



## Remarks of the President & CEO

**My remarks for last year's annual report were written in late March, just a few weeks after the pandemic started. The "incredible events and changes" of those first few weeks (as I then described them) did little to foreshadow the countless ways the COVID-19 pandemic upended our personal and professional lives through the rest of 2020.**

Needless to say, the pandemic led to major transformations at LAWPRO. While many activities slowed or stopped in 2020, they did not do so in the world of malpractice claims. We saw some significant impacts on the claims portfolio, some of which we expect will carry into future years in ways we are still trying to understand. For the first time in a long time, LAWPRO saw the number of new claims decrease with 2,768 reported claims, down 11.3% from the 3,121 reported in 2019. Along with the courts being closed we attribute this decrease to less economic activity and work for law firms. But, despite seeing fewer reported claims, total claims costs only decreased by 2.7% (from \$76.7m to \$74.6m). Interestingly, 2021 Q1 claims reports appear higher than last year. Perhaps we are seeing some catch-up. Only time will tell.

At December 31, we had 46 claims that were directly attributed to COVID-19 related circumstances. While some of these claims saw clients seeking recompense for economic losses they suffered (something we typically see in economic downturns), the majority of pandemic related claims now being reported involve limitation periods and procrastination. Many of these claims are from confusion about the emergency suspension of limitations during the pandemic. We also saw more claims involving the inadequate investigation or discovery of the client's circumstances and more clerical errors. These claims are likely a symptom of virtual client meetings and remote work.

While only one or two of our pandemic related claims have an obvious mental health or wellness aspect to them, we know that many lawyers and firm staff are struggling with the stresses and isolation of remote work. LAWPRO continues to provide major financial support to the Members Assistance Program and I am very proud of the mental health and wellness focused issue of *LAWPRO Magazine* that we published in early 2020. In the coming months and beyond, we all need to continue to focus on supporting the mental health and wellness of lawyers, law firm staff and their family members.

I am proud to report that LAWPRO continued its commitment to the profession, our communities, employee wellness, and the environment in 2020 – despite impacts of the pandemic. On top of the multiple resources and updates related to the COVID-19 pandemic that we provided to lawyers, LAWPRO became an accredited CPD

provider in Ontario and we provided multiple free Continuing Professional Development programs on risks associated with COVID-19, cultural competency, real estate fraud, cybersecurity, and common claims, to name a few.

As we emerge from this pandemic, I expect that many of the changes forced upon us will stay in one form or another, including work from home and the broader use of technology. There is a lesson to be learned here: the legal profession can change and be resilient. Lawyers continued to serve their clients through a once in lifetime upheaval. Necessity was the catalyst for significant change, much of which had been resisted in the past. As we leave the pandemic behind, many of these changes are harbingers of the future of legal services. LAWPRO is working to fully understand how these changes are affecting our insureds and their claims exposures.

The bottom line, after a year of ups and downs and many unexpected challenges, the plans and preparations LAWPRO made for adverse financial scenarios worked as intended. Although the common shares held in our investment portfolio were down \$50 million at the end of March, we recovered slightly more than half of that by year end. As well, the majority of our investments are held in relatively stable fixed income products that increased in value over the year. LAWPRO remains financially healthy and continues to meet all regulatory requirements. I thank everyone on the LAWPRO team for stepping up and responding to everything we faced in 2020. I also acknowledge the extra engagement and support that LAWPRO's Board of Directors provided as we navigated the financial and operational changes the company faced.

As we patiently wait for everyone to get vaccinated, we will continue to provide the same level of service we always have. LAWPRO will support lawyers and protect the public through the remainder of the pandemic as we prepare to operate in a post pandemic world.

*Daniel E. Pinnington*

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