



Our mission:

To be an innovative provider of insurance products and services that enhance the viability and competitive position of the legal profession.

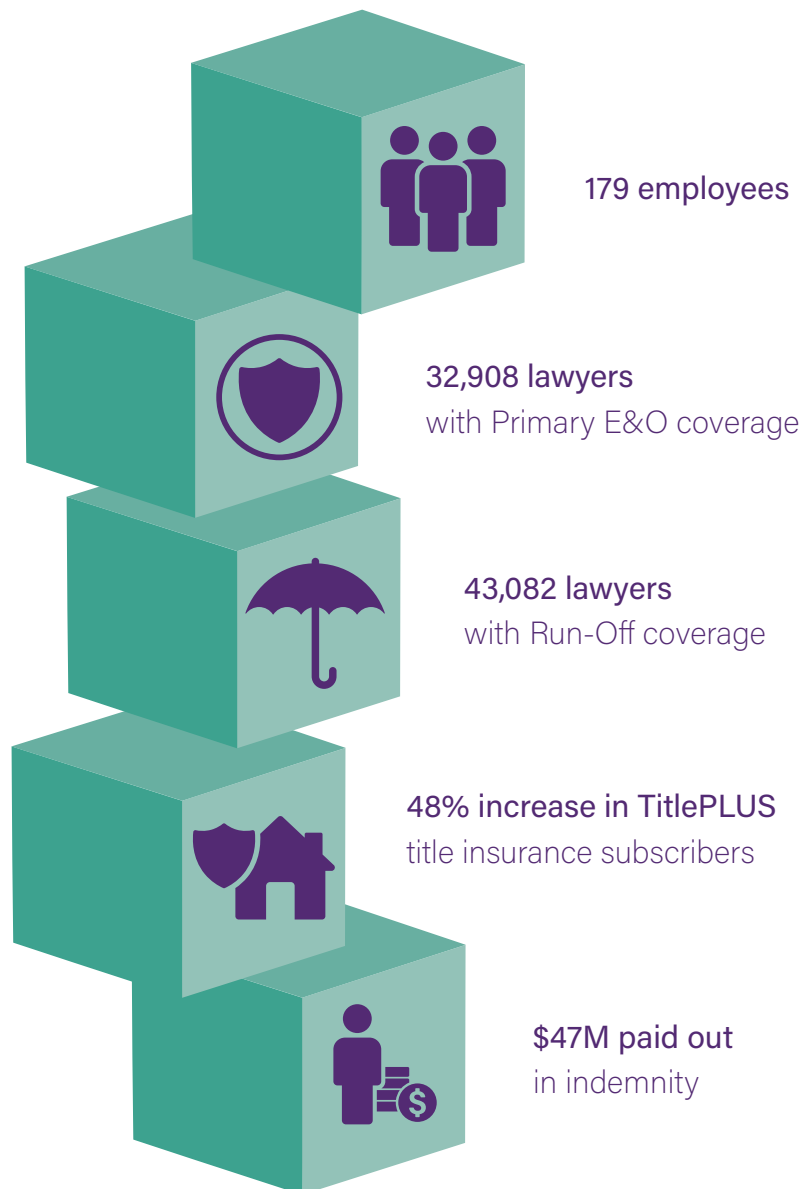
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WHO WE ARE

LAWPRO is committed to empowering legal professionals to practise with confidence and providing peace of mind to those we serve.

We safeguard the viability and integrity of the legal profession, by providing comprehensive professional liability and title insurance, expert risk knowledge, and responsive solutions that foster public trust.



Our products and services



Primary insurance coverage program

All lawyers in private practice in Ontario purchase Primary Professional Liability insurance with a \$1 million per claim, \$2 million annual aggregate limit from LAWPRO. We also provide no cost Run-off insurance to lawyers who have left private practice.



Excess insurance program

LAWPRO's Excess Insurance offers limits up to \$19 million above the Primary Policy. Over 1,700 firms representing more than 4,200 lawyers are currently insured with LAWPRO's Excess program. It is designed to meet the needs of small and medium sized firms of fewer than 50 lawyers.



TitlePLUS title insurance

The TitlePLUS program is the only wholly Canadian-owned title insurer and the only one that automatically offers coverage for errors and omissions by the lawyer at no extra charge in most cases. It is designed to cover issues that a lawyer could have uncovered doing searches (saving homeowners the cost of those searches) as well as the lawyer's own legal services on the transaction and future risks like fraud or encroachments. Title insurance moves the risk associated with title to the title insurer, away from the homebuyer, the lending institution, or the lawyer. This program is built around lawyers being central to real estate transactions and keeping prices and coverages competitive.



PracticePRO program

PracticePRO is LAWPRO's risk management program, developed to help lawyers practise successfully and minimize the risk of claims. Free resources include:

- LAWPRO Magazine: articles about the law, insurance, and current hot topics in the legal profession
- Tips and insights into practice issues including real-time warnings on active frauds targeting lawyers
- Continuing Professional Development programs, precedents, checklists, and videos to help lawyers succeed in their day-to-day business
- Claims fact sheets that describe common scenarios that lead to claims and practical steps that can be taken to lessen the risk of a claim



Mark Surchin
Chair

MESSAGE FROM THE CHAIR

Lawyers in Ontario in 2025 encountered what could be described as an unpredictable environment including transformational changes in technology, political upheaval and social unrest. When the environment in which we work becomes less predictable, insurance tends to become even more valuable.

LAWPRO works to keep premiums as low as possible but its mandate requires that it meet the costs of claims and keep capital on hand to prepare for unknowable risks as required by our regulator. One of the best ways LAWPRO provides a haven for Ontario lawyers is through its financial stability.

This stability is tested regularly and can be seen in the Financial Statements in this Report and is confirmed by our regulators and independent analysts. A.M. Best, a leading global credit rating agency specializing in the insurance industry, reaffirmed the company's Financial Strength Rating of "A" with a "Stable" Outlook.

The year-end Minimum Capital Test result, which is an objective measure of an insurance company's solvency, of 249% demonstrates that LAWPRO maintains sufficient assets to meet its present and future obligations. This assurance is gratifying in light of the constant market, credit, and operational risks that the company faces.

LAWPRO insures more lawyers each year and has maintained the same base premium as in 2024. Premiums are set based on an analysis of trends and do not react to one-year observations. Our open claims count was the highest ever – 5,473 claims – with 3,940 new claims reported in 2025. The number of claims and costs have risen steadily over the last three years as the company has watched to see if this increase is a trend or just the usual variation. It now appears to be an ongoing trend which may lead to the need for a premium increase.

Litigation and real estate continued to be the areas with the highest number of claims. Inadequate investigation claims continue to grow steadily. This cause of claims typically relates to lawyers who have not uncovered all the facts or developed a sufficient understanding of a client's circumstances and this in turn may reflect the increasing pace of society and client expectations.

I would like to take a moment to acknowledge the role of TitlePLUS. As the only wholly owned Canadian title insurer, the program's importance to the Ontario real estate bar was particularly highlighted this year. The vital role of real estate lawyers in the application of accurate and fair transactions continues to be supported by TitlePLUS title insurance. TitlePLUS saw premium growth of over 10% in 2025 despite a challenging real estate environment.

The Law Society of Ontario and its members are well served by efficient and accountable insurance programs such as LAWPRO's.



Dan Pinnington
President & CEO

MESSAGE FROM THE PRESIDENT & CEO

Specializing in insurance for the legal profession means LAWPRO has a deep understanding of claims trends and is able to recognize and respond to emerging risks including sophisticated mortgage frauds, cybercrime, new technologies and the evolving nature of legal work.

While LAWPRO maintains an intimate understanding of the role of and challenges faced by Ontario lawyers, we can also focus on broader insurance industry issues including solvency and effective claims management.

Our team of claims professionals are ready to help insureds in some of their most stressful moments. 2025 saw a new high in open claims but LAWPRO was able to shorten the life cycle and close claims more quickly. LAWPRO collaborates with outside counsel and continues to nurture connections with key stakeholders, associations, and educational institutions.

Our technology transformation is moving forward steadily, and each year sees additions and refinements. Keeping up with customer and employee technology expectations is an ongoing pursuit that all companies face.

The benefits of technology are part of our everyday life, but the threats of technology in the wrong hands are also evident each day. Fraud-related claims are growing significantly in frequency and cost. We see many types of frauds, including wire transfers, identify theft and fake cheques. Most of the frauds we see start with social engineering, often via phishing or a phone call. It is everyone's responsibility to take steps to learn how they may be targeted and to implement as many safety measures as are affordable and feasible. I encourage everyone to take the time to regularly update themselves and their staff about cybersecurity and anti-fraud techniques. We have resources available at practicepro.ca/fraud and we will continue to issue alerts and offer continuing professional development sessions to help keep you informed.

Before paying out funds in any matter, lawyers should verify that instructions sent by email are legitimate, through direct phone or in-person contact with the party providing the instructions. Do not rely solely on email communication within your firm to confirm the secondary verification. Be wary of banks phoning you out of the blue and make your own inquiries by independent means before providing any login information.

Our accomplishments in 2025 serve the Bar in a variety of ways:

- 3,823 claims files closed – an all time high
- 71 live risk prevention presentations to associations, lawyers, and law schools
- 4 full-day LAWPRO Roadshows across the province
- New TitlePLUS Market Value Endorsement offering
- 36,681 calls handled by our Customer Service Department

I want to thank LAWPRO employees, our Board of Directors, external counsel, and members of the Ontario Bar for their continued support of LAWPRO as an independent insurance company that offers comprehensive professional liability insurance in a financially responsible and accountable way while keeping the cost as low as possible.



PREPAREDNESS ABOVE ALL

Most professional problems don't begin dramatically. They start small: a missed detail, an unclear instruction, a process that breaks under pressure, a tool that introduces unintended risk, or changes in law and practice that are difficult to keep pace with. In that environment, lawyers need a professional liability insurer they can rely on.

LAWPRO serves that role for the profession. LAWPRO focuses on being ready to meet challenges through responsive customer service and claims handling, disciplined financial management, and close attention to how risk evolves in practice.

In 2025, LAWPRO monitored claim trends, economic factors, and shifts in the legal landscape to help the E&O Program adjust as necessary and continue to offer reliable protection for its insureds.

Protecting insureds amid rising complexity and E&O costs

Our claims experience in 2025 reflects rising claim volumes and a profession operating within an increasingly demanding, evolving, and costly risk environment. The increases in 2025 continue a steady trend of higher claim numbers and costs. Despite these pressures, the claims team achieved record file closures, strong litigation outcomes, and the rigorous defence of matters lacking merit. The following analysis examines key claims trends in 2025, including a breakdown of costs, practice area, and cause of loss.

Growth in claims and costs

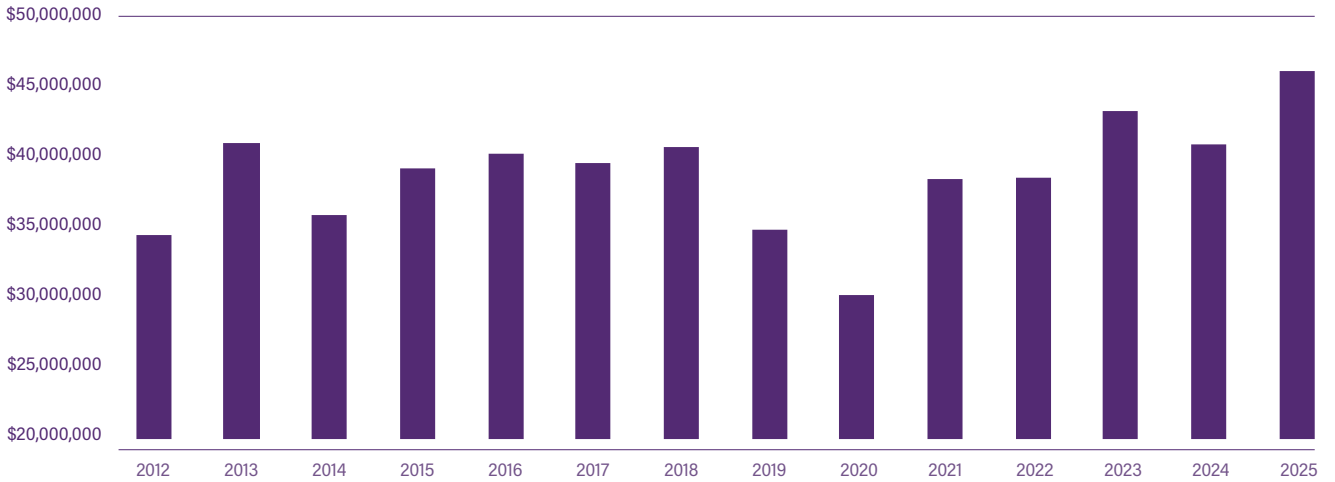
A total of 3,940 claims were reported in 2025, an increase of just over 5% from the prior year. The number of claims has been on a steady upward trend over the last three years. Higher claim volumes resulted from continued claims activity in high-risk practice areas, the resumption of administrative dismissals following the lifting of pandemic-era pauses, and growth in complex and costly litigation and estates work. Growth in the number of practicing lawyers also increased overall claim volumes. As the volume of newly reported claims continued to climb, the number of open files increased by 4.1% in 2025.

Claims costs rose in 2025, with increases in both indemnity payments and legal fees and expenses. Total program costs increased by 8% to \$102.6 million, compared to \$95.4 million in the prior year. The increase in indemnity costs reflects larger settlement

amounts, while higher legal fees were driven by more complex and longer-running litigation matters, including files that proceeded to trial, as well as an intentional effort to move files toward resolution.

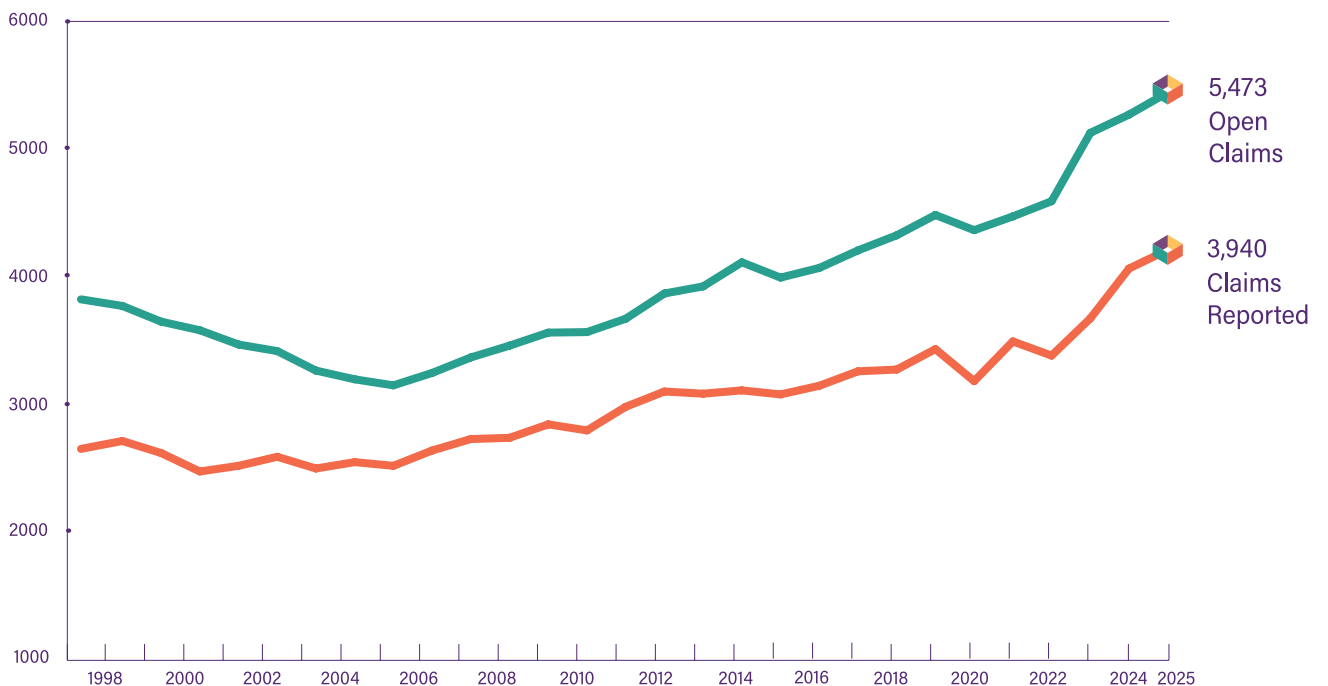
At the same time, the Claims team achieved a record-high closure rate, closing 3,823 files, an increase of 4% over the prior year. This outcome reflects the combined impact of staffing planning made in recent years, continued improvements and adaptability to the policy administration and claims management platform, and a dedicated and concentrated effort by the Claims team.

Indemnity payments by year



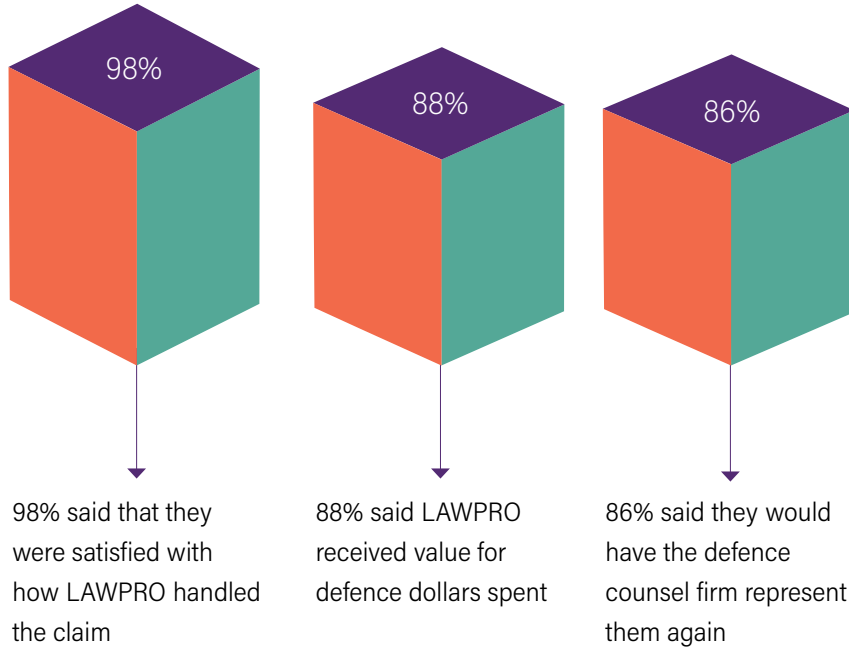
Number of claims reported and open claims

Total number of open claims at December 2025



Survey results showed that 98% of respondents reported satisfaction with the claims professionals who handled their matters.

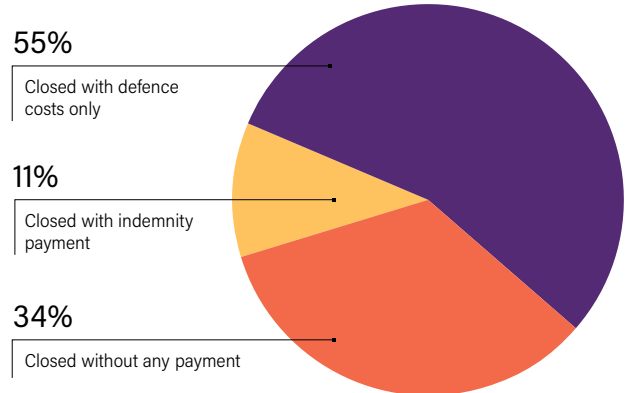
The annual survey of LAWPRO E&O insureds with a closed claim indicated the following



Despite higher indemnity payments overall (\$41.3M in 2024 to \$46.6M in 2025), the majority of claims continued to resolve without indemnity payments. About 89% of closed claims had no indemnity paid, with over a third closing without any payment.

LAWPRO continued to defend insureds vigorously against claims lacking merit, achieving strong results in matters that proceeded to trial or were resolved through summary judgment.

Claims by outcome



Trial results

Trial wins: 14 of 14

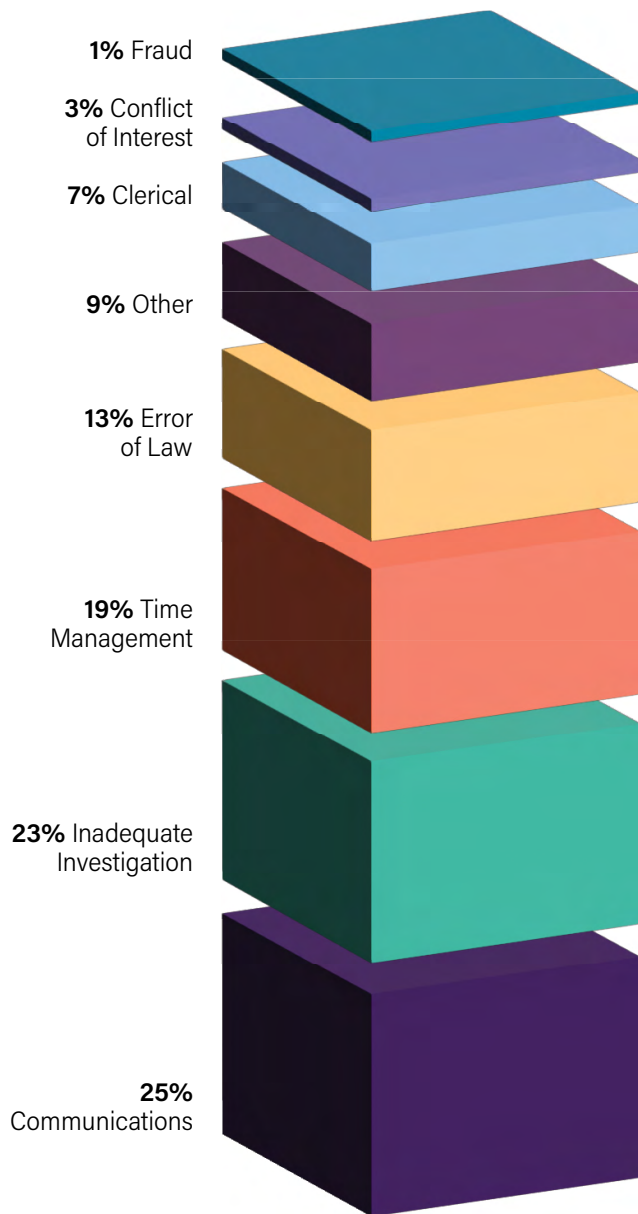
Summary judgment motion wins: 9 of 14

Summary judgment appeals wins: 1 of 1

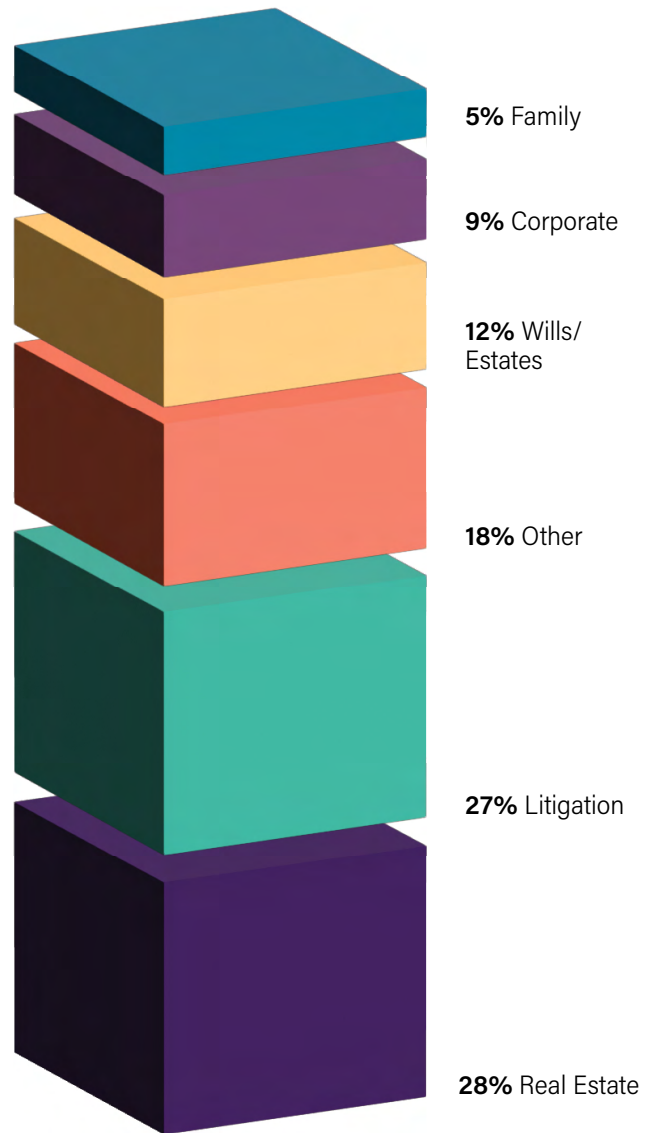
Let's dig deeper: Claims trends by area of law and cause of loss

The distribution of claims by area of law in 2025 remained largely consistent with historical patterns. Real estate and litigation continued to account for the largest share of reported claims, together representing approximately half of all new matters. Across practice areas, claims continued to be driven primarily by practice management-related issues — often described as “human” errors — with inadequate investigation and communication failures as the leading causes of loss.

Reported claims count by cause of loss



Reported claims costs by area of law



Practice areas: real estate, litigation, and the runner up

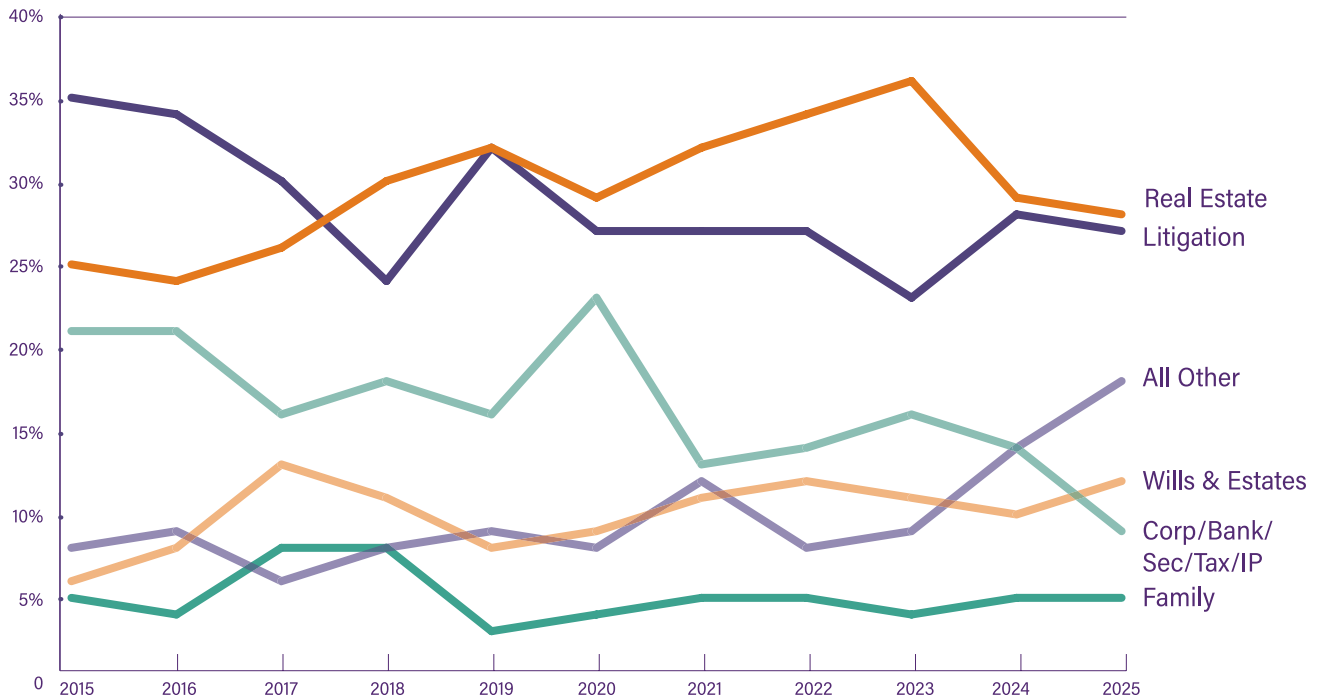
Real estate claims declined slightly in 2025 compared to 2024, reflecting reduced market activity. Nonetheless, real estate remains a leading source of claims, most commonly arising from communication breakdowns and failures to conduct adequate investigation.

Litigation claims increased year over year, in part due to the resumption of administrative dismissals for delay following the lifting of pandemic-related holds in May 2024. As courts returned to more stringent enforcement of procedural timelines, missed deadlines and related issues became a more prominent source of claims, with impacts continuing in 2025.

Wills and Estates related claims are a growing area of concern as the Ontario’s population ages and the number of deaths increase. Increasing estate values, beneficiary disputes, and greater complexity remain key contributing factors to wills and estate claims. There has also been an uptick in family law claims arising out of estate proceedings where the lawyer previously acted in connection with domestic contracts or other family law matters.

Building on trends observed in prior years, 2025 saw an uptick in claims reported in labour and employment, criminal, and construction law, with more gradual increases in immigration and administrative law. Taken all together, they are reflected as “All Other” in the graph below.

Distribution of claims by area of practice



Cause of loss

Analysis by cause of loss confirmed that inadequate investigation and communication errors remained the primary drivers of claims activity in 2025. These causes are closely associated with high-volume practice areas such as real estate and wills & estates, where matters often involve multiple parties, tight deadlines, and significant client reliance on legal advice and follow-through. Inadequate investigation typically reflects failures to fully identify or assess relevant facts, while communication errors often stem from unclear advice, unmanaged expectations, or poor documentation of communications and work completed.

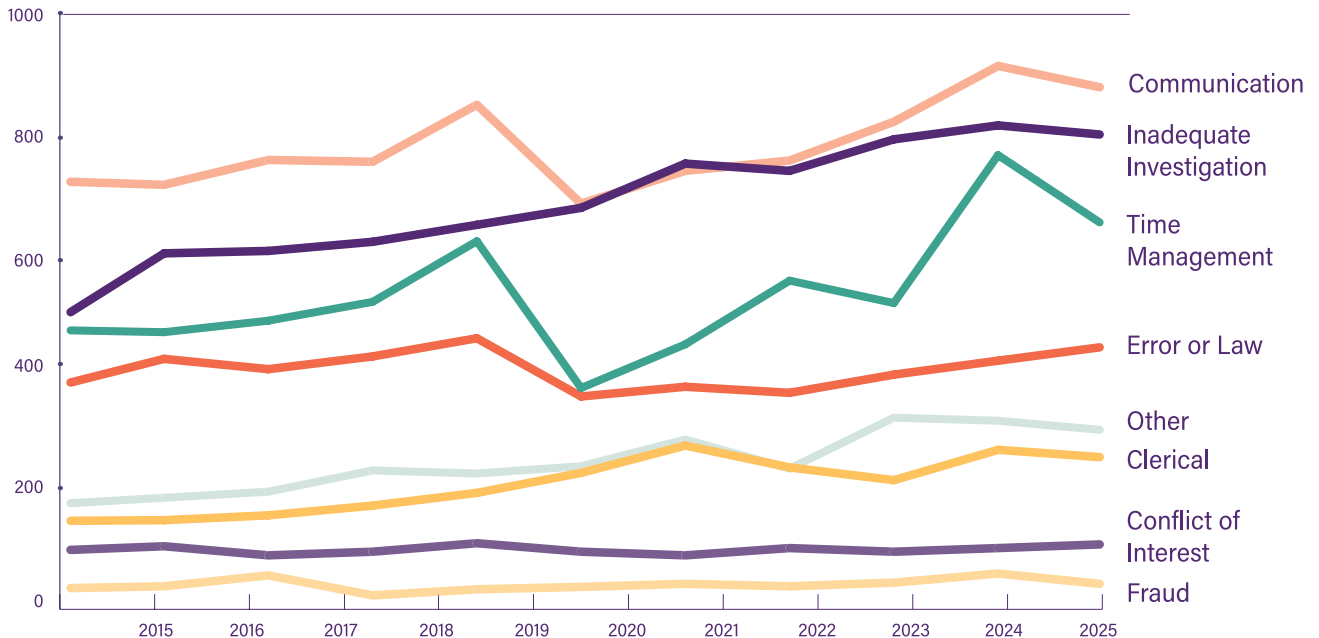
Time management errors continued to be a significant contributor to claims, particularly in litigation practices. Stricter enforcement of procedural timelines after the pandemic, rising caseloads, shifting court processes, changes in legal representation, and more complex files all raise the risk of missed deadlines.

Error of law also increased in 2025, reflecting not only the growing complexity of legal matters but also the increasing difficulty of keeping pace with legislative changes, evolving case law, and shifting procedural requirements.

The chart below shows the number of fraud related claims as low but the cost is high, especially in certain practice areas such as real estate. Sophisticated schemes targeting lawyers and their clients persist, often resulting in losses in hundreds of thousands of dollars.

LAWPRO continues to monitor these trends closely to guide policy development, claims handling strategies, and develop practical risk management and education to support the profession.

Claims causes by count



For more information about common errors by area of law visit practicepro.ca/factsheets

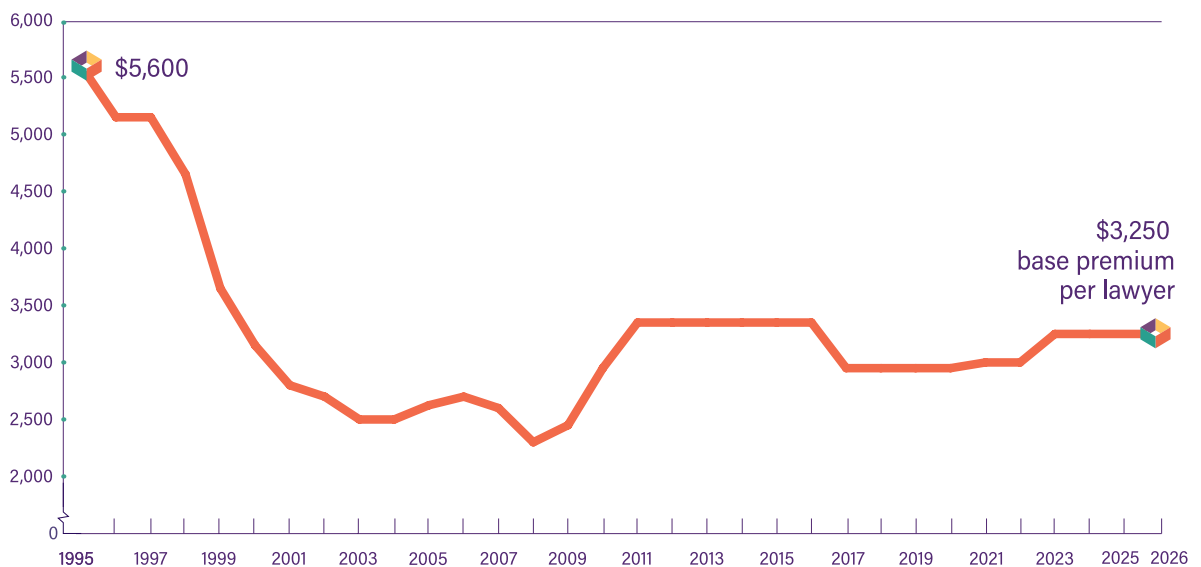
Supporting and covering insureds

In 2025, LAWPRO delivered consistent customer service and robust underwriting, successfully adapting to changing conditions. LAWPRO maintained premium stability and steady financial performance amid volatile economic conditions while continuing to offer meaningful discounts, run-off protection, and optional coverage enhancements to lawyers. The Underwriting and Customer Service team supported insureds with their inquiries and maintained a steady response rate.

Premium

LAWPRO's mandatory insurance premium continues to stand out. The base premium remained at \$3,250 per lawyer in 2025, unchanged for nearly a decade and lower than it was in 2016, when the premium stood at \$3,350. This long-term consistency is particularly notable at a time when costs have risen sharply across many industries and claims costs continue to trend upward. When adjusted for inflation, the base premium charged when LAWPRO was established in 1995 would exceed \$11,600 today.

Base premium since inception



Discounts and options

The E&O Program includes a range of discounts and optional coverages designed to reflect how lawyers practice and how their needs change over time.

Discounts are available for new lawyers starting their careers, lawyers practicing part-time, and those working in restricted areas of practice. Such discounts help to align premiums more closely with actual risk. Lawyers who complete approved risk-management activities may also qualify for a Risk Management Credit, which provides up to \$100 premium reduction in recognition of steps taken to reduce exposure and promote good practice habits.

Option	Number of Insureds
New Lawyer Discount 20 to 50% base premium discount for those called in the last one to four years	4,267
Part-Time Practice Discount 50% base premium discount for eligible lawyers	2,492
Restricted Area of Practice Option Discount 50% base premium discount for immigration/criminal law practitioners	1,928
Innocent Party Buy-Up Increase in Innocent Party sublimits up to as much as \$1 million per claim/aggregate	4,578
Run-Off Buy-Up Increase limits for past services from \$250,000 per claim/aggregate to as much as \$1 million per claim/\$2 million aggregate	1,375
Real Estate Practice Coverage Option Required for all lawyers practising real estate law in Ontario	9,709
Intellectual Property Business Coverage Expanded coverage for patent and trademark agents that satisfies the insurance requirements set by the College of Patent and Trademark Agents (CPATA)	42

For lawyers retiring, taking extended leaves, or moving out of private practice, run-off coverage of \$250,000 is available at no cost to protect against claims arising from past work, providing peace of mind after active practice ends. Lawyers may also purchase additional coverage to address the risk profile of their past practice.

Excess insurance

LAWPRO's optional Excess insurance provides an additional layer of protection with insurance limits up to \$19 million over the mandatory primary policy limit of \$1 million. The program is designed primarily for small and mid-sized firms and sole practitioners, offering approximately 1700 law firms an accessible way to increase protection with a familiar professional insurer.

In 2025, the Excess program continued to demonstrate financial stability and modest year-over-year revenue growth. Adapting to changes in the profession, including an increase in sole practitioners retiring, the program placed greater emphasis on supporting insureds seeking higher excess limits to address the evolving risk profiles of their practices.

Title insurance – TitlePLUS

TitlePLUS is LAWPRO's title insurance program and is the only wholly Canadian-owned title insurer in Canada. TitlePLUS includes legal services coverage for errors or omissions made by the lawyer for the entire transaction (excluding Quebec and Existing Owner policies), ensuring the LAWPRO E&O Policy remains unaffected.

In 2025, TitlePLUS successfully implemented significant mandatory anti-money laundering changes arising from new FINTRAC reporting obligations applicable to all title insurers. Required updates to documents, systems, and processes were implemented seamlessly, enabling TitlePLUS to continue issuing policies efficiently despite across-the-board changes to real estate practice workflows.

Delivering committed support

LAWPRO's Underwriting & Customer Service (UCS) team is the primary point of contact for lawyers seeking support with their insurance coverage throughout the year and during the annual renewal process. The team is responsible for policy drafting, maintaining accurate policy records, processing applications and changes, underwriting optional coverages, supporting premium collection, and answering questions about coverage, billing, program requirements, and access to My LAWPRO portal.

In 2025, the team supported approximately 33,000 insured lawyers and handled more than 36,000 calls, most commonly related to coverage and billing matters. During renewal, the team assisted lawyers and firms with filings and access issues to help ensure coverage is confirmed and policy documents are issued, resulting in a successful renewal process to kick start 2026.



REPAIRS

When LAWPRO is quickly alerted to potential claims, we can often rectify the problem and prevent losses and further lawsuits from arising. Our counsel know how to best address issues such as limitation periods, actions that have been struck from the trial list, breach of court-ordered timetables, and other repairable matters.

Here are some examples of cases where LAWPRO successfully repaired potential losses in 2025.

1. Arguing the right limitation period

Q: If a claim against an estate is restricted to an interest in real property, does the 2-year limitation period under the *Trustee Act* apply or does the 10-year limitation period under the *Real Property and Limitations Act* (RPLA) apply?

A: The 10-year limitation period under the RPLA applies.

The dispute in this case is whether the husband held a 50% beneficial interest in a residential property formerly owned by his late wife. The estate trustees/children of the wife's estate disagreed with the husband and said 100% of the property formed part of the estate. The husband's claim was commenced more than two years after his wife's death. The estate trustees brought a motion to dismiss the husband's action, on the basis that the claim was statute-barred under the 2-year limitation period in the *Trustee Act*.

LAWPRO assisted the insured lawyer in successfully arguing that the 10-year limitation period under the *RPLA* applied in this case, not the 2-year limitation period under the *Trustee Act*. The court agreed and the estate trustees' motion was dismissed.

The estate trustees relied on a recent decision of the Ontario Court of Appeal, *Ingram v. Kulynch*, that stands for the proposition that a claim against an estate, for constructive or resulting trust, as against all estate assets, is subject to a 2-year limitation period under the *Trustee Act*.

The court distinguished the *Ingram* decision where the equitable trust claim in that case was not just with respect to real property, but with respect to **all estate assets**. The husband was only claiming an interest in real property, and so the 10-year limitation period under the *RPLA* applied.

The estate trustees have appealed the decision.

2. Offer and acceptance - not that simple

In this family law case, the issue was whether an offer to settle made by the wife, was open for acceptance by the husband and if so, whether there was a binding agreement after the husband purported to accept her offer. The court found that the wife's offer was not open for acceptance because under the common law rules, the husband's counteroffer extinguished his ability to accept her offer. Here's what happened.

A married couple separated. The insured lawyer represented the wife and made an offer to settle on behalf of the wife. The husband made a counteroffer which was not accepted. A year later, the husband attempted to accept the wife's initial offer which had not been explicitly withdrawn. The wife said her offer was not open for acceptance. The husband insisted that he accepted the wife's initial offer and brought a motion for summary judgment and for a declaration that there was a binding settlement.

The parties and the court agreed that although Rule 18 of the *Family Law Rules* (FLR) governs offers to settle in family law matters, the wife's offer was not compliant with the formal requirements of Rule 18, and so the FLR did not apply to her offer. Since the FLR didn't apply, the husband took the position that Rule 49 of the *Rules of Civil Procedure* (RCP) applied to the wife's offer. He argued that since she did not accept his counteroffer, and she did not explicitly withdraw her offer, her offer was open for him to accept. The wife relied on the common law principle that making a counteroffer prevents the counter-offering party from returning to accept an earlier offer.

LAWPRO stepped in, acted as agent for the wife, and opposed the husband's motion for a declaration that there was a binding settlement.

The court rejected the argument that Rule 49 of the RCP automatically applies simply because Rule 18 of the FLR does not apply. Unless the court deems it appropriate to engage Rule 49 of the RCP, if Rule 18 of the FLR does not apply, the common law principles apply. The wife's initial offer to settle was not available for acceptance. The court dismissed the husband's motion and awarded costs to the wife.

3. Whose delay is it, anyway?

The insured lawyer represented the plaintiff with respect to an accident between a motor vehicle and a bicycle. The action was commenced on October 24, 2013, and proceeded in a timely manner. The plaintiff set the action down for trial on December 14, 2017. The insured lawyer received the Certification Form in February 2018 but failed to complete and file it until April 2019. Unbeknownst to the insured lawyer, the action was struck from the trial list on December 21, 2018.

The defendants' lawyer discovered the action was struck from the list in April 2019 but did not disclose this to the insured lawyer until June 2021. The plaintiff immediately brought a motion to restore the action. The defendants eventually brought a cross-motion in 2023 for an order dismissing the action for delay.

LAWPRO successfully argued the motions on behalf of the insured lawyer. The court granted the motion to restore the action to the trial list and dismissed the defendants' motion to strike the action for delay, awarding costs to the plaintiff.

The court found that the insured lawyer was responsible for the initial 14 months of the delay from February 2018 (when the Certification Form was received) to April 2019 (when the insured lawyer completed and filed the Certification Form). The remainder of the delay after April 2019 was the responsibility of the defendants and the court. In particular, the miscommunication and mishandling of filed material on behalf of the court, and the defendants' failure to disclose to the plaintiff that the action had been struck, the changing position of the defendants throughout the motion, and the defendants' delay in corresponding with the plaintiff, all contributed to the majority of the delay. The court concluded that "it was the defendants and the court who were responsible for about 75% of the relevant delay" after February 2018. The court also found that the defendants had not suffered prejudice from the delay and awarded costs in favour of the plaintiff.

4. The status of missed deadlines

Consent timetable deadlines were missed. Opposing counsel is not agreeing to amend the timetable. The action is at risk of being dismissed by the court for delay. A status hearing is requested. Sound familiar? LAWPRO will often step in to assist the insured lawyer to ensure the matter does not go down the wrong path during the status hearing or lead to a claim.

The insured lawyer commenced a medical malpractice action on behalf of the Estate and other family members of a deceased woman. The claim was issued on January 21, 2016. Pleadings closed, discoveries were completed, expert reports were served in 2022. On June 6, 2022, the court ordered a timetable, on consent, for the remaining steps to be completed, which included mediation by January 31, 2023, and the action set down for trial by February 15, 2023.

The insured lawyer moved firms in July 2022 and there were delays moving the action forward as a result. In June 2023, well after the January and February 2023 court ordered dates, the insured lawyer attempted to schedule the mediation. In July 2023 the defendants responded that they were not agreeable to proceeding with mediation and declared that the “action is at an end.” The plaintiffs continued, and served their reply expert report in August 2023, 10 months after the deadline.

In April 2024, the plaintiffs served a Notice of Change of Lawyer as the insured lawyer became ill and could no longer act for the plaintiffs. The plaintiff’s new lawyer tried to discuss the timetable and mediation with defence counsel, but the defendants counsel responded that the action had been at an end for more than a year, there was no existing timetable to adjust, and no “live” dispute to mediate. As a result, the plaintiffs scheduled a motion for a status hearing.

LAWPRO stepped in and successfully argued the status hearing motion on behalf of the plaintiffs. The court found that the action progressed reasonably from the time pleadings closed (March 2017) to the consent timetable order (June 2022). The remainder of the delay was adequately explained, and the plaintiffs had no intention of abandoning the action. The court also found that this was not a case where there had been multiple breaches of court orders. Interestingly, the defendants argued that a dismissal of the action would not leave the plaintiffs without a remedy, because the plaintiffs would have a cause of action against their former lawyer. The court did not agree that was a relevant consideration.

The court found that the plaintiffs provided an acceptable explanation for the delay and ordered that the action proceed.

5. Disclosing settlements

The insured lawyer acted as co-counsel to the plaintiffs in a proposed class proceeding.

The plaintiffs settled the action with one of the named defendants and brought a motion in part, to approve the settlement, which is a requirement pursuant to the *Class Proceedings Act* (CPA).

The non-settling defendant opposed the motion to approve the settlement and brought its own motion to stay the entire action, taking the position that the settlement was not disclosed to it in a timely manner, and as a result, changed the adversarial landscape. The non-settling defendant relied on the rule of disclosure established in *Handley Estate v. DTE Industries Limited* (Handley Estate), that requires immediate disclosure of any agreement between or amongst parties to a lawsuit that changes the landscape of the litigation.

LAWPRO stepped in and successfully argued the motion to settle and the motion to stay on behalf of the plaintiffs.

The court found that the Handley Estate rule of disclosure (protecting non-settling defendants from prejudice caused by secret settlements in conventional multi-party litigation) does not apply to settlements in class actions because the CPA already provides significant statutory protection to non-settling parties. In addition, the non-settling defendant was advised that discussions were taking place and was also kept apprised of the status of those discussions. The court found that despite the fact the Handley Estate rule was not applicable to this case, there was no untimely disclosure or non-disclosure to the non-settling defendant in any event.

The court approved the settlement agreement and dismissed the motion to stay.

The non-settling defendant has appealed the decision.

Small fixes now prevent big problems later

Immediately notifying LAWPRO of potential errors or omissions means steps can be taken to resolve the situation before it develops into a malpractice claim. If you make an error or believe you could be accused of making an error down the road, don't try to resolve the problem on your own. A call to LAWPRO means we can provide expedient and experienced advice and assistance.



DEFENCES

Despite attempts to resolve claims without litigation, sometimes court is inevitable. Every year, LAWPRO steps in to defend licensees from unwarranted lawsuits and accusations.

Here are some examples of defences successfully advanced by LAWPRO in 2025 on behalf of insureds.

WILLS & ESTATES LAW

When time may or may not be on your side

Case #1

The insured lawyer prepared a Will for the testator who died shortly thereafter. The estate trustee and beneficiaries became aware of a potential drafting error in the Will. Despite this, the estate trustee applied for and obtained a Certificate of Appointment of Estate Trustee with a Will (CAETW), on notice to the beneficiaries, and no one filed notice of objection. After the CAETW was granted, one of the testator's sons started an action on behalf of the testator's grandchildren, against the insured lawyer claiming that as a result of the insured lawyer's negligent drafting, the grandchildren were deprived of gifts the testator intended for them to receive.

LAWPRO assisted in bringing a successful summary judgment motion to dismiss the action against the insured lawyer. The issue for the court was whether the plaintiffs could pursue a negligence action against the insured lawyer after the CAETW was granted. The court found that the application for a CAETW is not just a procedural step in estate administration. When the court grants a CAETW, the court affirms that the testator knew and approved the contents of the Will, and that the Will is valid in all respects.

The negligence action was found to constitute an impermissible collateral attack (and therefore an abuse of process) because it effectively sought to undermine the probate grant by asserting that the Will did not reflect the testator's intentions. The court emphasized that the appropriate procedural course was to raise the drafting error during the probate process, by objecting to the application and seeking a rectification of the Will, rather than pursuing a post-probate negligence action.

The court dismissed the action against the insured lawyer and awarded costs.

The decision was appealed, and LAWPRO was also successful in arguing against the appeal. The Court of Appeal upheld the motion Judge's decision to dismiss the action against the insured lawyer.

The Court of Appeal stated that the negligence action against the insured lawyer was an abuse of process since the error in the Will could have been rectified during the process of obtaining the CAETW. The Appellate court also clarified that not all negligence actions are barred once a CAETW has been granted, however "where a solicitor makes a drafting error that could be rectified in the certificate process, and the party harmed by that error takes no steps to have the will rectified, then the doctrine of abuse of process may prevent the harmed party from subsequently bringing an action against the solicitor for damages.."

The appeal was dismissed with costs payable.

Case #2

The insured lawyer drafted a Will for the testator which was signed in 1991. The testator died in 2018. In 2020, beneficiaries commenced actions against the insured lawyer alleging that as a result of the insured lawyer's negligent drafting, the beneficiaries received less than the testator intended. The insured lawyer argued the 15-year ultimate limitation period pursuant to the *Limitation Act, 2002* applied from when the Will was drafted and as a result, the beneficiaries' actions were statute-barred. The beneficiaries argued the limitation period only started to run in 2018 when the testator died, because that is when they discovered the problem.

The court focused on the language of the statute. The issue was whether "the day on which the act or omission on which the claim is based" is the day the insured lawyer negligently drafted the Will in 1991 or if it is the day the Will came into force when the testator died in 2018.

The beneficiaries' claims were based on the negligent Will drafting that took place in 1991, not an act or omission that occurred in 2018. The court concluded that the limitation period therefore expired on January 1, 2019, which is 15 years after the ultimate limitation period came into force on January 1, 2004.

LAWPRO defended the insured lawyer and successfully brought a motion to dismiss the negligence actions as being statute-barred pursuant to the 15-year ultimate limitation period.

The court rejected the beneficiaries' position that the limitation period should commence when the testator died, and acknowledged that applying the ultimate limitation period means "that in any case where a testator survives for 15 years after signing a negligently drawn will, the beneficiaries will lose their ability to sue the drafting lawyer for negligence even before they have the right to do so."

The court said that it cannot create exceptions to the ultimate limitation period, and any unintended consequences should be addressed by the Legislature.

FAMILY LAW

Similar to life, in litigation, there are no guarantees

Litigation can be a risk. One party is usually disappointed with the outcome. This can often lead to unsuccessful litigants subsequently suing their lawyer, claiming the lawyer was somehow negligent in their advice or recommendations during the litigation.

In this family law matter, the client retained the insured lawyers to bring a motion to change an existing consent parenting order. The client wanted more access to his children because his employment had changed, which

allowed him more time to parent. The change in employment was considered a material change that could warrant success on a motion to change. During the course of the motion, settlement offers were made but not accepted.

The court found that the client's oral testimony contradicted his affidavit evidence and concluded there was no material change to warrant a change to the parenting order. The client was unhappy with the outcome of the hearing and sued the insured lawyers alleging they failed to properly investigate the facts, they failed to warn about the weakness of the case and potential cost consequences and failed to ensure the client fully understood the legal advice. Additionally, the client claimed the insured lawyers breached their fiduciary duty.

LAWPRO represented the insured lawyers, and after a 9-day trial, secured a dismissal of the claim, and a finding that the insured lawyers were not negligent and there was no breach of fiduciary duty.

The court found that the client was informed of and knowingly undertook the risks involved in bringing the motion. The court made the point that "the lawyer is not an insurer of success," clarifying that the issue is whether there was a breach of the standard of care owed to the client, rather than if the motion to change should have succeeded. The court found that the insured lawyers did not breach the standard of care or fiduciary duty and found no causation.

This case affirms that the client must establish that any negligence by the insured lawyers' (breach of the standard of care) caused the client's injury. Here, even if the court had found the insured lawyers negligent (which was not the case), most of the damages claimed by the client were not compensable because they were not caused by any of the alleged failings of the insured lawyers. It was clear to the court that the client was intent on proceeding with the motion to change, regardless of the advice of the insured lawyers.

REAL ESTATE LAW

Have funds, will close

Clients will often blame their lawyers when a real estate transaction fails: the lawyer allegedly didn't take certain steps, didn't provide certain information, or misled the client, all leading to a negligence claim against the solicitor. This is one reason it is important to document your work and make sure to retain a fulsome file that can be relied upon down the road.

The plaintiffs retained the insured lawyer to act on the purchase of a residential property. The purchase did not close, and the plaintiffs lost the opportunity to buy the house. The plaintiffs sued the vendor for specific performance. The court found that the transaction did not close because the plaintiffs did not have the funds to close on time and the plaintiffs' action was dismissed. The plaintiffs then sued the insured lawyer claiming that the failed transaction was a result of his negligence and that the insured lawyer was responsible for the plaintiffs' failure to deliver closing funds to the insured lawyer.

After a 19-day trial and effective work challenging the plaintiffs' credibility, LAWPRO successfully defended the insured lawyer, resulting in the plaintiffs' negligence claim for failing to close the real estate purchase being dismissed.

The court concluded that the transaction failed because the plaintiffs could not obtain financing in time due to an issue with the property, the plaintiffs withheld key information from the insured lawyer regarding the status of their funds, and that the insured lawyer "worked to close the deal and took all steps required by him to ready the matter for closing."

The court commented that although the file was not well documented, it accepted the insured lawyer's version of events and found that the plaintiff's evidence was inconsistent and not reliable. The plaintiffs also retained a very qualified standard of care expert, but the court found that the expert was neither impartial nor independent and could not be relied upon.

The plaintiffs claimed \$4,852,457 in damages, however the court stated that even if the plaintiffs were successful, their damages would be limited to \$1,400.

The court determined the insured lawyer was not negligent and did not breach his fiduciary or statutory duty. The negligence action was dismissed. The plaintiffs have appealed.

PERSONAL INJURY LAW

Causation and mitigation for the win

Sometimes lawyers do make mistakes. LAWPRO is careful when assessing a matter and determining the best strategy, including whether a defence is available under the circumstances, and where there is a defence, LAWPRO will defend.

The plaintiff was driving her minivan with a trailer attached and was injured when the trailer started to sway and hit the sides of her minivan. The plaintiff retained the insured lawyer to represent her in her tort claim as well as her claims for accident benefits payable pursuant to the *Statutory Accident Benefits Schedule* (SABS). The plaintiff settled her SABS claims for \$25,000 at a mediation in 2014. That same year she retained new counsel to pursue her tort claim against the manufacturer of the trailer hitch. Her symptoms worsened and by 2016 she had stopped working. In 2020 the plaintiff settled her tort claim for over \$1.5 million. The plaintiff brought a negligence action against the insured lawyer for recommending an improvident settlement (settling the action before her prognosis was clearer) of her claims for SABS. She argued that because she became much worse after the settlement, she likely could have settled her SABS claims for a much higher amount.

LAWPRO defended the action and successfully argued that the plaintiff failed to prove causation and mitigate her damages.

While the court found that the insured lawyer's advice fell below the standard of care, the plaintiff failed to prove that the insured lawyer's negligence caused her any damages. The court found that the plaintiff provided no evidence as to what she would have done differently if she had been properly advised by the insured lawyer. The evidence showed that she was experiencing financial difficulty and she was eager to resolve the matter. She also did not take any steps to set aside the settlement when she retained new counsel and had an opportunity to do so. The plaintiff did not establish that the insured lawyer's negligence caused any loss of enhanced benefits. She also failed to establish that but for the insured lawyer's negligence she would have received a better recovery of SABS claims with no corresponding reduction from the tort settlement.

The court also held that the plaintiff cannot sue the insured lawyer and claim negligence without taking any steps to mitigate her damages. The plaintiff cannot recover losses she could have reasonably avoided. The plaintiff failed to mitigate her damages by not attempting to set aside the settlement both before and after retaining new counsel. The plaintiff's inaction broke the chain of causation and caused her losses.



CARING ABOUT OUR COMMUNITY

Corporate Social Responsibility

Corporate Social Responsibility at LAWPRO is informed by a spirit of community and accountability, while acknowledging that we are governed and profoundly shaped by our unique role as the provider of the primary professional liability insurance program for all lawyers in Ontario.

Supporting our future legal community

LAWPRO's efforts and activities to support law students included 13 presentations at law schools, LPP programs and colleges.

In its fourteenth year, LAWPRO sponsored the annual Caron Wishart Memorial Scholarship at the University of Toronto Faculty of Law. The Caron Wishart Memorial Scholarship was created in memory of Caron Wishart, LAWPRO's first Vice President, Claims who passed away in 2010. Caron had a 26-year career, transitioning from working as a claim examiner in the Law Society of Upper Canada's E&O department and when LPIC (as LAWPRO was formerly known) became a full-fledged insurance company in 1995. The fully endowed scholarship, managed by the University of Toronto, was funded by donations from LAWPRO, Caron's family members, and members and organizations of the legal profession.

In 2025, LAWPRO held a Women's Networking event and hosted Repair Counsel to help develop relationships and build community with new and established counsel. Both events received positive feedback from attendees, who appreciated the opportunity to connect in person.

Providing a healthy and rewarding workplace

LAWPRO continued its Equity, Diversity and Inclusion journey and partnership with the Canadian Centre for Diversity and Inclusion ("CCDI"). Various free CCDI webinars were made available to employees. The EDI Advisory Group regularly posted awareness days/months and provided additional resources.

Giving back to the Canadian community

LAWPRO continued to encourage employees to take a paid day to volunteer at an eligible charity of their choice. Other initiatives included participating in Partners for Life (Canadian Blood Services), TCS Toronto Waterfront Marathon Charity Challenge, and Holiday Helpers

To strengthen our community, LAWPRO staff nominate and elect five charities to support each year through employee payroll deductions and special events. In 2025, \$34,980 was raised for the following five charities: Food4Kids, Fanconi Canada, Daily Bread Food Bank, Pregnancy, Infant, and Child Loss Support Centre, and Terry Fox Foundation. LAWPRO employees are proud to support charities that are doing critical work to build a more just and equitable future.



“Where claims happen, why claims happen, and the steps that can be taken to avoid them”

The PracticePRO program provides risk management, claims prevention and law practice management information to Ontario lawyers. Its resources, precedents, and checklists are intended to help Ontario lawyers take proactive steps to avoid legal malpractice claims and grow successful and thriving law practices.

Email:
practicepro@lawpro.ca

On demand CPD:
practicepro.ca/cpd

Visit us:
practicepro.ca

Find it all free at practicepro.ca

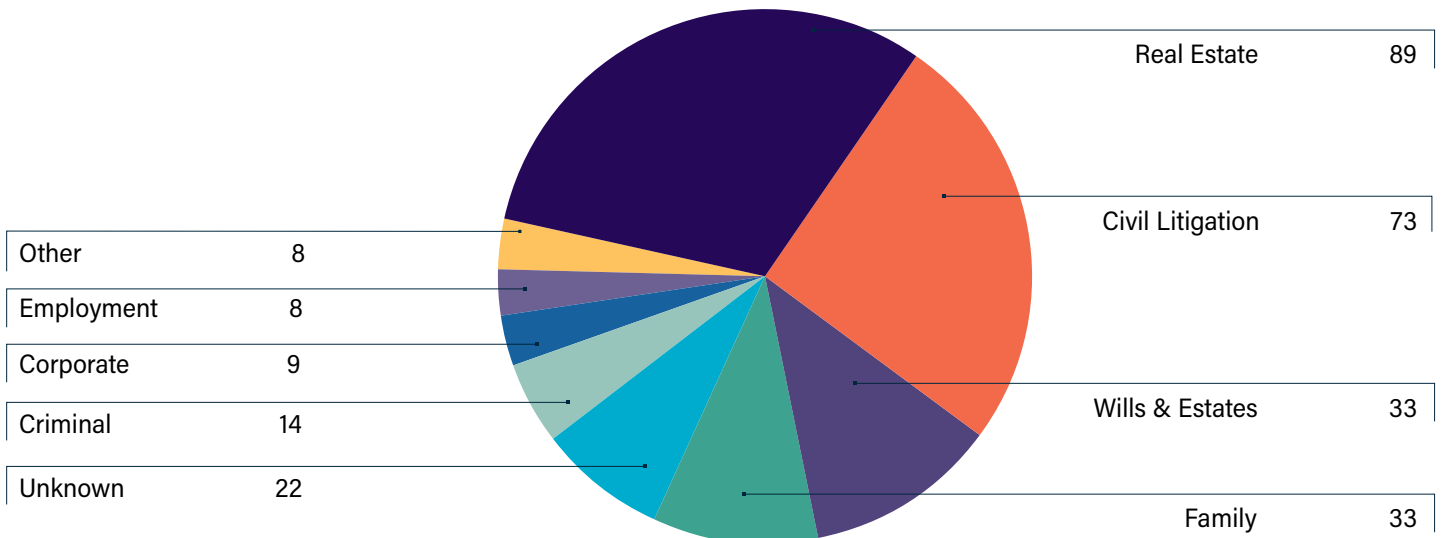
In 2025, LAWPRO continued to strengthen its role as a proactive partner in the legal profession by addressing emerging risks, encouraging claims prevention strategies, and promoting lawyer wellness.

In 2025 PracticePRO answered more risk management questions than ever before

PracticePRO received almost 500 inquiries in 2025. These inquiries typically pertain to requests for resources, guidance on legal issues, fraud concerns, and potential or actual claims where the lawyer seeks advice before engaging in the claims process.

The complexity of inquiries received by PracticePRO ranges from straightforward to nuanced. PracticePRO responds within a few days but most often much sooner.

PracticePRO inquiries by area of law





PracticePRO CPD programming in 2025, live and on-demand

PracticePRO added four new CPD events to its growing collection of free, online CPD programming. Each program qualifies for the LAWPRO risk management credit and Law Society professionalism hours.

Conflicts, Undertakings, and File Management: What You Need to Know: common claims and consequences from conflicts of interest and solicitor's undertakings, as well as file management best practices, from retainers to closing, including file retention

Family Law in 2025: Managing Risk and Building Your Professional Network: tips for avoiding the repudiation of settlements and contracts, making the most of in-person and online networking opportunities, effective client screening, and safely giving independent legal advice

The Virtual Legal Practice: From Client Intake to Resolution When Nobody Is in the Same Room: virtual meeting best practices, ID verification issues, virtual dispute resolution, examinations for discovery, and addressing undue influence and capacity concerns

Real Estate in Practice – Liability Risks in Ordinary Transactions, Legislative Changes, and Cybercrime: legislative changes around anti-money laundering, cybercrime threats, non-arm's length title transfers, and transactions involving separating couples



The LAWPRO Roadshow

2025 saw the launch of in-person LAWPRO Roadshow CPD events, bringing LAWPRO speakers to locations all over Ontario. The events provide lawyers the opportunity to gather with their local colleagues and hear the latest from LAWPRO on risk and practice management, cybercrime and the latest claims trends LAWPRO is seeing. Roadshows were held in London, Thunder Bay, Markham and Mississauga with more planned for 2026.



LAWPRO Magazine "Emotional Contagion"

This issue of LAWPRO Magazine was focused on the importance of civility and professionalism, and how both can reduce the risk of claims. Topics included how to keep things civil between opposing sides in a matter, improving the professional services your firm can offer, communications tips for dealing with clients, and a Q&A about marketing adapted from a recent LAWPRO CPD program.

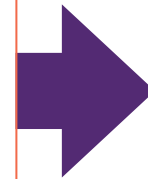
By focusing on education, outreach, and innovation, PracticePRO aims to assist legal professionals in preventing claims, adopting technology responsibly, and supporting well-being.

WONDERING WHO TO CONTACT WHEN YOU HAVE A QUESTION?



You should submit notice of a claim if you...

1. Received a demand for money or services (including in a pleading) in relation to alleged inadequate professional services;
2. Received an allegation (including in a pleading) of inadequate professional services;
3. Are aware of circumstances that could lead to either 1. or 2.;
4. Have been asked to give evidence about file handling and/or have been asked or ordered to produce a file in circumstances that could potentially lead to a claim

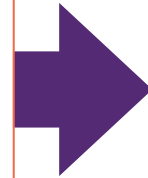


Provide notice of a claim at lawpro.ca/claims



You should email practicepro@lawpro.ca if you...

1. Are facing a situation that doesn't fit into one of the categories above;
2. Have an unusual practice situation that raises a claims risk;
3. Suspect you may be dealing with a fraud;
4. Are seeking general guidance on preventing a claim;
5. Have a question or comment about an article or resource from LAWPRO or PracticePRO;



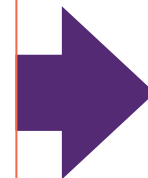
Email practicepro@lawpro.ca with as much detail as you can and a contact number where you can be reached



You should contact Customer Service if you...

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REPORT ON



Proudly the only 100% Canadian and bar owned title insurer

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TitlePLUS is the only wholly Canadian-owned title insurer. Our mandate is grounded in supporting the legal profession, protecting the integrity of the lawyer-client relationship, and keeping legal work where it belongs — with lawyers.

TitlePLUS doesn't compete with lawyers

Unlike other title insurers, TitlePLUS does not sell title insurance through lender channels. We don't bypass the lawyer or attempt to handle legal work on our own. We exist to enhance your practice, not replace it. We remain the only all Canadian title insurer committed to providing coverage exclusively through lawyers and notaries.

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Your clients want to know that their TitlePLUS policy will cover them up to the market value of their property should that value rise in the future. The TitlePLUS Market Value Endorsement ensures this enhanced protection.

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These on-demand programs are eligible for 1.5 hours of professionalism, and for LAWPRO's \$50 Risk Management Credit.

Real Estate in Practice – Liability Risks in Ordinary Transactions, Legislative Changes, and Cybercrime (2025)

This program explores emerging risks and evolving responsibilities in real estate practice. Through practical examples, participants will learn about legislative changes around anti-money laundering, cybercrime threats, non-arm's length title transfers, and transactions involving separating couples. The session will provide risk management strategies to help lawyers protect their clients and reduce exposure to claims.

Real Estate Due Diligence: NOSIs, Easements, Covenants, Fraud, and Common Electronic Registration Issues

Stay ahead in your real estate practice with this refresher on title searching, fraud, and electronic registrations. This program covers critical updates to Notices of Security Interests (NOSIs) and their impact on due diligence requirements. You will also receive practical tips from TitlePLUS on avoiding current fraud threats and common title issues involving registered easements and restrictive covenants. Finally, you'll gain insights directly from Ontario's Director of Titles on avoiding returns for correction and correcting common registration errors.

What does it mean to be backed by LAWPRO?

- One complete title insurance policy helping to keep claims out of the LAWPRO E&O portfolio is better for all lawyers practicing in Ontario



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Additional professional
liability insurance
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Title insurance
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Design and production: Freeman Communications

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