

# Getting set up for insurance with LAWPRO

*Nora Rock, Underwriting Counsel*

Whether you're a newly called lawyer or a seasoned pro starting up your own office after leaving a large firm, you may find yourself at a loss when it comes to your professional indemnity insurance. How do you set things up? What are your options? This short guide is designed to get you up and running in no time.

## New Call?

If you're a brand new call, you have a slight leg up, because you're already on our radar. After each call to the Bar ceremony, the Law Society sends out packages to each new lawyer with information about how to apply for insurance coverage. Around the same time, they send LAWPRO a list of the lawyers newly called.

There is typically a delay of several days and up to a couple of weeks from the date of your call to the date on which the Law Society assigns you a member number and gets your package to you. What to do during that delay:

- Sit tight! You can't apply for coverage until your Law Society number exists and you know what it is.
- If you will be staying on at the firm where you articulated to practice after your call, or if you've secured a position in a firm that starts immediately after your call, don't worry. Your coverage, once placed, will be backdated to the date you began practice.
- With one exception: if you need [Real Estate Practice Coverage](#) – which you will need in order to register transactions in the electronic land registry system – you'll have to hold off until that coverage is actually confirmed, which can take about ten business days from the date you apply. In the interim, you'll have to have another lawyer who does have this coverage handle any registrations for you.

## Leaving an in-house or government job where you were exempt from insurance

If you were working in-house either in the private or public sectors, you may have been exempt from the payment of insurance premiums. If you're moving to private practice, you will need to ensure you have LAWPRO professional indemnity insurance in place from the very first day you provide Professional Services as a lawyer. Luckily, when you apply online with us via [our secure MY LAWPRO member portal](#), your coverage takes immediate effect.

In other words, you can apply today, and start practising today – with one exception: if you need [Real Estate Practice Coverage](#) – which you will need in order to register transactions in the electronic land registry system – you'll have to hold off until that coverage is actually confirmed, which can take about ten business days from the date you apply.

Read on to learn how to actually apply.

## Leaving a firm where you never had to think about insurance

### Insurance? What's that?

Since many firms handle insurance arrangements for their lawyers, you may never have had to renew your insurance before.

You may also be under the impression that you were “under the firm’s insurance” while you practised there. While this may be true of an Excess insurance policy carried by the firm (which applies to losses over \$1M), at the primary coverage level, professional indemnity insurance in Ontario is an individual policy. Each lawyer in a firm has his or her own personal coverage in place, even if the firm, as a courtesy, handles insurance renewals and pays for the coverage.

When you leave a firm, this coverage is NOT automatically canceled, and the firm can’t unilaterally cancel it. Your coverage will instead “follow” you to your new firm – though once you change your contact details with us, we may suggest some changes (see the sections on deductibles and Innocent Party insurance below).

If your firm paid for your coverage, when they contact us to tell us you’ve left, we will typically refund them any overpaid premiums, and then send YOU an invoice for the premiums owing for the remainder of the year. This financial reconciliation won’t interrupt your coverage, but you will need to let us know how you would like to pay (lump sum? Instalments?) and provide us with details of your chosen payment method.

We will also need your new contact details – especially your new email address, if that has changed.

Once you have made any changes needed to reflect your new practice situation, you can forget about us... but only until it’s time to renew: at the beginning of October each year. Read on about how to do that.

### How do I apply?

The easiest way to apply for coverage is to log into [our secure MY LAWPRO member portal](#), using your Law Society number and a password (there’s a link to set one up on the login page).

Once you have completed the application form, you will receive a confirmation number that lets you know the application has been received and that you can begin practising in the new setting.

If you are joining a firm after a period of exemption, it’s important to check in with the managing partner or office manager there before completing your application form, as you will need to “match” your deductible choice and your [Innocent Party Coverage](#) sublimit level with the rest of the firm.

### How do I renew?

LAWPRO’s policy year runs from January 1 to December 31, but you will actually need to file your renewal request in October, to give us time to set up your policy and make any requested changes. Your policy does NOT renew automatically – you need to actively renew it, even if it just means clicking on a link in a renewal email from us and following instructions.

At the beginning of October you will get an email from us inviting you to renew, so please be certain that we have your correct email address on file.

Failure to renew your policy by the deadline will lead to a no-application surcharge.

## Deductibles

A deductible is the portion of the costs of resolving or repairing a Claim for which you may be responsible (before your LAWPRO coverage kicks in). You can read about deductibles on our FAQ page on the subject.

The standard deductible for LAWPRO primary coverage is \$5,000 applied to defence and indemnity costs together. Most lawyers opt for this level of deductible.

However, there are lower deductibles available: a nil (zero) deductible, or a deductible of \$2500. These lower deductibles mean you will pay more in premiums for your coverage, but will be responsible for bearing a lesser amount of costs associated with claims.

Higher deductibles -- \$10,000 and even \$25,000, are also available; these deductible levels will REDUCE the cost of your premiums but will mean you must make a larger contribution to the costs of resolving Claims, if your deductible is triggered.

Not every deductible level is available to every lawyer; the nil deductible requires that you have had no claims in the past 5 years. The \$25,000 deductible requires that the firm meet a minimum billings threshold; for instance, a sole practice must have had \$400,000 in gross billings in the last fiscal year.

Finally, it is possible to choose whether you want your deductible to apply only to repair and indemnity payments, or to “CLAIM expenses, indemnity payments and/or costs of repairs together”.

For a thorough overview of the available deductibles, please see the Renewal Program Guide, which is available in the [MY LAWPRO member portal](#).

## Innocent Party Coverage

[Innocent Party coverage](#) protects members of the public and lawyers against the dishonest, fraudulent, criminal, or malicious acts or omissions of present or former partners, associates, employed lawyers and firm employees. Coverage up to a sublimit of \$250,000 per claim/in the aggregate is now included in every lawyer’s primary policy coverage.

However, many lawyers opt to “buy up” the limits of this coverage to an optional higher sublimit.

If you are joining a firm in which the lawyers have bought-up their Innocent Party Coverage, you must do the same.

If you are leaving a firm and wish to retain your increased sublimit amount, you’ll need to apply to do so. When you advise us of your employment change, we will prompt you to submit that application.

## Transaction Levies

If you will be practising civil litigation or real estate law, in addition to your base premium, you will need to pay per-transaction premium supplements known as transaction levies.

[Civil Litigation Transaction Levies](#) are paid whenever you commence or respond to (for example, defend) a civil litigation transaction. To understand what constitutes a civil litigation transaction (for instance, many administrative tribunal matters are included, but family law litigation is excluded), please read the

text of [Endorsement No. 3](#) to the Policy, as well as [our FAQ webpage](#) on the subject. The FAQ page includes a link to [a chart](#) that sets out examples of how levies apply to various situations.

[Real Estate Transaction Levies](#) are triggered whenever you represent a party (vendor, lender, or purchaser) in a real estate transaction, and that party's interest in the real property is not covered by title insurance for which the party is the beneficiary. Real Estate Transaction Levies are created by [Endorsement No. 2](#) to the policy, which defines "real estate transaction" for LAWPRO's purposes. There is an [FAQ page](#) to assist you, and [a chart](#) listing various levy scenarios.

Levies are reported to LAWPRO for each quarter, with the report coming due at the end of the month following the last month of a quarter. To file your levy reports, simply log into [our secure MY LAWPRO member portal](#), using your Law Society number and a password (there's a link to set one up on the login page).

If you don't practice civil litigation or real estate, to avoid having to file reports of "0" levies each quarter, you can file a once-a-year exemption form. There are separate exemption forms for each of civil litigation and real estate, and you can complete them within the [MY LAWPRO member portal](#). Exemption forms are due by April 30 of each year.

## Let us help you keep it all straight

Alot to remember?

While managing your insurance will get easier once you get the hang of it, you can help yourself out by diarizing important annual tasks:

31<sup>st</sup> January – fourth quarter levies (from the previous year) are due

30 April – first quarter levies due

30 April – levy exemption forms due

31<sup>st</sup> July – second quarter levies due

1 October – complete your insurance renewal

31<sup>st</sup> October – third quarter levies due

You can bookmark [LAWPRO's Key Dates](#) page for easy reference.

Finally, you can make sure you never miss a reminder or update from us by ensuring that we always have your up-to-date contact information (especially your email address!), and that you "whitelist" our own [service@lawpro.ca](mailto:service@lawpro.ca) email address in your email settings so that our messages don't get lost in the trash.

Finally, if you're ever stumped, please don't hesitate to call our Customer Service Department at (416) 598-5899 or 1-800-410-1013.