

## Your 2024 program: New portal, new convenience, same reliable insurance

### Quick summary of changes:

- No change to base premium for 2024: \$3,250
- Automatic renewal for insureds with no changes
- Increased maximum gross billings per year to qualify for Part-Time Practice Option to \$100,000 from \$90,000
- New sublimit and risk-prevention requirements for claims arising out of social engineering

### Auto-renewal for 2024

In July of this year, after more than two years of preparation, LAWPRO began a large and consequential transition to a new claims and policy administration system.

While we expect this transition to result in many new efficiencies and conveniences for you and our staff—including a brand new My LAWPRO online portal—there is one change you will notice immediately: automatic insurance renewal.

That's right, unlike LAWPRO's practice in past years, **your professional liability policy will be automatically renewed for 2024 without the need for a renewal application.**

### What does this mean for you?

If you don't have any changes to your personal information (employment, contact information, etc.) and no changes to your insurance options (deductible, part-time status, etc.) then you're already done. No renewal application necessary.

Insureds can expect to receive confirmation of their renewed insurance policy later this year. At that time please review the details of your policy carefully and notify LAWPRO immediately if any information is no longer correct or if you want to make changes to your policy options for 2024. ■

# What's new for 2024

## Increased maximum gross billings per year for Part-Time Practice Option

As inflation continues to impact all Canadians, LAWPRO has increased the maximum gross billings per year to qualify for the Part-Time Practice Option to \$100,000 from \$90,000 (for each of the previous and current years). Part-time lawyers must still restrict their law practice to 20 hours per week on average for each week actually worked and 750 hours per year, of professional time in private practice (including time for undocketed work).

## Preventing loss from social engineering and fraud

Chances are good that you have received a fraudulent email or SMS message from someone claiming to be the CRA, your bank, UPS, or an unnamed government entity, alerting you to some problem with your account/package/tax return, and asking you to click a link to update your information to prevent some terrible outcome. Chances are also good that you saw this as the lie it was. These fraud attempts are sometimes known as phishing but are more generally referred to as social engineering.

Unfortunately, avoiding the text-message-scam form of social engineering is merely Risk Avoidance 101 when it comes to preventing loss to your practice. Frauds targeting lawyers are more compelling, more persuasive, and personalized with detailed knowledge of the lawyer's files and transactions. Lawyers and their staff are often provided with seemingly authentic communications from trusted sources—a client, a co-worker, or the managing partner themselves—containing instructions to transfer money or assets to a particular account or individual. Only once the money is gone does the firm realize the instructions were fraudulent, and the fraudster has absconded.

When the target is an operating account, the lawyer feels the loss. When the target is a trust account, the client or clients feel the loss—and it's a potential claim to LAWPRO.

We have seen a significant increase in social engineering techniques over the past few years. To address this growing problem and to help lawyers minimize the risk to themselves and their clients, we are encouraging all lawyers to take a series of simple yet crucial steps to avoid becoming the victim of fraud and suffering either insured or uninsured losses.

Claims related to or arising out of social engineering will now only be covered to a sublimit of \$250,000. However, lawyers can extend this "social engineering coverage" to the standard \$1 million limit per claim by taking the steps listed on the following page.

**LAWPRO**  
magazine

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*The comments in this publication are intended as a general description of the insurance and services available to qualified customers through LAWPRO. Your policy is the contract that specifically and fully describes your coverage and nothing stated here revises or amends the policy.*



# What should I do to avoid social engineering claims and prevent the associated sublimit?

1. Include written instructions in a retainer or other agreement for the receipt, release, and transfer of any funds or assets.
2. Advise in the written retainer or other agreement that the client or another party to which you owe a duty of care should not ordinarily expect to receive any revised instructions from you or your firm for the transfer of funds or assets.
3. Advise in the written retainer or agreement that, should the client or another party to which you owe a duty of care receive revised instructions for the transfer of funds or assets, they should immediately contact you by way of a telephone number specified in the written retainer or other agreement.
4. If you or your staff receive any changes to the contact information of a client or other party to which you owe a duty of care, or any changes to established instructions for the transfer of funds or assets, you confirm those changes by either calling the client or other party to which you owe a duty of care using contact information previously confirmed to be that of the client or other party, or by meeting with the client or other party.
5. Maintain in writing any updated contact information for a client or other party to which you owe a duty of care, and any updated instructions for the transfer of funds or assets.

For a full description of your obligations under the policy, please see Exclusion (k) of Part III, which applies to losses arising out of or connected to Social Engineering. Nothing in this summary should be taken as limiting or altering that exclusion.

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## Example Social Engineering Retainer Language

While LAWPRO does not require any specific language to satisfy the requirements set out above, so long as they are generally met, the following example language can be used as a starting point for your own retainer:

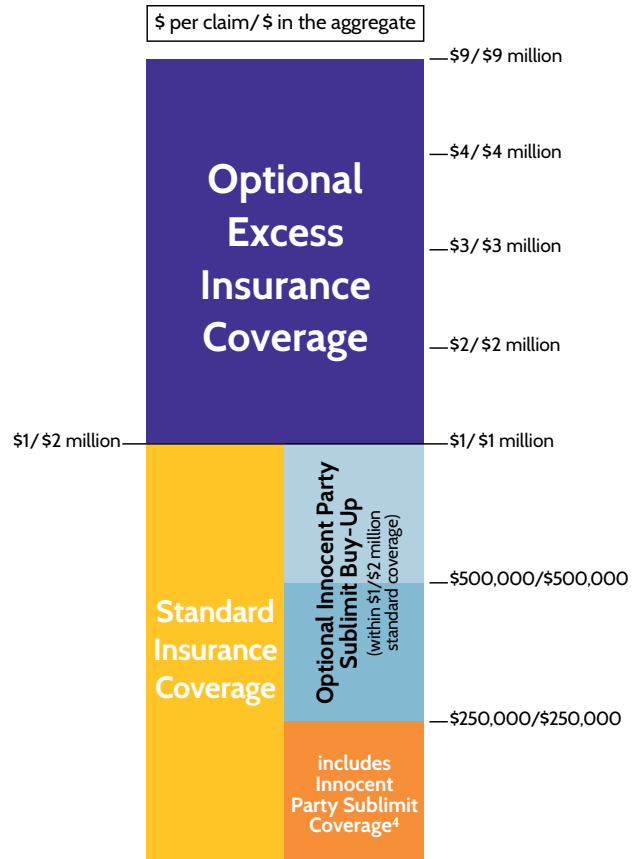
### **Fraud Prevention**

*To prevent fraud and ensure the safe and accurate receipt, release, and transfer of any funds or assets, the following steps will always be taken to safeguard such assets:*

1. We will only accept funds [or assets] from you [or additional party] by way of:
  - a. [Optional] Electronic funds transfer to our trust account numbered [insert number]
  - b. [Optional] Wire transfer to our trust account numbered [insert number]
  - c. [Optional] Certified cheque delivered to us at [insert delivery instructions]
  - d. [Optional additional method of funds or asset transfer]
2. We will only transfer funds [or assets] to you [or additional party] by way of:
  - a. [Optional] Electronic funds transfer to your account numbered [insert number]
  - b. [Optional] Wire transfer to your account numbered [insert number]
  - c. [Optional] Certified cheque delivered to you at [insert delivery instructions]
  - d. [Optional additional method of funds or asset transfer]
3. We will only release funds or assets to a third party upon receiving verbal confirmation of the transfer from you and any other party necessary to confirm the veracity of the transfer details.
4. You [or another party] should not expect to receive any revised instructions for the transfer of funds or assets from us. If you [or another party] receive any written communication advising of such a change that appears to come from us, immediately contact us at [insert telephone number] to verbally confirm these changes.
5. If we receive any changes to your [or another party's] contact information, or any changes to the instructions for the transfer of funds or assets as set out above, we will not act on these changes until we have verbally confirmed the new instructions in-person or by calling you [or another party] at the following phone number: [insert phone number]

# Lawyers in private practice

sole practitioners and  
lawyers in association  
or partnership<sup>1</sup>



## Standard insurance coverage

### The base program

#### Eligibility:

Required of all lawyers<sup>1</sup> providing services in private practice.<sup>2</sup>

#### Premium reductions for new lawyers

LAWPRO provides premium discounts for new lawyers with less than 4 years of practice:

- 50% discount - less than one year of practice
- 40% - 2 years of practice
- 30% - 3 years of practice
- 20% - 4 years of practice

A "full year" of experience is deemed to be at least 200 days in practice, and years of experience as a licensed lawyer in practice in any jurisdiction will be considered when considering discount eligibility.

#### Coverage limit:

\$1 million per claim/\$2 million in the aggregate (i.e., for all claims made in 2024), applicable to claim expenses and/or indemnity payments (some exceptions apply).<sup>3</sup>

#### Standard deductible:

\$5,000 per claim, applicable to claim expenses and/or indemnity payments (some exceptions apply).<sup>3</sup>

#### Base premium:

\$3,250 per insured lawyer (plus PST).

#### Innocent party sublimit<sup>4</sup>

\$250,000 per claim/in the aggregate, applicable to claim expenses and/or indemnity payments (some exceptions apply).<sup>3</sup>

<sup>1</sup> Includes paralegals practising as partners or shareholders in combined licensee firms.

<sup>2</sup> Lawyers who are on temporary leave and qualify for exemption (c) are provided with the full limit coverage of \$1 million per claim/\$2 million in the aggregate provided under the base program.

<sup>3</sup> Claim expenses include costs of Repairs and costs of Loss Prevention.

<sup>4</sup> Coverage for dishonest (as defined), fraudulent, criminal or malicious acts or omissions.

## Mandatory Real Estate Practice Coverage (for real estate practitioners)

### Eligibility:

Required of all lawyers practising real estate law in Ontario in 2024.

Lawyers not eligible for the Real Estate Practice Coverage Option are:

- those who are in bankruptcy;
- those who have been convicted or disciplined in connection with real estate fraud; and/or
- those under investigation, where the Law Society obtains: an interlocutory suspension order or a restriction on the lawyer's practice prohibiting the lawyer from practising real estate; or an undertaking not to practise real estate.

### Coverage sublimit:

\$250,000 per claim/\$1 million in the aggregate, applicable to claim expenses and/or indemnity payments (some exceptions apply).<sup>3</sup>

### Premium:

\$100 per lawyer (plus PST).

## Optional insurance coverages

### Innocent Party Sublimit Buy-Up<sup>5</sup>

#### Eligibility:

Optional for all lawyers and eligible paralegal licensees practising in association or partnership (including MDPs, LLPs, and lawyer/paralegal partnerships), law corporations (with more than one lawyer and/or paralegal shareholder) and sole practitioners practising with employed lawyers.

#### Sublimit buy-ups & premiums:

Innocent Party Sublimit can be increased as follows:

- to \$500,000 per claim/aggregate for an additional \$75 per insured; or
- to \$1 million per claim/aggregate for an additional \$125 per insured.

### Excess insurance coverage

#### Eligibility:

Available to law firms (including multi-discipline partnerships and combined licensee firms) and to lawyers with topped-up Run-Off coverage.

#### Coverage limits:

Up to \$9 million per claim/\$9 million in the aggregate.

See page 7 for details of the Excess program. ■

<sup>5</sup> LAWPRO strongly recommends that lawyers increase their optional coverage protection to the maximum sublimit offered, to provide comprehensive coverage and reduce the likelihood of gaps in coverage.

### Did you know?

- All applicants who have the Restricted Area of Practice discount are automatically exempt from all 2024 and future transaction levy filings and will not have to file an annual exemption form.

### Remember to file transaction levy forms on time

- No transactions or matters? Quarterly reports still required: If you are practising in real estate or civil litigation, you need to file a transaction summary form even when there are no transactions or matters that quarter.
- Wondering if a transaction levy applies? Check out our information at [lawpro.ca/faqs](http://lawpro.ca/faqs)

### Welcome to our new directors!

LAWPRO is pleased to welcome the following members to its Board of Directors.

**Heather L. Hansen, C.S.,**  
Partner at McCarthy Hansen & Company LLP

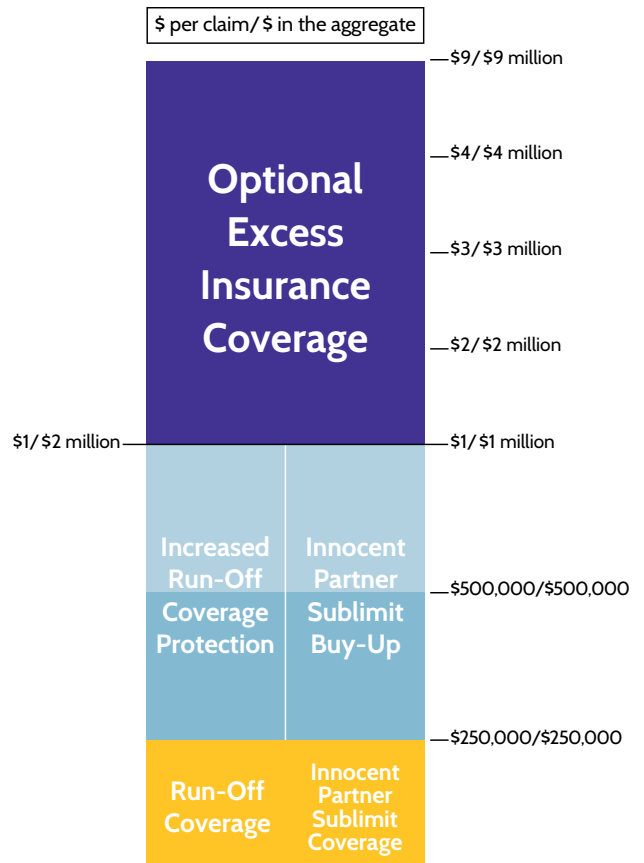
**Rebecca Durcan,**  
Co-Managing Partner at Steinecke Maciura  
LeBlanc

**Mark Surchin,**  
Partner and Co-Chair of the Opinions  
Committee at Goodmans

For complete bios, please see [lawpro.ca/about/governance-management](http://lawpro.ca/about/governance-management)

# Exempt lawyers

- in-house corporate counsel
- government lawyers, educators and others not in active private practice
- retired lawyers, estate trustees, emeritus lawyers, judges and others no longer practising law
- legal aid clinic lawyers (not directly employed by Legal Aid Ontario)
- lawyers who engage in only occasional practice in Ontario and are resident in a Canadian jurisdiction other than Ontario



## The standard Run-Off coverage

### Eligibility:

Provided at no charge to all lawyer members of the Law Society who are not in active private practice who qualify for exemption<sup>1</sup> from payment of insurance premiums and levies.

### Coverage limits:

\$250,000 per claim/in the aggregate, not re-instated annually, subject to the following:

- applies to claims arising out of services provided while the lawyer was in private practice or otherwise maintained the full ongoing practice coverage;
- does not provide coverage for claims arising out of any services a lawyer provides while exempt from paying the insurance premium. The only exceptions to this are with respect to pro bono legal services provided through an approved pro bono legal services program associated with Pro Bono Ontario, with respect to qualifying mentoring activities, or where the lawyer has applied for and purchased additional coverage specifically for certain services yet to be performed as estate trustee, trustee for inter vivos trust, or attorney for property;

- applies to claim expenses and/or indemnity payments (some exceptions apply).<sup>2</sup>
- includes a sublimit coverage of up to \$250,000 per claim/in the aggregate for Innocent Partner claims;
- includes a sublimit coverage of up to \$250,000 per claim/in the aggregate for cybercrime claims.

### Premium:

None for standard Run-Off coverage.

### Deductible:

Deductible for Run-Off coverage is \$5,000 per claim applicable to claim expenses and/or indemnity payments (some exceptions apply).<sup>2</sup>

#### Member Assistance Program (MAP)

LAWPRO provides almost half of the annual funding for the Ontario lawyers' Member Assistance Program. Through the MAP, legal professionals are able to access confidential mental health and wellness resources such as counselling on topics such as stress, anxiety, depression, and addiction. The MAP also offers confidential online wellness literature, child care resources, and elder care resources. For more information visit [myassistplan.com](http://myassistplan.com).

<sup>1</sup> Lawyers who are on temporary leave and qualify for exemption (c) are provided with the full limit coverage of \$1 million per claim/\$2 million in the aggregate provided under the base program. Lawyers eligible for the "mobility" exemption have insurance coverage as described on [lawpro.ca](http://lawpro.ca)

<sup>2</sup> Claim expenses include costs of Repairs and costs of Loss Prevention.

## Optional insurance coverages

### Increased Run-Off coverage protection

**Eligibility:**

- optional for lawyers with only the basic Run-Off coverage who are concerned that claims now and in the future may exceed \$250,000 per claim/aggregate; or
- optional for lawyers named or acting as estate trustee, trustee for inter vivos trust, or attorney for property as residual work from their former law practice who wish to purchase expanded coverage for these services yet to be performed.

**Coverage limits:**

Exempt lawyers can apply to increase Run-Off coverage limits to:

- \$500,000 per claim/aggregate; or
- \$1 million per claim/\$2 million in the aggregate.

Terms ranging from two to five years are available.

**Lawyers acting as estate trustee, trustee for inter vivos trust, or attorney for property:**

Exempt lawyers can apply to increase Run-Off coverage protection to include protection for services yet to be performed as estate trustee, trustee for inter vivos trust, or attorney for property, as follows:

- apply for and purchase expanded protection for these services within the standard \$250,000 Run-Off coverage limit; and/or
- apply within the Increased Run-Off coverage limits, as described above.

Through a deeming provision, ongoing activities of this type may be included under the Run-Off coverage protection provided to you.

**Premiums:**

Underwritten on an individual basis, depending on the years practised, areas of law practised, the amount of time since the applicant was in private practice, and other risk-based factors.

### Innocent Partner Sublimit Buy-Up<sup>3</sup>

**Eligibility:**

Optional for exempt lawyers who have applied for Increased Run-Off coverage and who may be concerned about their innocent partner exposure.

<sup>3</sup> LAWPRO strongly recommends that lawyers increase their optional coverage protection to the maximum sublimit offered, to avoid gaps in coverage.

## Excess insurance for law firms and lawyers with topped-up Run-Off coverage

**Eligibility:**

Available to law firms (including MDPs and CLFs), and to lawyers with topped-up Run-Off coverage.

**Coverage limits:**

The following Excess limits are above the \$1 million per claim/\$2 million in the aggregate limits of the primary program. Coverage is provided on a firm basis (i.e., for all firm lawyers for services on behalf of the firm):

- \$1 million per claim/\$1 million in the aggregate;
- \$2 million per claim/\$2 million in the aggregate;
- \$3 million per claim/\$3 million in the aggregate;
- \$4 million per claim/\$4 million in the aggregate; and
- \$9 million per claim/\$9 million in the aggregate.

**Premiums:**

Underwritten on a firm-wide basis, based on a risk assessment using, for example, information provided in the Excess insurance application, marketing materials of the firm and supporting documentation.

**Have you visited our FAQ pages?**

*Did you know that LAWPRO maintains an extensive collection of Frequently Asked Questions at [lawpro.ca/faqs](http://lawpro.ca/faqs)? If you have a question, we invite you to visit our FAQs to find the answer.*

**Coverage sublimits & premiums:**

Innocent Partner Sublimit coverage can be increased as follows:

- to \$500,000 per claim/aggregate; or
- to \$1 million per claim/aggregate.

Underwritten on an individual basis, based on a risk assessment of information provided in the Innocent Party Sublimit Buy-Up application. ■