offices cope with these threats.

Our practicePRO claims prevention program marked its 15th anniversary in 2013. It continues to be a leading source of risk mitigation information in Ontario and practicePRO materials are accessed by professionals throughout Canada and abroad. These kinds of services help keep our insureds well informed and also help prevent claims that could end up affecting your premiums.

One of LAWPRO's corporate values is service. That is very important to us at LAWPRO, but good service is always a balancing act. The number of insureds we serve is constantly increasing, which drives higher volumes of correspondence and phone calls. Open claim files are at the highest level in a decade, requiring significant attention to our staffing needs in the claims handling operation. But insureds also consider premium costs when they evaluate an insurance company, and LAWPRO has maintained a stable base premium for the Law Society of Upper Canada's primary professional liability program since 2011. That stability has been maintained, in part, due to a rigorous focus on general expenses, and it is noteworthy that in 2013 operating expenses declined by \$1.1 million compared to 2012.



LAWPRO spends money wisely, focusing on areas where our insureds get the most value in terms of saving them both money and (hopefully) day-to-day aggravation. We also take care to invest prudently. This year we reaped a significant financial benefit in unrealized gains due to strong market performance. As well, our claims expense decreased as a result of careful actuarial analysis. These topics and more are further explained in the articles, “Financial results explained” and “Premium stability is the product of nimble adjustments: Coverage” that follow.

Preparation, service and stability: But what if there are more than the usual perils ahead?

Our sound financial results allowed LAWPRO to handle the increasing number of insureds and maintain its base premium steady for the fourth year in a row at \$3,350. However, the growing number of open

files managed by the claims team, an increasingly strict regulatory environment, and the changing nature of the legal profession mean we need to be poised for an uncertain future.

These are some of the issues we are working towards addressing now. There are many people and organizations reviewing and discussing the implications of all the possible scenarios for alternative business structures, legal training and new ways to access justice. Our near future might be quite different from what it is today. Rest assured that LAWPRO is considering how insurance will play a part in this changing landscape. Just as importantly, we are considering how to offer the right coverage at the right price.

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