

# 2027

Professional Liability  
Insurance for LAWYERS  
and Related INSUREDS

[lawpro.ca](http://lawpro.ca)

**Insurance  
Policy No.  
2027-001**

# DECLARATIONS (Sample)

**ITEM 1 INSURED**

LSO #

Licensee Name

Firm Number

Firm Name

Address

**ITEM 2 NAMED INSURED**

Name Law Society of Ontario

Address Osgoode Hall, 130 Queen Street West  
Toronto, Ontario M5H 2N6

**ITEM 3 POLICY PERIOD**

From January 1, 2027, 12:01 a.m., to December 31, 2027, 11:59 p.m., Standard Time at the address of the NAMED INSURED.

**ITEM 4 BASE-RATED INSURANCE PREMIUM FOR THE POLICY PERIOD**

**ITEM 5 LIMIT OF LIABILITY**

\$1,000,000 per CLAIM, subject to Part IV Condition A and any POLICY endorsement(s) that apply to the INSURED.

**ITEM 6 AGGREGATE LIMIT OF LIABILITY**

\$2,000,000 per POLICY PERIOD, subject to Part IV Condition B and any POLICY endorsement(s) that apply to the INSURED.

**ITEM 7 DEDUCTIBLE**

\$ per CLAIM

**ITEM 8 MODIFICATIONS TO COVERAGE**

**Innocent Party Coverage** — SUBLIMIT OF LIABILITY of \$ per CLAIM and in the aggregate per POLICY PERIOD, shall apply pursuant to Endorsement No. 5.

[and/or]

**Restricted Area of Practice Option** shall apply.

[and/or]

**Part-Time Practice Option** shall apply.

[and/or]

**Real Estate Practice Coverage Option** — Endorsement No. 6 shall apply.

[and/or]

**CLAIMS brought by CORPORATE EMPLOYERS** — Endorsement No. 11 shall apply.

[and/or]

**MULTI-DISCIPLINE PARTNERSHIPS** — Endorsement No. 12 shall apply.

[and/or]

**COMBINED LICENSEE FIRMS** — Endorsement No. 13 shall apply.

[and]

**CYBER LIABILITY and CYBER INCIDENT Coverage** — Endorsement No. 14 shall apply.

[and/or]

**INTELLECTUAL PROPERTY BUSINESS Coverage option** — Endorsement No. 15 shall apply.

[or]

**None.**

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Lawyers' Professional Indemnity Company (LAWPRO)  
250 Yonge Street  
Suite 310I, P.O. Box 3  
Toronto, Ontario M5B 2L7  
Tel: 416-598-5899 or 1-800-410-1013  
Fax: 416-599-8341 or 1-800-286-7639  
Email: [service@lawpro.ca](mailto:service@lawpro.ca)  
[lawpro.ca](http://lawpro.ca)

Throughout this **POLICY** certain words have been capitalized to indicate that they have a specific meaning as defined in this **POLICY** or as set out in the **POLICY** Declarations.

Lawyers' Professional Indemnity Company in consideration of the payment of the premium and in reliance on the Declarations of the **INSURED** and subject to the **LIMIT OF LIABILITY**, **AGGREGATE LIMIT OF LIABILITY**, **SUBLIMITS OF LIABILITY**, **DEDUCTIBLE** and all other terms and conditions of this **POLICY**, agrees with the **INSURED** named in the Declarations and the **NAMED INSURED**, as follows:

## Part I

# INSURANCE COVERAGE

### A. DAMAGES:

To pay on behalf of an **INSURED** all sums which that **INSURED** shall become legally obligated to pay as **DAMAGES** arising out of a **CLAIM**, provided the liability of that **INSURED** is the result of an error, omission or negligent act in the performance of **PROFESSIONAL SERVICES** for others.

### B. Defence, settlement, expenses:

- I. Subject to subparagraph no. 2 herein, the **INSURER** will, in respect of such coverage as provided by this **POLICY**:
  - (a) defend any **CIVIL SUIT** relating to or arising out of an alleged, actual or possible error, omission or negligent act of any **INSURED(S)** in the performance of **PROFESSIONAL SERVICES** for others, and control the defence of covered allegations, subject to allocation of any expenses incurred in relation to the defence of non-covered allegations to any **INSURED(S)** sued in any such **CIVIL SUIT**;
  - (b) have the right to investigate any **CIRCUMSTANCE** or **CLAIM** and in the **INSURER'S** sole and absolute discretion to settle any **CIRCUMSTANCE** or **CLAIM** within the applicable per **CLAIM** and aggregate limits and sublimits, after giving notice of its intention to settle to an **INSURED**;
  - (c) pay, subject to subparagraph I(a) above,
    - (i) all expenses incurred by the **INSURER** for investigation and defence;
    - (ii) all costs awarded against any **INSURED(S)** sued in any **CIVIL SUIT** defended by the **INSURER** as a result of (an) alleged, actual or possible error(s) of any such **INSURED(S)** in the performance of **PROFESSIONAL SERVICES** for others;
    - (iii) in any **CIVIL SUIT**, premiums on required appeal bonds and premiums on bonds to release attachments, for bond amounts not exceeding the applicable **LIMIT OF LIABILITY**, **AGGREGATE LIMIT OF LIABILITY** or **SUBLIMIT(S) OF LIABILITY** of this **POLICY**, provided that the **INSURER** shall not have any obligation to apply for or furnish any such bonds; and
  - (d) pay all reasonable expenses, other than loss of earnings, incurred by any **INSURED** at the **INSURER'S** request.

2. Notwithstanding the **INSURER'S** obligations pursuant to Part I Coverage B, subparagraph no. 1, i.e. its obligation to defend, investigate and pay certain expenses and costs, the **INSURER** may decline to so defend, investigate or pay the expenses or costs as set out in Part I Coverage B, subparagraph no. 1 where it determines on reasonable grounds that the **CIRCUMSTANCE(S)** does not arise out of an error, omission or negligent act in the performance of **PROFESSIONAL SERVICES** for others, or that the **CIRCUMSTANCE(S)** or **CLAIM(S)** does not comply with Part II or Part IV of the **POLICY**, or is excluded pursuant to Part III of the **POLICY**.

In the event that any **INSURED** shall disagree with the decision of the **INSURER**, the dispute or disagreement may be heard by an arbitrator pursuant to Part IV Condition P or upon application or action by any such party to the Ontario Superior Court of Justice. The **INSURER** or any such **INSURED** may introduce evidence relating to the issues of coverage and the activities of any such **INSURED** at such arbitration or on the application or action, which evidence shall be considered by the arbitrator or judge in making a determination of the respective obligations of any such **INSURED** and the **INSURER**.

### C. PRESCRIBED PENALTY expenses:

The **INSURER** will reimburse an individual **NAMED LAWYER**, after final resolution, for expenses in investigation and/or defence reasonably incurred by the **NAMED LAWYER** in the successful defence of any **CLAIM** regarding a **PRESCRIBED PENALTY** assessed against the **NAMED LAWYER** which arises out of the **NAMED LAWYER'S** performance of **PROFESSIONAL SERVICES** for others.

In this regard, the assessment of a **PRESCRIBED PENALTY** against an individual **NAMED LAWYER** will be deemed to be a **CLAIM**, upon first assessment, for the purposes of the **POLICY**. As well, for clarity, no coverage is available in respect of this Part I Coverage C for any **PRESCRIBED PENALTY** awarded, nor for any expenses incurred, where the **PRESCRIBED PENALTY** remains awarded after final resolution.

The **INSURER'S** obligations pursuant to Part I Coverages A, B and C cease as soon as the **LIMIT OF LIABILITY**, **AGGREGATE LIMIT OF LIABILITY** or **SUBLIMIT(S) OF LIABILITY** have been exhausted.

## Part II

# SPECIAL PROVISIONS

### A. Territory:

The insurance afforded by this POLICY applies:

- (i) to the performance of PROFESSIONAL SERVICES anywhere in Canada, where such services are performed with respect to the law of Canada, its provinces and territories; and
- (ii) to the performance of PROFESSIONAL SERVICES outside of Canada, where such services are performed with respect to the law of Canada, its provinces and territories, provided either that:
  - (a) such services occupy less than ten per cent (10%) of an INSURED'S time docketed or gross billings for PROFESSIONAL SERVICES in each calendar year; or
  - (b) the CLAIM is made and CIVIL SUIT is brought in Canada, and the issues thereon, including liability and DAMAGES, are adjudicated on their merits in Canada pursuant to the law of Canada, its provinces and/or territories.

### B. POLICY PERIOD:

The insurance afforded by this POLICY covers CLAIMS made against an INSURED for the first time during the POLICY PERIOD, no matter when the error, omission or negligent act giving rise to the CLAIM took place, so long as:

- (i) such INSURED shall not have any other valid and collectable insurance available concerning such CLAIM; and
- (ii) such INSURED was a PRACTISING LAWYER at the time that such INSURED'S error, omission or negligent act or the INSURED'S RELATED ERROR(S), OMISSION(S), OR NEGLIGENT ACT(S) took place.

A CLAIM is deemed to be made against an INSURED during this POLICY PERIOD only if the earliest of the following events takes place during the POLICY PERIOD:

- (a) that INSURED first becomes obligated to give written notice to the INSURER of an alleged, actual, or possible error, omission or negligent act or of any alleged, actual, or possible RELATED ERROR(S), OMISSION(S) OR NEGLIGENT ACT(S), even if a CLAIM is never made or is only advanced against that INSURED after the POLICY PERIOD;
- (b) another INSURED first becomes obligated to give written notice to the INSURER of the same alleged, actual, or possible error, omission or negligent act, and/or any further alleged, actual or possible RELATED ERROR(S), OMISSION(S) OR NEGLIGENT ACT(S), even if a CLAIM is never made or is only advanced against such other INSURED after the POLICY PERIOD; or
- (c) the NAMED INSURED first gives written notice to the INSURER of the same alleged, actual, or possible error, omission or negligent act and/or any further alleged, actual or possible RELATED ERROR(S), OMISSION(S) OR NEGLIGENT ACT(S), even if a CLAIM is never made or is only advanced against any such INSURED after the POLICY PERIOD.

The date of the earliest of the events described in (a), (b) and (c) above, shall be deemed the date of CLAIM.

## Part III

# EXCLUSIONS TO AN INSURED'S COVERAGE

This POLICY does not apply:

- (a) to any CLAIM in any way relating to or arising out of any DISHONEST, fraudulent, criminal or malicious act or omission of an INSURED;
- (b) to any CLAIM by:
  - (i) an EMPLOYER who is an INSURED hereunder, against a present or former EMPLOYEE who is also an INSURED hereunder, with respect to any alleged or actual damage arising out of such employment to the goodwill or reputation of the EMPLOYER;
  - (ii) an EMPLOYER, including a CORPORATE EMPLOYER, who is not an INSURED hereunder, against a present or former EMPLOYEE who is an INSURED hereunder, with respect to any alleged or actual DAMAGES arising out of such employment;
  - (iii) a CORPORATE EMPLOYER against an INSURED who is a present or former SECONDED LAWYER for that CORPORATE EMPLOYER, with respect to any alleged or actual DAMAGES in any way relating to or arising out of the performance of PROFESSIONAL SERVICES during the period of such secondment; or
  - (iv) a PERSONAL LAW CORPORATION in which an INSURED is an officer, director, and/or shareholder;
- (c) to any CLAIM made by or in connection with a corporation, business ENTERPRISE or nonbusiness ENTERPRISE in which an INSURED and/or that INSURED'S SPOUSE and/or any of the partners or shareholders in the LAW FIRM in which that INSURED is a member and/or these partner's(s') or shareholder's(s') SPOUSE(S) have or, at the time of the error, omission, or negligent act, or thereafter, had, beneficial ownership, whether individually, collectively, directly or indirectly, in an amount greater than ten per cent(10%);
- (d) to any CLAIM in any way relating to or arising out of an INSURED providing investment advice and/or services, including without limitation, investment advice and/or services relating to or arising out of a business, commercial, or real property investment, unless the investment advice and/or services provided by that INSURED were:
  - (i) preceded by or were performed concurrently with other PROFESSIONAL SERVICES provided by that INSURED;
  - (ii) ancillary to the other antecedent or concurrently performed PROFESSIONAL SERVICES provided by that INSURED, and were a necessary component of the PROFESSIONAL SERVICES to be provided by that INSURED; and
  - (iii) within the scope of PROFESSIONAL SERVICES which might ordinarily be performed by that INSURED, having regard to the specific area of law (e.g. real estate law; personal injury law; etc.) being practiced in the performance of the other antecedent or concurrently performed PROFESSIONAL SERVICES;
- (e) to any CLAIM in any way relating to or arising out of INJURY to any person, or to mental anguish, shock, humiliation or sickness, disease or death of any person, or destruction or loss of any tangible property, including the loss of use thereof, unless as a direct consequence of the performance of PROFESSIONAL SERVICES;
- (f) to any CLAIM in any way relating to or arising out of any undertaking, agreement or promise by an INSURED, in which that INSURED assumes responsibility for that INSURED'S own or another's performance of an undertaking, agreement, promise or payment of a debt, including but not limited to an OVERDRAFT relating to or arising out of a COUNTERFEIT CERTIFIED CHEQUE(S) OR COUNTERFEIT BANK DRAFT(S);
- (g) to any CLAIM in any way relating to or arising out of an INSURED acting as a MORTGAGE BROKER, or to any CLAIM in any way relating to or arising out of circumstances in which an INSURED provided before July 1, 2008, PROFESSIONAL SERVICES in conjunction therewith;
- (h) to any CLAIM in any way relating to or arising out of any business venture(s) and/or any investment(s) which does not directly relate to an INSURED'S practice of law;
- (i) to any CLAIM in any way relating to or arising out of an INSURED'S law practice located in a RECIPROCATING JURISDICTION and/or a jurisdiction now considered to be a RECIPROCATING JURISDICTION, where that INSURED was a practising member of the law society of that jurisdiction, was maintaining coverage in respect of that INSURED'S law practice under that law society's mandatory professional liability insurance program, and did not purchase practice coverage under the POLICY or any policy(ies) which preceded it, at the time the PROFESSIONAL SERVICES giving rise to the CLAIM were performed;

- (j) to any CLAIM for which coverage is available in whole or in part under Endorsement No. 14 and/or to any CLAIM in any way relating to or arising out of a CYBER INCIDENT, PRIVACY BREACH EVENT, SOCIAL ENGINEERING EVENT, or EXTORTION THREAT;
- (k) to any CLAIM in any way relating to or arising out of the use or operation of a DIGITAL FUNDS MANAGEMENT SYSTEM, unless as a direct consequence of an error, omission or negligent act of an INSURED in the use or operation of any such DIGITAL FUNDS MANAGEMENT SYSTEM independent of any other cause(s) or precipitating factor(s) attributable directly or indirectly to the system itself. This exclusion shall not apply to a DIGITAL FUNDS MANAGEMENT SYSTEM approved by LAWPRO from time to time.

## Part IV

# GENERAL CONDITIONS

### A. LIMIT OF LIABILITY:

#### I. General

The INSURER'S LIMIT OF LIABILITY shall be governed by this Condition.

##### (a) Part I – Coverages A and B

The LIMIT OF LIABILITY stated in Item 5 of the Declarations (inclusive of DEDUCTIBLE) represents the total maximum liability of the INSURER per CLAIM, per POLICY PERIOD, for insurance provided under Coverages A and B of Part I of this POLICY.

However, where coverage is afforded under Endorsements Nos. 5, 6, 7, 11, 14 and 15 the applicable (SUB)LIMIT OF LIABILITY stated in the Endorsement shall apply. For clarity, any SUBLIMIT OF LIABILITY established under any Endorsement forms part of, and does not increase, the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY.

##### (b) Part I – Coverage C

For insurance provided under Coverage C of Part I, a SUBLIMIT OF LIABILITY of \$100,000 per CLAIM, per POLICY PERIOD, inclusive of DEDUCTIBLE, shall apply. This represents the total limit of the INSURER'S liability for that coverage.

### II. Related errors, omissions or negligent acts

If a CIRCUMSTANCE arises from or a CLAIM involves:

- (i) the RELATED ERRORS, OMISSIONS OR NEGLIGENT ACTS (hereinafter referred to in this General Condition as "RELATED ERRORS") of an individual INSURED, in that individual INSURED's capacity as a member of two or more LAW FIRMS at the same or different times; and/or
- (ii) those LAW FIRMS,

the INSURER'S LIMIT OF LIABILITY or SUBLIMIT OF LIABILITY per CLAIM for that individual INSURED shall not be increased thereby. However, the LIMIT OF LIABILITY or SUBLIMIT(S) OF LIABILITY per CLAIM shall apply separately in respect of each LAW FIRM, other than a sole proprietorship facing alleged (or potentially alleged), actual or possible vicarious or other liability for the RELATED ERRORS of its sole proprietor.

For these purposes, a sole proprietorship means a law firm owned by one individual INSURED (the sole proprietor) regardless of whether this law firm employs other individual INSUREDS. However, the single LIMIT OF LIABILITY or SUBLIMIT OF LIABILITY per CLAIM available to that individual INSURED shall not exist independently from the LIMIT(S) OF LIABILITY or SUBLIMIT(S) OF LIABILITY per CLAIM available to the LAW FIRM(S) but shall rather be eroded by all applicable payments made on behalf of that individual INSURED and/or the LAW FIRM(S).

Save and except to the extent that the provisions in the preceding paragraph of this General Condition are applicable, if a CIRCUMSTANCE arises from or a CLAIM involves:

- (1) the RELATED ERRORS of one or more individual INSUREDS in such individual INSURED(')(S)(') capacity as (a) member(s) of the same LAW FIRM; and/or
- (2) the RELATED ERRORS of two or more individual INSUREDS in their capacity as members of different LAW FIRMS; and/or
- (3) one or more of those LAW FIRMS,

the INSURER'S LIMIT OF LIABILITY or SUBLIMIT(S) OF LIABILITY per CLAIM shall apply separately in respect of each set of one or more INSUREDS, composed of the individual INSURED(S), in such Individual INSURED(')(S)(') capacity as:

- (a) member(s) of the same LAW FIRM; and/or
- (b) this same LAW FIRM as referenced in sub-paragraph (a) above.

For clarity, however, the inclusion of more than one INSURED in any such set of INSUREDS shall not operate to increase the INSURER'S LIMIT OF LIABILITY or SUBLIMIT(S) OF LIABILITY per CLAIM.

### IV. Locums

For further clarity, the inclusion of a LOCUM in any CLAIM shall not operate to increase the INSURER'S LIMIT OF LIABILITY or applicable SUBLIMIT(S) OF LIABILITY per CLAIM, in relation to a CLAIM made against the LAWYER or the LAWYER'S LAW FIRM for whom the LOCUM performed work.

## B. Annual AGGREGATE LIMIT OF LIABILITY:

The INSURER'S AGGREGATE LIMIT OF LIABILITY, per POLICY PERIOD, shall be governed by this Condition.

The AGGREGATE LIMIT OF LIABILITY stated in the Declarations as ITEM 6, inclusive of DEDUCTIBLE or DEDUCTIBLES, is the total limit of the INSURER'S liability under Part I Coverages A, B and C of this POLICY for all CLAIMS for which notice was given or caused to be given under the POLICY by an INSURED. Where coverage is afforded under Endorsement Nos. 5, 6, 7, 11, 14 or 15 the applicable (SUB)LIMIT(S) OF LIABILITY is subject to the AGGREGATE LIMIT OF LIABILITY.

The AGGREGATE LIMIT OF LIABILITY or applicable SUBLIMIT(S) OF LIABILITY per POLICY PERIOD shall include all CLAIMS in respect of any other INSURED who may have vicarious or other liability for the CLAIMS of that INSURED, such that the INSURER'S AGGREGATE LIMIT OF LIABILITY or applicable SUBLIMIT(S) OF LIABILITY shall not be increased beyond that otherwise available to a single INSURED.

Further, with regard to Part I Coverage C only, the total sublimit of the INSURER'S liability under Coverage C of this POLICY per CLAIM and for all CLAIMS reported under this coverage by an INSURED and by members of that INSURED'S LAW FIRM (during the POLICY PERIOD and when the PROFESSIONAL SERVICES were first provided) shall be \$100,000.

## C. DEDUCTIBLE:

The INSURER'S obligation to pay on behalf of the INSURED applies only to those amounts in excess of the INSURED'S DEDUCTIBLE as defined in Part V Definition (m), subject to the following additional provisions:

- (i) The terms of the POLICY, including those with respect to notice of CLAIM and the INSURER'S right to investigate, negotiate and settle any CLAIM or CIRCUMSTANCE(S), apply irrespective of the application of the DEDUCTIBLE type or amount.
- (ii) The INSURER may pay any part or all of the DEDUCTIBLE in respect of a CLAIM or CIRCUMSTANCE(S) and, upon notification of the action taken, the INSURED shall reimburse the INSURER for payment of the DEDUCTIBLE, failing which the NAMED INSURED shall promptly place the INSURER in funds sufficient to satisfy the DEDUCTIBLE.
- (iii) Notwithstanding the amount indicated in ITEM 7 of the Declarations, a DEDUCTIBLE of \$5,000 shall apply to losses covered under Endorsement No. 14.
- (iv) In the event of a CLAIM or CIRCUMSTANCE(S) in any way relating to or arising out of an INSURED providing PROFESSIONAL SERVICES for more than one person or organization having an apparent or alleged conflict in interest, the INSURED'S DEDUCTIBLE shall be double the amount indicated in ITEM 7 of the Declarations.
- (v) Where the amount of the INSURED'S DEDUCTIBLE is indicated in ITEM 7 of the Declarations as being \$Nil, it is agreed that the amount of the DEDUCTIBLE shall instead be deemed to be \$500.00 and applicable to indemnity

payments only, for CLAIMS, if any, relating to a "real estate transaction" for which no real estate transaction levy surcharge was payable in accordance with Endorsement No. 2 Exclusion (v) of the POLICY. Excepting this, the INSURED'S \$Nil DEDUCTIBLE amount shall apply.

- (vi) In the event of a CLAIM relating entirely to PRO BONO SERVICES and/or certain mentoring services provided pursuant to risk management protocols approved by the INSURER, the amount of the INSURED'S DEDUCTIBLE shall be deemed to be \$Nil for the purposes of the CLAIM.
- (vii) In the event of a CLAIM or CIRCUMSTANCE(S) in any way relating to or arising out of a COUNTERFEIT CERTIFIED CHEQUE(S) OR COUNTERFEIT BANK DRAFT(S), if the amount of the INSURED'S DEDUCTIBLE indicated in ITEM 7 of the Declarations is less than \$5,000, the INSURED'S DEDUCTIBLE shall be deemed to be \$5,000 and applicable to CLAIM expenses and/or indemnity payments.
- (viii) In the event of a CLAIM or CIRCUMSTANCES in any way relating to or arising out of an ADMINISTRATIVE DISMISSAL, that is not set aside despite any steps that may have been taken by or under the direction of the INSURER, it is agreed that the DEDUCTIBLE shall be deemed to:
  - (a) apply to CLAIM expenses and/or indemnity payments; and
  - (b) be \$10,000 more than the amount of the INSURED'S DEDUCTIBLE indicated in ITEM 7 of the Declarations.

Where two or more of subparagraphs (iii), (v), (vii), and/or (viii) apply, the single largest DEDUCTIBLE amount shall be deemed to apply. In the event that subparagraph (vi) shall apply, the DEDUCTIBLE amount shall be \$Nil, except where subparagraph (v) is applicable.

The DEDUCTIBLE shall be the responsibility of:

- (1) the INSURED; and
- (2) a LAW FIRM who provides the INSURER with notice of a CIRCUMSTANCE or a CLAIM on its own behalf for facing alleged, actual or possible vicarious or other liability for the RELATED ERROR(S), OMISSION(S) OR NEGLIGENT ACT(S) of the INSURED and/or another.

Where the INSURER elects to collect the DEDUCTIBLE from a LAW FIRM, the INSURER has the right to designate any current equity holder of the LAW FIRM, or any former equity holder of the LAW FIRM who was an equity holder on or after the date of (any of) the RELATED ERROR(S), OMISSION(S), OR NEGLIGENT ACT(S) of the INSURED and/or another as the LAWYER or former LAWYER from whom the DEDUCTIBLE might be collected on behalf of the LAW FIRM.

For clarity, the INSURED is never a designated equity holder of a LAW FIRM for purposes of this General Condition and Endorsement No. 4, save and except where the LAW FIRM faces alleged, actual or possible vicarious or other liability for (any of) the RELATED ERROR(S), OMISSION(S) OR NEGLIGENT ACT(S) of an individual or organization who was never an INSURED under this POLICY, or an individual who is or was an INSURED but for whom no coverage is available under this POLICY in connection with the subject CIRCUMSTANCE or CLAIM.

Where the exception in the preceding paragraph of this General Condition is applicable, the INSURER has the right to designate any current equity holder of the LAW FIRM, or any former equity holder of the LAW FIRM who was an equity holder on or after the date of (any of) the RELATED ERROR(S), OMISSION(S) OR NEGLIGENCE ACT(S) of any such individual or organization, as the INSURED.

In the case of alleged, actual or possible RELATED ERRORS, OMISSIONS OR NEGLIGENCE ACTS committed by two or more INSUREDS, the INSURER has the right to designate the most senior INSURED or any one of the most and equally senior INSUREDS (in terms of years in practice in any Canadian jurisdiction) as the INSURED responsible for the DEDUCTIBLE and for purposes of applying Endorsement No. 4 of this POLICY.

The INSURED where so designated will have the right to commence arbitration proceedings pursuant to General Condition P. of this POLICY against the INSURER but only on the basis that this INSURED did not allegedly, actually or possibly commit an error, omission or negligent act and so should not be designated as the INSURED for purposes of this General Condition and Endorsement No. 4 of this POLICY.

The INSURED where so designated will also have the right to commence arbitration proceedings pursuant to General Condition P. of this POLICY against another INSURED on the sole basis that such other INSURED was the INSURED bearing the most and/or primary responsibility for the alleged, actual or possible RELATED ERRORS, OMISSIONS OR NEGLIGENCE ACTS, and so should be designated as the INSURED for purposes of this General Condition and Endorsement No. 4 of this POLICY.

## **D. Premium:**

The NAMED INSURED, as agent of all INSUREDS, has arranged for this POLICY and shall pay the premium by levying its LAWYERS and directing them to pay to the INSURER, as may be agreed between the INSURER and the NAMED INSURED named in the Declarations, the base-rated insurance premium levy, the Real Estate Transaction Levy Surcharge in accordance with Endorsement No. 2, the Civil Litigation Transaction Levy Surcharge in accordance with Endorsement No. 3, the Claims History Levy Surcharge in accordance with Endorsement No. 4, the Innocent Party optional limit increase levy surcharge in accordance with Endorsement No. 5, the Real Estate Practice Coverage Surcharge in accordance with Endorsement No. 6, the premium levy in respect of MULTIDISCIPLINE PARTNERSHIPS in accordance with Endorsement No. 12, the premium levy in respect of COMBINED LICENSEE FIRMS in accordance with Endorsement No. 13, and the INTELLECTUAL PROPERTY BUSINESS Coverage Surcharge in accordance with Endorsement No. 15.

The base-rated insurance premium levy, including Innocent Party optional limit increase levy surcharge and Real Estate Practice Coverage Surcharge, shall be in accordance with the INSURER'S rating scheme and Endorsement Nos. 1, 5, 12, 13 and 15, as evidenced in ITEM 4 of the Declarations and invoiced to the INSURED. The Real Estate Transaction Levy Surcharge, the Civil Litigation Transaction Levy Surcharge, and the Claims History Levy Surcharge, shall be in accordance with Endorsement Nos. 2, 3 and 4, respectively. Premiums and premium levy amounts in respect of an individual LAWYER may be adjusted by the INSURER during or after expiry of the POLICY PERIOD in accordance with:

- (i) any judgment or settlement resulting from an arbitration process pursuant to Part IV Condition P of this or equivalent Condition from any prior or subsequent policy; and/or
- (ii) any failure to comply with the eligibility criteria for the Part-Time Practice Option and/or Restricted Area of Practice Option.

The NAMED INSURED and all INSUREDS shall provide the INSURER with such applications for insurance and other information by way of form as prescribed by the INSURER, as the INSURER may from time to time require for the purpose of collecting premiums, underwriting and rating this POLICY.

## **E. Providing notice of CLAIM:**

If during the POLICY PERIOD an INSURED first becomes aware of any CLAIM or CIRCUMSTANCE(S), such INSURED shall immediately give written notice thereof or cause written notice to be given to:

**Lawyers' Professional Indemnity Company (LAWPRO)**  
**250 Yonge Street, Suite 3101, P.O. Box 3**  
**Toronto, Ontario M5B 2L7**

**Email: [claims@lawpro.ca](mailto:claims@lawpro.ca)**  
**Fax: 416-599-8341 or 1-800-286-7639**  
**Web: [lawpro.ca](http://lawpro.ca)**

Notice at the above web address may only be provided by completing and submitting a "Claim Notice Report" in accordance with the instructions on the website. If no confirmation number is received by the party in submitting a Claim Notice Report on the website, then notice is deemed not to have been given to the INSURER.

Whatever the form of written notice, an INSURED shall furnish promptly to the INSURER all information on the CLAIM or CIRCUMSTANCE(S) which is in that INSURED'S possession or knowledge, including but not limited to:

- (a) Such INSURED'S name, the name of the LAW FIRM, full mailing address, and email address;
- (b) The name(s) of such INSURED'S client(s) and a brief description of the retainer;
- (c) The name(s) of the (potential) claimant(s);
- (d) A description of the CLAIM or CIRCUMSTANCE(S);
- (e) The manner and date on which such INSURED became aware of the CLAIM or CIRCUMSTANCE(S);
- (f) Every demand or originating process received by such INSURED.

The INSURER may in its sole and absolute discretion, take the position that the Claim Notice Report and/or information provided to it by or on behalf of an INSURED is insufficient to constitute written notice of a CLAIM or CIRCUMSTANCE(S), without further written information being provided to the INSURER promptly and without delay. The INSURER may also in its sole and absolute discretion take the position that the Claim Notice Report and/or information provided to it by or on behalf of

an INSURED in any format and by any means of delivery, constitutes written notice of a CLAIM or CIRCUMSTANCE(S).

If a CLAIM is made against an INSURED, such INSURED shall immediately forward to the INSURER every demand or originating process received by such INSURED, regardless of whether any previous claim notice report was found to be sufficient by the INSURER.

LAWPRO has the right but not the duty to deem a report of any CLAIM(S) or CIRCUMSTANCE(S) from an individual INSURED, or provided on behalf of that individual INSURED with that individual INSURED'S consent, as a report from: (1) the LAW FIRM(S) of which that INSURED was a member on the date(s) of the alleged (or potentially alleged), actual or possible error, omission or negligent act and/or RELATED ERROR(S), OMISSION(S), OR NEGLIGENT ACT(S); and (2) from any other individual INSUREDS who were members of the same LAW FIRM(S) on the date(s) of the alleged (or potentially alleged), actual or possible error, omission or negligent act and/or RELATED ERROR(S), OMISSION(S), OR NEGLIGENT ACT(S). Similarly, LAWPRO has the right but not the duty to deem a report of any CLAIM(S) or CIRCUMSTANCE(S) from an INSURED which is a LAW FIRM, as a report from individual INSUREDS who were members of that LAW FIRM on the date(s) of the alleged (or potentially alleged), actual or possible error, omission or negligent act and/or RELATED ERROR(S), OMISSION(S), OR NEGLIGENT ACT(S) of such individual INSURED(S).

## **F. Extended notice period:**

In the case of cancellation of this POLICY as set forth under the first and/or second paragraphs of Part IV Condition N, an extended notice period of ninety (90) days from the effective date of cancellation is granted for the purpose of giving notice of any CLAIM or CIRCUMSTANCE(S), but then only with respect to and arising out of an error, omission, or negligent act occurring prior to the effective date of cancellation of the POLICY.

## **G. Assistance and cooperation of an INSURED:**

In respect of a CLAIM or CIRCUMSTANCE(S), an INSURED shall:

- (i) not voluntarily assume any liability or enter into any settlement, other than in regard to Part I Coverage C;
- (ii) cooperate with the INSURER in the investigation and defence of any CLAIM or CIRCUMSTANCE(S);
- (iii) not interfere in any negotiations or settlement;
- (iv) whenever requested by the INSURER, aid in securing information and evidence and the attendance of any witness; and
- (v) cooperate with the INSURER in enforcing any right of contribution or indemnity against any person or organization, other than an INSURED'S employee who has acted within the scope of the employee's employment for that

INSURED and as directed or authorized by that INSURED, that may be liable to that INSURED, because of any CLAIM with respect to which insurance is afforded under this POLICY, and enforcing any entitlement to costs.

In the event that any INSURED shall refuse to comply with this General Condition G and/or has not provided or caused notice to be provided pursuant to Part IV Condition E to the INSURER (whether due to lack of awareness of any relevant CLAIM or CIRCUMSTANCE(S), or otherwise), the NAMED INSURED may, in its sole and absolute discretion, take the place of any such INSURED to ensure such compliance or provision of notice. However, no such reporting by the NAMED INSURED shall affect the INSURER'S rights to rely upon the non-compliance of such INSURED, nor shall it obligate the NAMED INSURED to perform substitute compliance or provision of notice in respect of any other CLAIM or CIRCUMSTANCE(S).

## **H. Release of coverage:**

Upon agreement with the INSURER, at the INSURER'S sole and absolute discretion, the INSURER may allow an INSURED to assume all of the responsibilities and obligations of the INSURER under the POLICY and in so doing the INSURED shall release such INSURER from all responsibilities and obligations under the POLICY.

## **I. Action against INSURER including Contractual Limitation Periods:**

No proceeding by the NAMED INSURED or an INSURED shall lie against the INSURER unless, as a condition precedent thereto, the NAMED INSURED or such INSURED shall have fully complied with all the terms of this POLICY.

No CIVIL SUIT including an arbitration under Part IV Condition P of the POLICY nor any other proceeding against the INSURER by an INSURED or any other individual or entity for a declaration, order, award and/or any other relief, whatsoever, in any way relating to or arising from the actual or alleged existence and/or availability of insurance coverage under the POLICY for the defence of any CIVIL SUIT or other proceeding against that INSURED and/or the duty to pay for all or part of such defence, shall be commenced after the second anniversary of the INSURER denying such coverage and/or the duty to pay for all or part of such defence to that INSURED and/or the NAMED INSURED in place of that INSURED, if:

- (a) the INSURER was providing such coverage and/or was paying for all or part of such defence before denying such coverage and/or the duty to pay for all or part of such defence; or
- (b) that INSURED or NAMED INSURED in place of the INSURED gave written notice or caused written notice to be given to the INSURER of the CIVIL SUIT or other proceeding against that INSURED within one year of the earliest of the following events:
  - (i) that INSURED being served with the originating process in such CIVIL SUIT or other proceeding whether by personal, alternative, substituted, validated or other effective means and the INSURED becoming aware of such service;

- (ii) that INSURED becoming aware that the need for service of the originating process in such CIVIL SUIT or other proceeding upon the INSURED was dispensed with by Court order, by other means, or on any other basis;
- (iii) service of the originating process in such CIVIL SUIT or other proceeding being accepted by or on behalf of that INSURED;
- (iv) a Notice of Intent to Defend, Statement of Defence, Notice of Appearance, Notice of Motion or any similar response in the CIVIL SUIT or other proceeding having been served, filed or otherwise delivered by or on behalf of that INSURED;
- (v) that INSURED otherwise responding to and/or participating in the CIVIL SUIT or other proceeding; or
- (vi) that INSURED becoming aware of being noted in default and/or of any ruling, decision, judgment, Court order or any step in the CIVIL SUIT or proceeding affecting the INSURED in any way.

If neither that INSURED nor the NAMED INSURED in place of that INSURED gave written notice or caused written notice of such CIVIL SUIT or other proceeding against that INSURED to be given to the INSURER within one year of the earliest of the above-described events, and the INSURER did not deny such coverage and/or a duty to pay for all or part of such coverage to that INSURED after providing such coverage and/or paying for all or part of such defence, then no such CIVIL SUIT nor other proceeding against the INSURER by that INSURED, or by any other individual or entity shall be commenced after the second anniversary of the earliest of the above-described events.

These contractual limitation periods are applicable regardless of when:

- (i) any legal or other work constituting and/or relating to such defence has been and/or might be performed by or on behalf of an INSURED;
- (ii) any payments for such defence became and/or might become due and owing; and
- (iii) any payments for such defence were made and/or might be made by or on behalf of that INSURED.

## J. Other insurance:

### (i) With RECIPROCATING JURISDICTION(S)

If an insured LAWYER, and/or any other individual and/or INSURED relating to the same LAW FIRM, has or had insurance (other than that specifically arranged to apply as excess insurance over this POLICY or any RECIPROCATING JURISDICTION'S POLICY) under a RECIPROCATING JURISDICTION'S(S') POLICY(IES) that applies to a CLAIM covered by this POLICY, the total amount of insurance provided under these policies, together, will not exceed the total value of the CLAIM or the most which is available under either (any one) of these policies alone, whichever is less. The decision as to which of these policies shall respond, or as to any allocation between (or amongst) these policies, shall be made by the INSURER and/or NAMED INSURED, together with the

RECIPROCATING JURISDICTION'S(S') law society(ies) and/or insurer(s), and each INSURED agrees to be bound by their decision. For greater clarity, the total amount of coverage provided under this POLICY will not exceed the INSURER'S LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY regardless of the number of policies involved.

### (ii) With others

If an insured LAWYER, and/or any other individual and/or INSURED relating to the same LAW FIRM, has or had insurance (other than that, with a self-insured retention of \$1,000,000 per CLAIM or more, specifically arranged to apply as excess insurance over this POLICY or any RECIPROCATING JURISDICTION'S POLICY) under a policy which is not a RECIPROCATING JURISDICTION'S POLICY that applies to a CLAIM covered by this POLICY, this POLICY will apply only as excess insurance over such other insurance to the extent that the other insurance is valid and collectable. This is regardless of whether:

- (a) this POLICY is in any way, whatsoever, described (specifically or otherwise) as anything other than excess insurance, in any such other insurance; and/or
- (b) that other insurance is primary, contingent, excess, umbrella, or contains any form of excess or escape "other insurance" clause, condition or provision.

Further, the INSURER will not be called upon to contribute or otherwise pay any amounts, whatsoever, pursuant to Part I of the POLICY and/or any endorsements to the POLICY, where any such amounts are covered under or are otherwise included in other valid and collectable insurance, except where that other insurance is unconditionally subject to at least one hundred per cent (100%) reimbursement by an INSURED.

## K. Subrogation and other rights of recovery:

In case of payment or liability for payment by the INSURER, the INSURER shall be subrogated to an INSURED'S right of recovery related thereto against any other person. That INSURED shall cooperate with the INSURER, including executing all papers to secure such rights, and that INSURED shall do nothing to prejudice such rights.

If an INSURED or NAMED INSURED has been required to pay all or part of the DEDUCTIBLE, or any part of any settlement or judgment in respect of which the INSURER has paid, and the net amount recovered pursuant to the INSURER'S subrogated right or any other rights of recovery, after deducting the cost of recovery, is not sufficient to provide a complete indemnity for each of the INSURER, the NAMED INSURED and that INSURED, the net amount shall be apportioned first to the INSURER, then to the NAMED INSURED and finally to that INSURED until each is respectively made whole. The INSURER shall have the right to control the litigation in which it advances its subrogated interests and that INSURED'S uninsured interests.

In the case of payment or liability for payment by the INSURER, the INSURER in

addition to its rights of subrogation shall also have the right to commence a direct action in its own name to seek recovery from:

- (i) any INSURED who failed to comply with the terms of this POLICY and in so doing prejudiced the INSURER in any way; and/or
- (ii) any INSURED allegedly, actually or possibly responsible for any DISHONEST, fraudulent, criminal or malicious act(s) or omission(s), or against whom an INSURED believes that such allegations may potentially be made or potentially may have been made in the future, directly or indirectly giving rise to a payment being made on that INSURED's behalf and/or on behalf of any INSURED who was allegedly, actually or possibly vicariously liable, or who might be or have been alleged in the future to be vicariously or otherwise liable for that INSURED's alleged, actual or possible DISHONEST, fraudulent, criminal or malicious act(s) or omission(s) or DISHONEST, fraudulent criminal or malicious act (s) or omission(s) which an INSURED believes may be or might have been alleged in the future against that INSURED.

## L. Changes:

The terms of this POLICY shall not be waived or changed except by an endorsement issued to form a part of this POLICY, signed by the INSURER and accepted by the NAMED INSURED.

## M. Assignment:

The interest hereunder of any INSURED and/or the NAMED INSURED is not assignable. If an INSURED shall die, be adjudged incapable of managing such INSURED'S own affairs or become bankrupt or insolvent, this POLICY shall cover that INSURED'S legal representative as an INSURED with respect to coverage provided by this POLICY. Bankruptcy or insolvency of that INSURED or of that INSURED'S estate shall not relieve the INSURER of any of its obligations hereunder.

## N. Cancellation and exemption:

This POLICY may be cancelled prior to its natural expiry by the NAMED INSURED on behalf of all INSUREDS at any time by written notice delivered or sent by registered mail, to the INSURER. Such notice shall be delivered to the INSURER at the municipal address indicated under Part IV Condition E.

This POLICY may be cancelled by the INSURER by giving at least sixty (60) days prior notice in writing to the NAMED INSURED. Such notice shall be delivered or sent by registered mail to the address of the NAMED INSURED stated in ITEM 2 of the Declarations.

In the event of cancellation, the NAMED INSURED shall advise all INSUREDS of such cancellation. Upon cancellation, all coverage under this POLICY afforded to any and all INSUREDS and/or the NAMED INSURED shall terminate concurrently except as provided under Part IV Condition F.

Upon cancellation of this POLICY, the POLICY premium in regard to each INSURED shall be adjusted *pro rata* to the effective date of the POLICY cancellation, subject to a minimum premium equal to 60 days' premium.

Any optional coverage elected or non-mandatory POLICY coverage provided to an INSURED may be cancelled by the INSURER by giving at least thirty (30) days prior notice in writing to that INSURED. Such notice to that INSURED shall be made by delivery or by mail sent to the address of that INSURED set out in the Declarations, or such other address of that INSURED indicated in the records of the INSURER at the time of cancellation. Premiums relating to the cancelled coverage shall be adjusted *pro rata* to the effective date of the cancellation of coverage, without any minimum premium adjustment.

Upon exemption of an INSURED by the NAMED INSURED or the INSURER from payment of insurance premium levies under the POLICY, that INSURED'S POLICY premium shall be adjusted *pro rata* to the date of exemption, subject to a minimum premium or adjustment equal to 30 days' premium applicable to each period of practice or exemption. In no event shall an INSURED be liable to pay more than 365 days' premium as a PRACTISING LAWYER during the POLICY PERIOD.

## O. Settlement:

Further to Part I Coverage B, subparagraph no. 1(b), the INSURER may, in its sole and absolute discretion, upon notice to an INSURED, attempt to settle any CLAIM(S) or CIRCUMSTANCE(S), in whole or in part, without the consent of that INSURED who shall nevertheless remain liable to contribute that INSURED'S DEDUCTIBLE(S) where required by the relevant POLICY terms.

If an INSURED objects to a recommended settlement by the INSURER, the INSURER may, in its sole and absolute discretion, permit that INSURED to investigate and/or defend and/or attempt to settle the CLAIM(S) or CIRCUMSTANCE(S) at that INSURED'S own cost, but only on the condition that the amount payable by the INSURER under this POLICY for such CLAIM or CIRCUMSTANCE(S) shall be limited to the amount for which such CLAIM or CIRCUMSTANCE(S) could have been settled, inclusive of costs and expenses incurred up to the date of such objection, subject to all other terms and conditions of this POLICY.

## P. Arbitration:

Subject to Part I Coverage B, subparagraph no. 2, in the event of a dispute between (among) an INSURED(S) and INSURER or between (among) two or more INSUREDS, such dispute shall be decided by binding arbitration which shall be initiated by the delivery of a notice of arbitration. The parties will agree to a single arbitrator, failing such agreement, the arbitrator shall be designated by the court on application. The parties agree to enter into an arbitration agreement within sixty (60) days of delivery of the notice of arbitration. Such arbitration agreement shall include the procedure to be followed in the arbitration under this condition; failing agreement between the parties, the procedure shall be set and determined by the appointed arbitrator. Each party shall bear its own costs, including each party's share of the costs of the arbitration.

## Q. Reporting to the Law Society:

All INSUREDs agree that, if the INSURER reasonably believes an INSURED to be or to have engaged in activities which the INSURER, in its sole and absolute discretion, considers may be DISHONEST or criminal or in activities which have had or may have the effect of causing someone to suffer serious damage as a consequence of an apparent breach of the rules of professional conduct, or in any circumstances that a LAWYER would be mandated to report to the NAMED INSURED in respect of other licensees pursuant to the Rules of Professional Conduct, the INSURER may, in its sole and absolute discretion, report such activities to the NAMED INSURED and may, in its sole and absolute discretion, deliver to the NAMED INSURED such information and documents relating thereto that the INSURER, in its sole and absolute discretion, deems appropriate.

## R. Law, jurisdiction and currency:

The POLICY is issued in Ontario, and is subject to the laws of the Province of Ontario and any applicable federal laws of Canada. Subject to Part I Coverage B, subparagraph no. 2 and Part IV Condition P, the parties irrevocably attorn to the jurisdiction of the courts of Ontario in the interpretation and enforcement of this POLICY.

Any reference to dollar amounts or monies payable in this POLICY shall only be in the lawful currency of Canada.

## S. Inter-jurisdictional considerations:

Where the closest and most real connection to a CLAIM is with a RECIPROCATING JURISDICTION, and the scope of coverage provided by the RECIPROCATING JURISDICTION'S POLICY is broader than that provided by this POLICY, then the INSURER shall provide the same scope of coverage as that of the RECIPROCATING JURISDICTION'S POLICY in respect of the CLAIM.

For clarity, all such CLAIMS reported under this POLICY shall remain subject to the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY. For the purposes of this Condition only, however, the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY shall not be considered to be less than \$1,000,000 per CLAIM and \$2,000,000 in the aggregate, respectively.

The determination of whether a RECIPROCATING JURISDICTION has the closest and most real connection to a CLAIM will be made by the INSURER, exercising its discretion reasonably, and considering whether at the time an INSURED was performing the PROFESSIONAL SERVICES giving rise to the CLAIM:

- (i) that INSURED was practising the law of a RECIPROCATING JURISDICTION;
- (ii) that INSURED was performing the PROFESSIONAL SERVICES in a RECIPROCATING JURISDICTION;

- (iii) that INSURED'S client was in a RECIPROCATING JURISDICTION; and
- (iv) the subject matter of the PROFESSIONAL SERVICES was located in or emanated from a RECIPROCATING JURISDICTION.

The INSURER will also consider where the proceedings, if any, to advance the CLAIM are or are likely to be brought.

This Condition only applies where an INSURED, at the time the PROFESSIONAL SERVICE(S) giving rise to a CLAIM were performed, was practising law in accordance with the inter-jurisdictional practice provisions of the by-laws and/or rules of the Law Society of Ontario and law society(ies) of the RECIPROCATING JURISDICTION(S).

## T. REPAIR and LOSS PREVENTION:

Upon receiving written notice of CLAIM(S) or CIRCUMSTANCE(S), the INSURER may, at its sole and absolute discretion:

- (i) undertake REPAIR or LOSS PREVENTION efforts; or
- (ii) authorize an INSURED to undertake REPAIR or LOSS PREVENTION efforts and potentially assist the INSURED therewith, although it is under absolutely no duty to do so.

If the INSURER undertakes or assists with REPAIR or LOSS PREVENTION efforts, such efforts or assistance therewith are deemed to be in response to:

- (a) CLAIM(S) pursuant to such insurance as is afforded by Part I, Coverages A, B and C, for purposes of:
  - (i) Part IV, General Conditions A and B; and
  - (ii) Endorsements No. 5 through 15, where applicable, although nothing in these POLICY provisions shall trigger any duties owed by the INSURER to an INSURED or otherwise interfere with the REPAIR or LOSS PREVENTION efforts being undertaken or assisted with by the INSURER at the INSURER'S sole and absolute discretion;
- (b) CLAIM(S) for purposes of Part II, Special Provision B;
- (c) CLAIM(S) or CIRCUMSTANCE(S) and to form part of the investigation and defence of any CLAIM(S) or CIRCUMSTANCE(S) for purposes of Part IV, General Condition G. For clarity, in respect of the INSURER'S investigation, undertaking of REPAIR or LOSS PREVENTION efforts or assistance therewith, an INSURED shall cooperate with the INSURER in every regard, including the INSURER'S efforts to collect on costs awards;
- (d) CLAIM(S) or CIRCUMSTANCE(S) for purposes of Part IV, General Conditions K, M and O; and

- (e) CLAIM(S) or CIRCUMSTANCE(S) on which payment(s) have been made by the INSURER to satisfy judgments or fund settlements for purposes of Part IV, General Condition C, and as CLAIM(S) PAID for purposes of Endorsement No. 4, save and except that:
  - (i) where LOSS PREVENTION efforts have been wholly successful, the LOSS PREVENTION efforts or assistance therewith shall still be deemed to have been undertaken or provided by the INSURER in response to CLAIM(S) or CIRCUMSTANCE(S) but not on which payment(s) have been made by the INSURER to satisfy judgments or fund settlements for purposes of Part IV, General Condition C, nor shall they be deemed as CLAIM(S) PAID for purposes of Endorsement No. 4; and
  - (ii) where LOSS PREVENTION efforts have not been wholly successful, the INSURER has not satisfied any actual judgments nor funded any actual settlements, and it remains unclear whether an INSURED committed an actual error, omission or negligent act, the LOSS PREVENTION efforts or assistance therewith by that INSURED shall still be deemed to have been undertaken or provided in response to CLAIM(S) or CIRCUMSTANCE(S) but not on which payment(s) have been made by the INSURER to satisfy judgments or fund settlements for purposes of Part IV, General Condition C, nor shall they be deemed as CLAIM(S) PAID for purposes of Endorsement No. 4.

## Part V

# DEFINITIONS

(a) **ADMINISTRATIVE DISMISSAL** means any dismissal or deemed dismissal of an action or application:

- i) by operation of law without judicial or quasi-judicial intervention; or
- ii) by a Court or other judicial or quasi-judicial body with the power to order it absent a formal request for such relief by any individual or entity, whether:
  - (a) for delay;
  - (b) by reason of abandonment or deemed abandonment;
  - (c) by reason of a breach of a statutory deadline or timetable;
  - (d) by reason of a breach of a judicial or quasi-judicial order or direction imposing a deadline or timetable; or
  - (e) for any other reason or on any other basis,

pursuant to:

- (1) the inherent jurisdiction of a Court or other judicial or quasi-judicial body;
- (2) Rules 48.14, 68.06(3), or 68.07(1) of the *Rules of Civil Procedure*, R.R.O. 1990, Regulation 194, as amended or as may be provided in equivalent successor legislation;
- (3) Rules 39(12), 39(12.1), 40(6), 40 (6.1), 41(6), or 41(6.1) of the *Family Law Rules*, O. Reg. 114/99, as amended or as may be provided in equivalent successor legislation;
- (4) any similar or equivalent regulations or legislation made or passed in Ontario, or in other provincial, territorial, federal or foreign jurisdictions,

regardless of whether any such dismissal or deemed dismissal is:

- a) ordered directly by a Court or other judicial or quasi-judicial body absent a formal request for such relief by any individual or entity; or
  - b) granted in response to a formal request to a Court or other judicial or quasi-judicial body for such relief and/or any other relief, by any individual or entity.
- (b) **CANADIAN FINANCIAL INSTITUTION** means a “Canadian financial institution” as defined under the *Bank Act*, S.C. 1991, c.46, but does not include an entity that is primarily engaged in dealing in securities, including portfolio management and investment counselling.
- (c) **CIRCUMSTANCE(S)** means any circumstances of an alleged, actual, or possible error, omission, or negligent act and/or any circumstances in

which an error, omission or negligent act might potentially be alleged in the future, of which an INSURED becomes aware, which from the perspective of a reasonable LAWYER or LAW FIRM could potentially give rise to a CLAIM hereunder. The INSURER has the right but not the duty to investigate and settle CIRCUMSTANCE(S). The investigation and settlement of CIRCUMSTANCE(S) shall be deemed the investigation and settlement of CLAIM(S):

- (i) pursuant to such insurance as is afforded by Part I, Coverages A, B and C, and for purposes of Part IV, General Conditions A, B, and C, and Endorsements No 5 through 15 where applicable; and
- (ii) for purposes of Part II, Special Provision B.

The settlement of CIRCUMSTANCE(S) shall also be deemed CLAIM(S) PAID for purposes of Endorsement No. 4.

(d) **CIVIL SUIT** means an action, application or arbitration in which a CLAIM for DAMAGES is asserted against an INSURED.

(e) **CLAIM(S)** means:

- (i) a written or oral demand for money or services; or
- (ii) a written or oral allegation of breach in the rendering of PROFESSIONAL SERVICES;

received by an INSURED and resulting from a single error, omission or negligent act or RELATED ERROR(S), OMISSION(S) OR NEGLIGENT ACT(S) in the performance of PROFESSIONAL SERVICES for others.

**Except where the provisions of Part IV, General Condition A provide otherwise**, all CLAIMS which arise from a single error, omission, or negligent act or RELATED ERROR(S), OMISSION(S), OR NEGLIGENT ACT(S) shall be deemed a single CLAIM regardless of the number of INSUREDS or the number of persons or organizations making a CLAIM or the time or times the error(s), omission(s), negligent act(s) or CLAIM(S) took place.

(f) **COMBINED LICENSEE FIRM(S)** means a partnership, other than a MULTI-DISCIPLINE PARTNERSHIP, or a professional corporation, which pursuant to By-Law 6 of the *Law Society Act*, R.S.O. 1990, c.L.8. (“*Law Society Act*”) has one or more PARALEGAL partners or shareholders and one or more LAWYER partners or shareholders.

(g) **COMPUTER SYSTEM(S)** means the physical hardware and software owned or leased by the INSURED or INSURED LAW FIRM including Cloud-Based Software (Saas) or hosted accounts under the INSURED LAW FIRM’s exclusive administrative control.

(h) **CORPORATE EMPLOYER** means a corporation as well as affiliated, controlled and subsidiary companies or other entity of the corporation for

which the INSURED is an EMPLOYEE or SECONDED LAWYER, where “affiliated”, “controlled”, and “subsidiary” are as defined under the *Securities Act*, R.S.O. 1990, c.S.5.

(i) **COUNTERFEIT CERTIFIED CHEQUE(S) OR COUNTERFEIT BANK DRAFT(S)** means a fake instrument purported to be drawn upon a CANADIAN FINANCIAL INSTITUTION that resembles a certified cheque or bank draft to such an extent that it is reasonably capable of passing for a certified cheque or bank draft, but not a certified cheque or bank draft that has merely been altered and/or signature of endorsement forged.

(j) **CYBER INCIDENT** means:

- (i) a SECURITY FAILURE affecting a COMPUTER SYSTEM; or
- (ii) a PRIVACY BREACH EVENT involving confidential information held by the INSURED or the INSURED’S LAW FIRM.

(k) **CYBER LIABILITY** means liability of an INSURED to a third party arising from:

- (i) A CYBER INCIDENT;
- (ii) SOCIAL ENGINEERING EVENT; or
- (ii) An EXTORTION THREAT,

that results in unauthorized access to, acquisition, disclosure, corruption, destruction, or transfer of confidential information, electronic data or funds received by and held in trust by or on behalf of the INSURED as a direct consequence of the performance of PROFESSIONAL SERVICES.

For clarity, CYBER LIABILITY refers only to liability to third parties and does not include first-party costs.

(l) **DAMAGES** means compensatory damages that an INSURED is legally obligated to pay arising out of a CLAIM, provided the INSURED’S liability is the result of an error, omission or negligent act in the performance of PROFESSIONAL SERVICES for others to which this insurance applies, and shall include subject to the INSURER’S LIMIT OF LIABILITY, AGGREGATE LIMIT OF LIABILITY and SUBLIMIT(S) OF LIABILITY pre-judgment and post-judgment interest. Regardless of whether the INSURED’S liability is the result of an error, omission or negligent act in the performance of PROFESSIONAL SERVICES for others, DAMAGES does not include and this POLICY does not cover:

- (i) fines or penalties;
- (ii) professional fees, accounts, any fee arrangement and/or disbursements, even if claimed or characterized as compensatory damages;
- (iii) any profit, remuneration or any other gain which an INSURED has directly or indirectly received;
- (iv) punitive damages, exemplary damages, or aggravated damages, and any interest thereon; or

(v) the costs of complying with any non-monetary relief, redress or remedy of any type, kind, or character, whatsoever, including (but not limited to) and/or directly or indirectly related to: injunctive relief; declaratory relief (other than a declaration that an Insured is legally obligated to pay compensatory monetary damages); specific performance and/or the provision of services; an accounting; and/or the tracing, preservation, non-depletion, and/or recovery of money, assets, and/or property, and/or the enforcement of a security interest therein.

For the purposes of Endorsement No. 14, DAMAGES may include amounts payable by an INSURED to third parties arising from CYBER LIABILITY and may include adjusting fees and expenses of a third-party adjusting firm retained by the INSURER, at its sole discretion, to investigate CYBER LIABILITY.

(m) **DEDUCTIBLE(S)** means that amount set out in ITEM 7 of the Declarations, subject to Part IV Condition C.

The INSURED’S DEDUCTIBLE shall apply as follows:

- (i) to judgments, arbitral awards and/or CLAIM(S) or CIRCUMSTANCE(S) settlements (if any); and/or those expenditures (if any) incurred in REPAIR or LOSS PREVENTION efforts which are not wholly successful and where the INSURER in its sole estimation determines that an error, omission or negligent act for which the INSURED is responsible occurred, undertaken in connection with any potential or actual error, omission or negligent act covered within the terms of this POLICY, to be payable at the time the amount owing pursuant to the judgment, arbitral award, and/or settlement is due and/or when the REPAIR or LOSS PREVENTION expenditure is due and owing;
- (ii) unless otherwise indicated in ITEM 7 of the Declarations, to investigation and/or defence expenses and costs as described in Part I Coverage B on the basis that one hundred per cent (100%) of the INSURED’S DEDUCTIBLE shall be payable at such time as a Statement of Defence or responding material is filed to a CLAIM; and/or
- (iii) unless otherwise indicated in ITEM 7 of the Declarations, to investigation and/or defense expenses and costs as described in Part I Coverage C, to the extent incurred upon final resolution and successful defence of the matter.

(n) **DESIGNATED AGENCY(IES)** means those EMPLOYER(S) designated as such by the INSURER while listed on its website at <https://www.lawpro.ca/lawyers-employed-by-designated-agencies/>

(o) **DIGITAL FUNDS MANAGEMENT SYSTEM** means a digital or electronic management system constituting an online platform to manage financial transactions of any type, kind or character, including sale, purchase, mortgage, and mortgage refinance transactions, through which funds including real estate closing funds and/or disbursements are received, processed, tracked, paid and/or transferred other than the sole, direct and unmediated use or operation by an INSURED of those digital or electronic payment systems and/or services made available directly by financial institutions at which INSUREDS are permitted to hold trust accounts pursuant to By-Law 9 of the Law Society Act.

- (p) **DISHONEST** when describing an act or omission means conduct which would appear to a reasonable LAWYER or LAW FIRM, regardless of any professed purpose, motive, or intent on the part of an INSURED, to likely be:
- (i) deceptive and morally reprehensible or lacking in integrity;
  - (ii) untruthful and morally reprehensible or lacking in integrity; or
  - (iii) lacking in candour and integrity.
- (q) **EMPLOYEE(S)** means a person who provides PROFESSIONAL SERVICES for one EMPLOYER only, whether under a contract of service or a contract for services.
- (r) **EMPLOYER(S)** means a person or party for whom an INSURED may provide PROFESSIONAL SERVICES as an EMPLOYEE and shall include an affiliated company, a controlled company or a subsidiary company, all as defined under the *Securities Act*, R.S.O. 1990, c.S.5, but shall not include those for whom PROFESSIONAL SERVICES are provided on a *pro bono* basis.
- (s) **ENTERPRISE** means an individual or collective entity of any type, kind or character engaging or having engaged in financial activity of any type, kind or character, regardless of the number of transactions, ventures, projects, initiatives and/or undertakings in which the ENTERPRISE is or was involved, and/or the number of contracts or agreements to which the ENTERPRISE is or was a party and/or a third party beneficiary.
- (t) **EXTORTION THREAT** means a credible threat made against the LAW FIRM and/or INSURED to carry out a SECURITY FAILURE or PRIVACY BREACH EVENT unless payment or other consideration is provided.
- (u) **INJURY** means bodily injury, false arrest, wrongful detention or imprisonment, libel, slander, defamation of character, invasion or violation of privacy, assault, battery, harassment, discrimination or wrongful dismissal.
- (v) **INSURED(S)** means both NAMED LAWYER(S) and UNNAMED LAWYER(S).  
NAMED LAWYER(S) means:
- (i) each LAWYER who is engaged in the practice of law and has applied for and been granted coverage under this POLICY and who is named in the Declarations as an INSURED;
  - (ii) such other LAWYERS or former LAWYERS, as well as former members of the Law Society of Ontario immediately before May 1, 2007, who have been granted coverage under this POLICY and who are named in the Declarations as an INSURED;
  - (iii) each LAW PARTNERSHIP, other than a MULTI-DISCIPLINE PARTNERSHIP or COMBINED LICENSEE FIRM, but only with respect to the rendering of PROFESSIONAL SERVICES by the partner(s) and/or employee(s) of such LAW PARTNERSHIP who are INSURED(S) under this POLICY and named in ITEM I of the Declarations as INSURED(S), and then only to the extent of coverage afforded to such partner(s) and/or employee(s) in their respective capacities as such; and
  - (iv) each LAW CORPORATION, and its officer(s), director(s), shareholder(s) and/or employee(s) who are LAWYERS, but only with respect to the rendering of PROFESSIONAL SERVICES by the officer(s), director(s),

shareholder(s) and/or employee(s) of such LAW CORPORATION who are INSURED(S) under this POLICY and named in ITEM I of the Declarations as INSURED(S), and then only to the extent of coverage afforded to such officer(s), director(s), shareholders and/or employee(s) in their respective capacities as such.

Such LAWYERS, however, who during the POLICY PERIOD become deceased, suspended or disbarred, resign from the Law Society of Ontario, become a judge or retired, or become exempt or eligible for exemption from the payment of insurance premium levies pursuant to the by-laws of the *Law Society Act*, or cease for any reason to be a LAWYER, will instead be considered to be an UNNAMED LAWYER for the remaining period in time that the POLICY is in force, unless that LAWYER (or legal representative on behalf of the LAWYER) subsequently reapplies for coverage and is then named in the Declarations for that remaining period in time that the POLICY is in force.

UNNAMED LAWYER(S) means each LAWYER and former LAWYER, as well as each former member of the Law Society of Ontario immediately before May 1, 2007, who has not applied for coverage and is not named in the Declarations.

- (w) **INSURER** means Lawyers' Professional Indemnity Company.
- (x) **LAW CORPORATION(S)** means a professional corporation incorporated under the *Business Corporations Act*, R.S.O. 1990, c.B.16 for which practice is governed and a valid certificate of authorization issued under the *Law Society Act*.
- (y) **LAW FIRM(S)** means a law firm, including a sole proprietorship, association, LAW PARTNERSHIP or LAW CORPORATION, and shall include any former and successor firms thereof, but does not mean a PERSONAL LAW CORPORATION.
- (z) **LAW PARTNERSHIP(S)** means a law partnership, in such form(s) permitted by the Law Society of Ontario, including a MULTI-DISCIPLINE PARTNERSHIP or a COMBINED LICENSEE FIRM which has PARALEGAL partner(s).
- (aa) **LAWYER(S)** means each person who holds a Class LI licence pursuant to the by-laws of the *Law Society Act*.
- (bb) **LOCUM(S)** means a PRACTISING LAWYER who substitutes for another LAWYER, on a temporary basis, in the performance of PROFESSIONAL SERVICES for the clients of the other LAWYER or the other LAWYER'S LAW FIRM. For the purposes of such work, the LOCUM is deemed to be a member of the LAW FIRM to which the other LAWYER belongs.
- (cc) **LOSS PREVENTION** means the reduction or elimination of an INSURED's possible or potential exposure to liability for DAMAGES in any way relating to or arising from possible or potential errors, omissions or negligent acts in the performance of PROFESSIONAL SERVICES for others, by means other than defending any CIVIL SUIT against an INSURED.
- (dd) **MORTGAGE BROKER** means:
- (i) in respect of services performed before July 1, 2008, a person who lends money on the security of real estate, whether the money is the person's

- money or that of another person, or holds oneself out as or who by an advertisement, notice or sign indicates that the person is a mortgage broker, or a person who carries on the business of dealing in mortgages, or who acts as an intermediary arranging any financial transaction usual to mortgage lending; and
- (ii) in respect of services performed on or after July 1, 2008, a person performing services for which a licence is required under the *Mortgage Brokerages, Lenders and Administrators Act*, 2006, S.O. 2006, c.29.
- (ee) **MULTI-DISCIPLINE PARTNERSHIP(S)** means a multi-discipline partnership, authorized by the Law Society of Ontario in accordance with By-Law 7 of the Law Society Act, which is not dissolved and has:
- (i) one or more **LAWYER** partners, and
- (ii) one or more partners who are not licensed by the Law Society of Ontario and who is(are) not permitted to engage in the practice of law in Ontario or provide legal services in Ontario,
- and which may include one or more **PARALEGAL** partners.
- (ff) **OVERDRAFT** means a negative balance in the **INSURED'S** trust account to the extent directly caused by a **COUNTERFEIT CERTIFIED CHEQUE(S)** OR **COUNTERFEIT BANK DRAFT(S)**.
- (gg) **PARALEGAL(S)** means each person who holds a Class PI licence pursuant to the by-laws of the Law Society Act and provides only those legal services authorized by the **NAMED INSURED** for such licence holder.
- (hh) **PERSONAL LAW CORPORATION** means a **LAW CORPORATION** through which a **LAWYER** acts in private practice in a **LAW FIRM** (other than the **LAW CORPORATION**) as more fully described in the 2027 Application Form for this insurance.
- (ii) **POLICY** means this policy numbered 2027-001 issued by the **INSURER** to the **NAMED INSURED**, as well as any related application and exemption forms including attachments, as well as Declarations pages, endorsements, and forms issued by the **INSURER**. (including the Program Guide for New Applicants).
- (jj) **PRACTISING LAWYER(S)** means a **LAWYER** who is engaged in the practice of law and is not exempt from the payment of insurance premium levies pursuant to the by-laws of the Law Society Act or suspended from the practice of law in Ontario, and shall include **LAWYERS** while employed exclusively by one or more **DESIGNATED AGENCY(IES)** before January 1, 2017.
- (kk) **PRESCRIBED PENALTY(IES)** means a penalty assessed against an individual **NAMED LAWYER** on or after January 1, 2003, pursuant to sections 163.2 or 237.3 or 237.4 of the *Income Tax Act*, R.S.C. 1985, c.1 or section 285.1 of the *Excise Tax Act*, R.S.C. 1985, c. E-15.
- (ll) **PRIVACY BREACH EVENT(S)** means the unauthorized acquisition, access, disclosure or loss of confidential information held by the **INSURED** or the **INSURED'S LAW FIRM**.
- (mm) **PRO BONO SERVICE(S)** means approved *pro bono* **PROFESSIONAL SERVICES** provided by an **INSURED** after January 1, 2003, through an approved *pro bono* **PROFESSIONAL SERVICES** program, where the approved *pro bono* **PROFESSIONAL SERVICES** and **PROFESSIONAL SERVICES** program are approved by an **INSURER** in advance in writing.
- (nn) **PROFESSIONAL SERVICES** means the practice of the law of Canada, its provinces and territories, where conducted by or on behalf of an **INSURED** in such **INSURED'S** capacity as a **LAWYER** or member of the law society of a **RECIPROCATING JURISDICTION** (not as a member of the Barreau du Québec), subject to Part II Special Provision A; and shall include, without restricting the generality of the foregoing, those services for which an **INSURED** is responsible as a **LAWYER** arising out of such **INSURED'S** activity as a trustee, administrator, executor, arbitrator, mediator, patent or trademark agent.
- (oo) **RECIPROCATING JURISDICTION(S)** means as defined in paragraph 9(4) under By-Law 6 of the *Law Society Act*.
- (pp) **RECIPROCATING JURISDICTION'S(S') POLICY(IES)** means the mandatory professional liability insurance program policy(ies) for lawyers of the law society of a **RECIPROCATING JURISDICTION**.
- (qq) **RELATED ERROR(S), OMISSION(S), OR NEGLIGENT ACT(S)** means alleged, actual or possible error(s), omission(s), and/or negligent act(s), or error(s), omission(s) or negligent act(s) which an **INSURED** has reason to believe may potentially be alleged in the future, regardless of whether they differ in type, kind, or character, which are allegedly, actually or possibly, or which an **INSURED** believes may potentially be alleged in the future to be causally or otherwise connected by common facts, circumstances, situations, events, and/or transactions, and/or by a series of common facts, circumstances, situations, events, and/or transactions, and which include but are not limited to alleged (or potentially alleged), actual or possible:
- (i) negligent supervision of other **INSURED(S)** and/or vicarious liability or other liability for the error(s), omission(s), and/or negligent act(s) of other **INSURED(S)**, and such other **INSURED'S(S')** error(s), omission(s), and/or negligent act(s);
- (ii) error(s), omission(s), and/or negligent act(s) which evidence a recurring course of conduct or pattern of behaviour which:
- (a) a reasonable lawyer or **LAW FIRM** would consider reckless;
- (b) is **DISHONEST**; or
- (c) is caused or contributed to by the impairment or partial impairment of an **INSURED'S** physical or mental abilities or by an **INSURED'S** emotional, psychological, or behavioural disability, disturbance or illness;
- (iii) errors, omissions, and/or negligent acts, where the later error(s), omission(s), and/or negligent act(s) were made possible in whole or in part by the earlier error(s), omission(s), and/or negligent act(s);
- (iv) error(s), omission(s), and/or negligent act(s) which cause or contribute to the same loss incurred wholly or proportionately by one or more persons and/or organizations; or

- (v) error(s), omission(s), and/or negligent act(s) which cause multiple losses to one or more persons and/or organizations, where the multiple losses share a common precipitating factor and/or proximate cause, even if not all of the losses' precipitating factors and/or proximate causes are common as between them.

Alleged (or potentially alleged), actual or possible error(s), omission(s), and/or negligent act(s) are related pursuant to this definition, regardless of:

- (1) the number of INSURED(S) who are liable or vicariously liable for them, and/or the number of INSURED(S) who are liable for failing to supervise an INSURED(S) liable for them;
- (2) the number of oral or written demands for money or services made, the number of oral or written allegations of breach in the rendering of PROFESSIONAL SERVICES made, and/or the number of different CIVIL SUITS commenced;
- (3) the number of persons and/or organizations who have made oral or written demands for money or services, the number of persons and/or organizations who have made oral or written allegations of breach in the rendering of PROFESSIONAL SERVICES, and/or the number of persons and/or organizations who have commenced CIVIL SUIT(S);
- (4) the time period over which
  - (a) the error(s), omission(s), and/or negligent act(s) were committed or otherwise took place;
  - (b) the oral or written demands for money or services, and/or the oral or written allegations of breach in the rendering of PROFESSIONAL SERVICES were made and/or CIVIL SUIT(S) were commenced;
  - (c) the number of different retainers and/or different transactions in connection with which an INSURED(S) performed PROFESSIONAL SERVICES for others.

This definition does not apply to:

- (1) alleged (or potentially alleged), actual or possible error(s), omission(s), or negligent act(s) to the extent that they in any way result or may result in CIRCUMSTANCES and/or CLAIMS relating to or arising out of alleged, actual or possible missed limitation periods, and/or other missed deadlines and/or delay of any type, kind or character or missed limitation periods and/or other missed deadlines or delay, of any type, kind, or character, which an INSURED believes may potentially be alleged in the future, in the context of matters:
  - (a) being litigated, arbitrated and/or otherwise dealt with;
  - (b) to be litigated, arbitrated and/or otherwise dealt with; and/or
  - (c) which might but for the alleged (or potentially alleged), actual or possible error(s), omission(s), or negligent act(s), have been litigated, arbitrated and/or otherwise dealt with in any CIVIL SUIT(S), regardless of whether any REPAIR or LOSS PREVENTION efforts undertaken in response are successful, or if undertaken, could be or might have been successful,

unless:

- (i) the alleged (or potentially alleged), actual or possible error(s), omission(s) or negligent act(s) referred to sub-paragraphs I.(a) (b) or (c) above, are made in the course of performing PROFESSIONAL SERVICES for others pursuant to the same retainer, or to retainers which are related, in that the client or clients' losses arise from the same underlying accident(s), event(s) or circumstance(s), or from one or more series of similar accident(s), event(s) or circumstance(s), or from one or more series of similar accident(s), event(s) or circumstance(s) for which some or all of the same individuals and/or entities are responsible therefore;
  - (ii) the otherwise RELATED ERROR(S), OMISSION(S), OR NEGLIGENT ACT(S) referred to sub-paragraphs I. A., B. and/or C. above include (an) OTHERWISE EXCLUDED ACT(S) or OMISSION(S) as defined in Endorsement No. 5 of the POLICY.
- (rr) **REPAIR** means the reduction or elimination of an INSURED's actual, possible or potential exposure to liability for DAMAGES in any way relating to or arising from actual errors, omissions or negligent acts in the performance of PROFESSIONAL SERVICES for others, by means other than defending any CIVIL SUIT against an INSURED.
  - (ss) **SECONDED LAWYER(S)** means an INSURED who is a member of a LAW FIRM, but who temporarily acts in the capacity of in-house corporate counsel for a CORPORATE EMPLOYER.
  - (tt) **SECURITY FAILURE** means:
    - (i) Unauthorized access to or use of;
    - (ii) Introduction of malicious code into; or
    - (iii) Denial of service attack against a COMPUTER SYSTEM.
  - (uu) **SOCIAL ENGINEERING EVENT** means any dishonest, criminal, fraudulent, malicious, deceptive and/or manipulative act, means and/or measure, involving the impersonation of any person or entity, which directly or indirectly causes, contributes to, precipitates or results in an INSURED, or anyone acting with an INSURED's authority, transferring funds in reliance upon such impersonation.
  - (vv) **SOLE PRACTITIONER(S)** means a LAWYER who practises on the LAWYER'S own, without LAWYER partner(s), LAWYER associate(s), PARALEGAL partner(s) or shareholder(s), or employed LAWYER(S), and without other LAWYER(S) practising in a LAW CORPORATION.
  - (ww) **SPOUSE(S)** means a "spouse" as defined in section 29 under the *Family Law Act*, R.S.O. 1990, c.F.3, as amended

Signed on behalf of Lawyers' Professional Indemnity Company

*Daniel E. Pinnington*

Daniel E. Pinnington

President and Chief Executive Officer

# Endorsements to Insurance Policy No.

# 2027-001

This section contains **POLICY** endorsements including the following information:

- **Definitions of real estate and civil litigation transactions for the purpose of determining surcharges**
- **Definition and description of innocent party coverage**
- **Exclusions with respect to the above**
- **Explanations of amounts payable in respect of surcharges and methods of calculation**
- **Due dates for the payment of surcharges**
- **Declarations Page for those insured as UNNAMED LAWYERS (GENERAL)**
- **Declarations Page for those insured as UNNAMED LAWYERS (MOBILITY)**
- **Real Estate Practice Coverage for ELIGIBLE INSUREDS who practise REAL ESTATE LAW**
- **Details concerning limited trust account OVERDRAFT liability coverage**
- **Details concerning innocent party coverage under mobility**
- **Defence cost coverage to IN-HOUSE CORPORATE COUNSEL for CLAIMS brought by CORPORATE EMPLOYERS**
- **Coverage details concerning MULTI-DISCIPLINE PARTNERSHIPS**
- **Coverage details concerning COMBINED LICENSEE FIRMS**
- **Details concerning limited CYBERCRIME LIABILITY and CYBER INCIDENT coverage**
- **INTELLECTUAL PROPERTY BUSINESS Coverage for ELIGIBLE INSUREDS who practice as CPATA licensees**

## Endorsement No. 2

# REAL ESTATE TRANSACTION LEVY SURCHARGE

This POLICY, subject to all its terms and conditions not in conflict with this endorsement, and further to Part IV Condition D, shall include the following:

### A. Definition of real estate transaction:

For the purposes of this rule, “real estate transaction” means a transaction that directly or indirectly results in the transfer, charging or insuring of title to land in Ontario, and shall include any one or more of the following services by a LAWYER: the receipt of instructions, preparation of documents, searches and/or the providing of one or more opinions or certificates with respect to the title, transfer or charge, and/or with respect to the issuance of any title insurance policy.

### B. Levy surcharge payable:

- (i) Subject to subparagraphs B(ii), (iii), and (iv), and any exclusions contained within this endorsement, each LAWYER required pursuant to By-Law 6 of the *Law Society Act*, to pay a professional liability insurance premium levy, shall pay to the Law Society of Ontario \$100 inclusive of taxes, in respect of each real estate transaction in which the LAWYER acted for one or more of the following parties, namely the transferor, transferee, chargee, chargor or the title insurer, in respect of either or both of the transferee and chargee.
- (ii) Where more than one LAWYER from the same LAW FIRM acted on behalf of the same party on the same real estate transaction, only one LAWYER is required to pay the \$100 levy surcharge.
- (iii) Where more than one transfer, charge or title insurance policy is given by or received by the same party in respect of the same real estate transaction, the levy surcharge shall be limited to \$100.
- (iv) Where a real estate transaction involves more than one transferor, transferee, chargor, chargee, or one or more title insurer(s) and two or more of any of them are represented by different LAWYERS in different LAW FIRMS, each LAWYER shall pay the levy surcharge of \$100.

### C. Exclusions:

No levy surcharge is payable by a LAWYER under this endorsement in respect of a real estate transaction if:

- (i) a person transfers land to the person’s spouse or to the person and the person’s spouse;
- (ii) a person transfers land to any other person(s) in consideration of natural love and affection;

- (iii) a body corporate transfers land to another body corporate of which it is an affiliate within the meaning of “affiliate” in the *Business Corporations Act*, R.S.O. 1990, c.B.16;
- (iv) a personal representative or the personal representative’s successor acting as an executor, administrator or trustee, transfers land to a beneficiary or to a successor personal representative; or
- (v) the real estate transaction closes on or after January 1, 1998, and a title insurance policy(ies) is(are) issued in favour of all of the transferees and chargees obtaining an interest in or charge against the land which is the subject of the real estate transaction, provided that:
  - (a) the LAWYER does not act for the transferor in respect of the transaction;
  - (b) the title insurer(s) issuing the title insurance policy(ies) has(have) in all cases entered into a Release and Indemnity Agreement with LAWYERS, in a form acceptable to the Law Society of Ontario, wherein the title insurer(s) irrevocably agrees(agree) to:
    - (i) indemnify and save harmless the LAWYER from and against any claims arising under the title insurance policy(ies), except for the LAWYER’S gross negligence or willful misconduct; and
    - (ii) release its right to maintain a negligence claim against the LAWYER(S) acting as LAWYER(S) for the transferee(s), chargee(s) and/or the title insurer(s), except for the LAWYER’S gross negligence or willful misconduct; and
  - (c) the LAWYER(S) is(are) not obliged to pay any deductible amount to the title insurer(s) in respect of one or more claims made under the title insurance policy(ies) where the deductible amount is or may be the subject of recovery under the POLICY.

### D. Filings and payments:

- (i) The real estate transaction levy surcharges payable by a LAWYER under this endorsement shall be accumulated, remitted and paid, with the corresponding Real Estate Transaction Summary Form, quarterly within thirty (30) days of the quarterly period ending on the last day of March, June, September and December. The 2027 Exemption Form from the Real Estate Transaction Levy Surcharge shall be due and remitted to the INSURER by April 30, 2027.
- (ii) The levy surcharge imposed by this endorsement applies to a LAWYER in respect of real estate transactions in which files are opened on or after January 1, 2027.

## Endorsement No. 3

# CIVIL LITIGATION TRANSACTION LEVY SURCHARGE

This POLICY, subject to all its terms and conditions not in conflict with this endorsement, and further to Part IV Condition D, shall include the following:

### A. Definitions of civil litigation transaction:

For the purposes of this endorsement “civil litigation transaction” means:

- (i) the commencement of a proceeding in Ontario by way of notice of action, statement of claim, originating process, application, petition, notice of appeal, a form prescribed by statute; or
- (ii) the response to a commencement of a proceeding in Ontario by way of statement of defence, defences to third party or subsequent party claims, answers to petitions, a response to an originating process, or notice of appearance in response to an application.

### B. Levy surcharge payable:

- (i) Subject to subparagraphs B(ii), (iii), and (iv) and any exclusions contained within this endorsement, each LAWYER required pursuant to By-Law 6 of the *Law Society Act*, to pay a professional liability insurance premium levy, shall pay to the Law Society of Ontario \$150 inclusive of taxes in respect of each civil litigation transaction in which the LAWYER acted for a party in a proceeding as defined in subparagraph A(i) or (ii).
- (ii) Where more than one LAWYER from the same LAW FIRM acts on behalf of the same party on the same civil litigation transaction, only one LAWYER is required to pay the \$150 levy surcharge.
- (iii) Where more than one proceeding is commenced as per A(i) or responded to as per A(ii) by the same party to a civil litigation transaction, the levy surcharge shall be limited to \$150.
- (iv) Where a civil litigation transaction involves more than one claimant, defendant, or other party, and two or more of them are represented by different LAWYERS in different LAW FIRMS, each LAWYER shall pay the levy surcharge of \$150.

### C. Exclusions:

No levy surcharge is payable by a LAWYER pursuant to this endorsement in respect of a civil litigation transaction if:

- (i) proceedings are commenced in Small Claims Court;
- (ii) proceedings are commenced pursuant to Residential Landlord and Tenant matters;
- (iii) proceedings are funded by Legal Aid Ontario, Office of the Children’s Lawyer, Office of the Official Public Guardian and Trustee, or the Family Responsibility Office;
- (iv) proceedings are entirely pertaining to family law issues, including those governed by the *Family Law Rules*, O. Reg. 114/99 or dependants’ relief claims under Part V of the *Succession Law Reform Act*, R.S.O. 1990, c.S.26 (and appeals therefrom); or
- (v) the LAWYER is employed exclusively by one or more DESIGNATED AGENCY(IES) and the civil litigation transaction is performed in the course of such employment.

### D. Filings and payments:

- (i) The civil litigation transaction levy surcharges payable by a LAWYER under this endorsement shall be accumulated, remitted and paid, with the corresponding Civil Litigation Transaction Summary Form, quarterly within thirty (30) days of the quarterly period ending on the last day of March, June, September and December. The 2027 Exemption Form from the Civil Litigation Transaction Levy Surcharge shall be due and remitted to the INSURER by April 30, 2027.
- (ii) The levy surcharge imposed by this endorsement applies to a LAWYER in respect of civil litigation transactions in which a proceeding is commenced or a response is filed, described in subparagraph A(i) or A(ii), on or after January 1, 2027.

## Endorsement No. 4

# CLAIMS HISTORY LEVY SURCHARGE

### A. Surcharge:

This POLICY, subject to all its terms and conditions not in conflict with this endorsement, and further to Part IV Condition D, shall include the following:

A claims history levy surcharge is payable by an INSURED, in addition to the INSURED'S base levy and any other applicable surcharges, for CLAIMS PAID during the period over the last five years in which the INSURED was a PRACTISING LAWYER, in an amount as set out below:

|                                                |          |
|------------------------------------------------|----------|
| (i) One CLAIM PAID:                            | \$2,500  |
| (ii) Two CLAIMS PAID:                          | \$5,000  |
| (iii) Three CLAIMS PAID:                       | \$10,000 |
| (iv) Four CLAIMS PAID:                         | \$15,000 |
| (v) Five CLAIMS PAID:                          | \$25,000 |
| (vi) Six CLAIMS PAID:                          | \$35,000 |
| plus \$10,000 per CLAIM PAID in excess of six. |          |

For clarity, the claims history levy surcharge shall be payable by an INSURED for any CLAIM(S) PAID, unless the claims history levy surcharge has already been levied for five full years with respect to such CLAIM(S) PAID.

### B. Definition:

For the purposes of this endorsement only, the following definition shall apply:

**CLAIM(S) PAID** means a payment made by the INSURER on behalf of the INSURED:

- (i) pursuant to an arbitral award, judgment or settlement of CIRCUMSTANCE(S) or a CLAIM; or
- (ii) for CIRCUMSTANCE(S) and CLAIM(S) reported on or after January 1, 2004, where payment is made in respect of a CLAIM resulting in the LIMIT OF LIABILITY per CLAIM under the POLICY being exhausted, even though no payment has been made on the INSURED'S behalf under the POLICY pursuant to a judgment or settlement, unless the INSURED can establish that no final judgment has as yet been made against the INSURED, and no payment has as yet been made on the INSURED'S behalf outside of the POLICY pursuant to an arbitral award, judgment or settlement.

No CIRCUMSTANCE(S) or CLAIM(S) payment, however, shall be considered to result in a CLAIM PAID where the CIRCUMSTANCE(S) or CLAIM(S) relates entirely to PRO BONO SERVICES and/or certain mentoring services provided pursuant to risk management protocols approved by the INSURER.

No payments shall be considered to result in a CLAIM PAID where payments relates entirely to Endorsement No. 14.

## Endorsement No. 5

# INNOCENT PARTY COVERAGE

This POLICY, subject to all its terms and conditions not in conflict with this endorsement, and further to Part I Coverages A and B as well as Part IV Condition D, shall include the following as indicated in ITEM 8 of an INSURED'S Declarations:

### A. Coverage:

Subject to the SUBLIMIT OF LIABILITY, exclusions and other terms and conditions contained herein, any DISHONEST, fraudulent, criminal or malicious act or omission (hereinafter referred to as an "OTHERWISE EXCLUDED ACT[S] OR OMISSION[S]") of an INSURED, or another INSURED'S vicarious or other liability in any way relating to or arising out of the OTHERWISE EXCLUDED ACTS OR OMISSIONS of others, arising out of the provision of PROFESSIONAL SERVICES for others, is deemed to be an "error, omission, or negligent act" as referred to in Part I Coverage A and throughout the POLICY, notwithstanding Part III Exclusion (a) of the POLICY.

#### (i) SUBLIMIT OF LIABILITY

The standard amount of coverage provided to an INSURED with respect to this endorsed coverage shall be \$250,000 per CLAIM and in the aggregate per POLICY PERIOD. The amount of coverage provided with respect to this endorsed coverage shall be as set out in ITEM 8 of an INSURED'S Declarations as the SUBLIMIT OF LIABILITY. For greater clarity, this SUBLIMIT OF LIABILITY is included within the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY of an INSURER, as set out in ITEMS 5 and 6 of the Declarations. This SUBLIMIT OF LIABILITY is also included within the SUBLIMIT OF LIABILITY for Endorsement No. 8.

#### (ii) Exclusions

- (a) This endorsed coverage shall not apply to any CLAIM (or that part of any CLAIM) arising out of:
  - (1) those OTHERWISE EXCLUDED ACTS OR OMISSIONS which are actually committed by an INSURED prior to January 1, 1998, or prior to such later date that this endorsement coverage first came into force with respect to that INSURED; or
  - (2) those OTHERWISE EXCLUDED ACTS OR OMISSIONS of others of which an INSURED had actual knowledge prior to January 1, 1998, or such later date that this endorsement coverage first came into force with respect to that INSURED.
- (b) This endorsed coverage shall not apply to any CLAIM (or that part of any CLAIM) that would otherwise be excluded under Part III Exclusions (b), (c), (d), (e), (f), (g), (h), (i), (j) or (l) of the POLICY, and for which a SUBLIMIT OF LIABILITY would otherwise be available under Part III Exclusion (k) of the POLICY. For clarity, there is no coverage

available under both this Endorsement and this POLICY where Exclusion (a) and (k) apply, just as there is no coverage available under both this Endorsement and this POLICY where Exclusion (a) and any other Exclusion applies.

- (c) This endorsed coverage shall not apply to any CLAIM in any way relating to or arising out of (an) OTHERWISE EXCLUDED ACT(S) OR OMISSION(S) committed by an INSURED and/or for which an INSURED is responsible which in any way adversely affect(s) the rights, opportunities and/or interests of the INSURER, or another INSURED's vicarious or other liability for such (an) OTHERWISE EXCLUDED ACT(S) OR OMISSION(S) committed by others and/or for which others are responsible.

#### (iii) Notice of CLAIM and waiver

In the event that an INSURED fails to give notice to the INSURER of a CLAIM under this endorsed coverage, the INSURER agrees to waive its right to rely on that INSURED'S breach of POLICY condition for the purposes of this endorsed coverage. In either circumstance, the INSURER agrees to accept notice of such CLAIM under this endorsed coverage from the NAMED INSURED.

For the purposes of this Endorsement (only), a CLAIM is deemed to have been made against an INSURED who committed an OTHERWISE EXCLUDED ACT(S) OR OMISSION(S), and all INSUREDS facing vicarious or other liability in any way relating to or arising out of such OTHERWISE EXCLUDED ACT(S) OR OMISSION(S), on the earliest of the following dates: (i) the date that the first such OTHERWISE EXCLUDED ACT OR OMISSION took place; or (ii) the date of CLAIM as determined pursuant to Part II, Special Provision B. in the POLICY.

#### (iv) Direct Action and Subrogation

If the INSURER pays any part of any settlement or judgment arising directly or indirectly from any actual or alleged OTHERWISE EXCLUDED ACT OR OMISSION of an INSURED, the INSURER shall:

- (a) have the right to commence a direct action in its own name to seek recovery of that payment from any INSURED who allegedly or actually committed an OTHERWISE EXCLUDED ACT OR OMISSION; and
- (b) be subrogated to the rights of any other INSURED on behalf of whom any such payment was made and who actually or allegedly negligently supervised the INSURED and/or was actually or allegedly vicariously liable for any INSURED's actual or alleged OTHERWISE EXCLUDED ACTS OR OMISSIONS, including any such other INSURED'S right of action against that INSURED.

## Endorsement No. 6

# REAL ESTATE PRACTICE COVERAGE SURCHARGE

### (MODIFIED INNOCENT PARTY COVERAGE FOR REAL ESTATE REGISTRATION FRAUD)

This endorsement shall apply in respect of an INSURED where so indicated in ITEM 8 of that INSURED'S Declarations, upon application and approval for such coverage.

Where this endorsement is applicable to an INSURED, this endorsement modifies the innocent party coverage provided under Endorsement No. 5, to provide coverage in respect of CLAIM(S) arising out of an INSURED effecting the registration of a FRAUDULENT INSTRUMENT under the *LAND TITLES ACT*.

#### A. Modifications to Innocent Party Coverage:

Subject to the SUBLIMIT OF LIABILITY, exclusions and other terms and conditions contained herein, the effecting of registration of a FRAUDULENT INSTRUMENT under the *LAND TITLES ACT* shall be deemed to be the performance of PROFESSIONAL SERVICES for others, and if the registration should cause DAMAGES that arise out of any DISHONEST, fraudulent, criminal or malicious act or omission of an INSURED, such act or omission shall be deemed to be an "error, omission or negligent act" as referred to in the POLICY, notwithstanding Part III Exclusion (a) of the POLICY, for the purposes of this endorsement.

##### (i) SUBLIMIT OF LIABILITY

The amount of coverage provided to an INSURED with respect to this endorsed coverage shall be \$250,000 per CLAIM and \$1 million in the aggregate per POLICY PERIOD. This SUBLIMIT OF LIABILITY is inclusive of, and not in addition to, any other SUBLIMIT OF LIABILITY, as well as the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY contained in this POLICY. For greater clarity, this SUBLIMIT OF LIABILITY is included within the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY of the INSURER, as set out in ITEMS 5 and 6 of the Declarations. This SUBLIMIT OF LIABILITY is also included within the SUBLIMIT OF LIABILITY for the Endorsement No. 5.

##### (ii) Exclusions

This endorsed coverage shall not apply to any CLAIM (or that part of any CLAIM) arising out of:

- (a) any registration under the *LAND TITLES ACT* occurring prior to April 1, 2008;
- (b) any registration under the *LAND TITLES ACT* that has not been completed, save and except for CLAIMS under the *LAND TITLES ACT* by the Land Titles Assurance Fund in the name of the Director of Titles;

- (c) any CLAIM arising out of or pertaining to, directly or indirectly, any policy of title insurance, or for which coverage would apply under any policy of title insurance;
- (d) any CLAIM advanced pursuant to an assignment, subrogation or other transfer of a right or interest, save and except for CLAIMS under the *LAND TITLES ACT* by the Land Titles Assurance Fund in the name of the Director of Titles.

#### B. Mandatory Real Estate Practice Coverage:

Each ELIGIBLE INSURED who practises REAL ESTATE LAW in Ontario is required by the Law Society of Ontario to have this endorsed coverage. This endorsed coverage shall not apply to any other INSUREDS.

#### C. Definitions:

For the purposes of this endorsement only, the following definitions shall apply:

**ELIGIBLE** means eligible to practise REAL ESTATE LAW in Ontario, as permitted by the Law Society of Ontario.

**LAND TITLES ACT** means the *Land Titles Act*, R.S.O. 1990, c. L5, as amended.

**FRAUDULENT INSTRUMENT** means a "fraudulent instrument" as defined under the *LAND TITLES ACT*.

**REAL ESTATE LAW** means the practice of the law of Canada, its provinces and territories, that concerns:

- (i) the registration of any instrument under the *LAND TITLES ACT*; and/or
- (ii) the actual or contemplated transfer, charging, insuring, or otherwise affecting, an estate, right or interest in land;

and may include, without limitation, any one or more of the following services by a solicitor: the receipt of instructions, preparation of documents, searches and/or the providing of one or more opinions or certificates with respect to the title, transfer or charge, and/or with respect to the issuance of any title insurance policy.

All other terms, conditions, exclusions and limitations of the POLICY not in conflict with this endorsement remain unchanged. In particular, the terms and conditions of Endorsement No. 5 of the POLICY not in conflict with this endorsement are specifically incorporated in this endorsement as though expressly set out herein.

## Endorsement No. 7

# LIMITED TRUST ACCOUNT OVERDRAFT LIABILITY COVERAGE

This POLICY, subject to all its terms and conditions not in conflict with this endorsement, and further to Part I Coverages A and B, shall include the following:

### A. Coverage:

Subject to the SUBLIMIT OF LIABILITY, exclusions and terms and conditions contained herein, liability for an OVERDRAFT resulting from the handling of a COUNTERFEIT CERTIFIED CHEQUE(S) OR COUNTERFEIT BANK DRAFT(S) in an INSURED'S capacity as a PRACTISING LAWYER or practising PARALEGAL is deemed to be liability resulting from an error, omission or negligent act in the performance of PROFESSIONAL SERVICES for others, for the purposes of Part I Coverages A and B.

#### (i) SUBLIMIT OF LIABILITY

- (a) The amount of coverage provided with respect to this endorsed coverage shall be subject to a SUBLIMIT OF LIABILITY of \$500,000 per CLAIM and in the aggregate per POLICY PERIOD, for an INSURED. This SUBLIMIT OF LIABILITY is included within the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY of the INSURER, as set out in ITEMS 5 and 6 of the Declarations.
- (b) Notwithstanding (a) above, for those UNNAMED LAWYERS insured pursuant to Endorsement No. 9, the amount of coverage provided hereunder shall be subject to the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY provided pursuant to Endorsement No. 9.

#### (ii) Exclusions

This endorsed coverage shall not apply to :

- (a) any OVERDRAFT in any way relating to or arising out of a COUNTERFEIT CERTIFIED CHEQUE(S) OR COUNTERFEIT BANK DRAFT(S) that was not inspected and deposited by an INSURED or that INSURED'S partner(s) or employee(s); or
- (b) any OVERDRAFT in any way relating to or arising out of the failure to wait eight business days from deposit of the COUNTERFEIT CERTIFIED CHEQUE(S) OR COUNTERFEIT BANK DRAFT(S) into an INSURED'S trust account before issuing cheque(s), draft(s) or other payment instructions on the trust account in relation thereto, unless within that time:
  - (i) such the INSURED received confirmation, from either the INSURED'S CANADIAN FINANCIAL INSTITUTION or the drawee CANADIAN FINANCIAL INSTITUTION, that the drawee CANADIAN FINANCIAL INSTITUTION has verified the validity of the COUNTERFEIT CERTIFIED CHEQUE(S) OR COUNTERFEIT BANK DRAFT(S); and
  - (ii) that confirmation is documented in writing by either CANADIAN FINANCIAL INSTITUTION with that INSURED, or by that INSURED with the CANADIAN FINANCIAL INSTITUTION that has confirmed to that INSURED that the drawee CANADIAN FINANCIAL INSTITUTION has verified the validity of the COUNTERFEIT CERTIFIED CHEQUE(S) OR COUNTERFEIT BANK DRAFT(S).

## Endorsement No. 8

# INNOCENT PARTY COVERAGE UNDER MOBILITY

This POLICY, subject to all its terms and conditions not in conflict with this endorsement, and further to Part I Coverages A and B, shall include the following:

### A. Coverage:

Subject to the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY, exclusions and other terms and conditions contained herein, a CLAIM by a CLAIMANT for MISAPPROPRIATION arising from TEMPORARY PRACTICE in or with respect to the law of a DEFALCATION COMPENSATION JURISDICTION (hereinafter referred to as an "OTHERWISE EXCLUDED ACT OR OMISSION") of an INSURED, shall be deemed to be an "error, omission, or negligent act" as referred to in Part I Coverage A and throughout the POLICY, notwithstanding Part III Exclusion (a) of the POLICY.

#### (i) Limits of liability

The amount of coverage provided with respect to this endorsed coverage shall be \$250,000 per CLAIMANT, subject to the AGGREGATE LIMIT OF LIABILITY of the INSURER, as set out in ITEM 6 of the Declarations. For greater clarity, the LIMIT OF LIABILITY of the INSURER as set out in ITEM 5 of the Declarations shall not apply in respect to this endorsed coverage.

Notwithstanding the above:

- (a) any CLAIM(S) involving the receipt of funds or property entrusted to an INSURED and jointly owned by more than one CLAIMANT shall be deemed to be a CLAIM by a single CLAIMANT for whom a single limit of liability of \$250,000 shall apply, regardless of the number of CLAIMANTS making a CLAIM; and
- (b) any CLAIM(S) involving MISAPPROPRIATION relating to or arising out of multiple unlawful appropriations from the same or related funds or property of a CLAIMANT entrusted to an INSURED shall be deemed to be a single CLAIM to which a single limit of liability of \$250,000 per CLAIMANT shall apply.

#### (ii) Exclusions

This endorsed coverage shall not apply to any CLAIM (or that part of any CLAIM):

- (a) in any way relating to or arising out of those OTHERWISE EXCLUDED ACTS OR OMISSIONS which are actually committed by the INSURED prior to January 1, 2010, or such later date that this endorsement coverage shall first come into force with respect to that INSURED;

- (b) in any way relating to or arising out of those OTHERWISE EXCLUDED ACTS OR OMISSIONS of others of which an INSURED had actual knowledge prior to January 1, 2010, or such later date that this endorsement coverage shall first come into force with respect to that INSURED;
- (c) first reported more than two years following the date on which the CLAIMANT discovered, or ought reasonably to have discovered, the MISAPPROPRIATION, but in no case later than 15 years following the date on which the MISAPPROPRIATION first took place;
- (d) in any way relating to or arising out of funds or property entrusted to an INSURED as part of a venture or financing arrangement in which the INSURED has a financial interest;
- (e) in any way relating to or arising out of the wrongful or unlawful conduct or fault of the CLAIMANT or RELATED PARTY(IES) of the CLAIMANT including, without limitation, where the funds or property entrusted to an INSURED had been unlawfully obtained by the CLAIMANT or RELATED PARTY(IES) of the CLAIMANT.

#### (iii) Notice of CLAIM and waiver

In the event that an INSURED fails to give notice to the INSURER of a CLAIM under this endorsed coverage, the INSURER agrees to waive its right to rely on the INSURED'S breach of POLICY condition for the purposes of this endorsed coverage. In either circumstance, the INSURER agrees to accept notice of such CLAIM under this endorsed coverage from the NAMED INSURED.

#### (iv) Direct Action and Subrogation

If the INSURER pays any part of any settlement or judgment arising directly or indirectly from any actual or alleged OTHERWISE EXCLUDED ACT OR OMISSION of an INSURED, the INSURER shall:

- (a) have the right to commence a direct action in its own name to seek recovery of that payment from any INSURED who allegedly or actually committed an OTHERWISE EXCLUDED ACT OR OMISSION; and
- (b) be subrogated to the rights of any other INSURED on behalf of whom any such payment was made and who actually or allegedly negligently supervised the INSURED and/or was actually or allegedly vicariously liable for any INSURED'S actual or alleged OTHERWISE EXCLUDED ACTS OR OMISSIONS, including any such other INSURED'S right of action against that INSURED.

## B. Definitions:

For the purposes of this endorsement only, the following definitions shall apply:

**CLAIMANT** means a person or entity who alleges to have suffered DAMAGES by reason of MISAPPROPRIATION by an INSURED in that INSURED'S performance of PROFESSIONAL SERVICES for others, and who:

- (i) retained that INSURED for the performance of PROFESSIONAL SERVICES in which that INSURED was entrusted with that person's or entity's funds or property which were part of the MISAPPROPRIATION; or
- (ii) is a non-client who relied on that INSURED in connection with any trust or as beneficiary of an estate in regard to which that INSURED is or was a trustee entrusted with funds or property of a client as part of the performance of PROFESSIONAL SERVICES for others;

but shall not include (except in the sole and absolute discretion of the INSURER) RELATED PARTY(IES) of that INSURED, or a corporation, business ENTERPRISE or nonbusiness ENTERPRISE in which that INSURED and/or RELATED PARTY(IES) have or, at the time of the error, omission, or negligent act, or thereafter, had, beneficial ownership, whether individually, collectively, directly or indirectly, in an amount greater than ten per cent (10%);

**DAMAGES** means the amount of money or value of property entrusted to an INSURED, less the amount of money or value of property returned to the CLAIMANT or otherwise accounted for or realized by the CLAIMANT, directly or indirectly, but shall not otherwise include compensatory damages, consequential damages, interests, costs, fines, penalties, expenses, or punitive, exemplary or aggravated damages.

**DEFALCATION COMPENSATION JURISDICTION** means a Canadian jurisdiction, other than Ontario, in which the governing law society is signatory to, has implemented and continues to implement the Mobility Defalcation Compensation Agreement approved by the Federation of Law Societies of Canada on June 7, 2010, as amended from time to time.

**MISAPPROPRIATION** means the unlawful appropriation of money or property of others entrusted to an INSURED in that INSURED'S capacity as a lawyer as part of that INSURED'S performance of PROFESSIONAL SERVICES for others.

**RELATED PARTY(IES)** means the person's children, parents, siblings, or current or former spouse, at the time the CLAIM is made, where spouse includes someone not married to the person who has lived with that person in a common-law relationship for a period of not less than one year.

**TEMPORARY PRACTICE** means the practice of law on an occasional basis as characterized under provisions contained in paragraphs 41 to 45 of By-Law 4 under the Law Society Act and permitted under legislation of the law society of a DEFALCATION COMPENSATION JURISDICTION.

## Endorsement No. 9

# UNNAMED LAWYER DECLARATIONS (GENERAL)

The Declarations for each INSURED who is an UNNAMED LAWYER under the POLICY (as defined under Part V Definition (v) of the POLICY), other than those claiming exemption pursuant to Reason for Exemption “g” (mobility) under the Law Society of Ontario’s professional liability insurance program, who are insured pursuant to Endorsement No. 10, shall be as follows:

### Declarations:

#### ITEM 1 INSURED

The UNNAMED LAWYER as defined in Part V Definition (v).

#### ITEM 2 NAMED INSURED

Name Law Society of Ontario

Address Osgoode Hall, 130 Queen Street West  
Toronto, Ontario M5H 2N6

#### ITEM 3 POLICY PERIOD

From January 1, 2027, 12:01 a.m., Standard Time at the address of the NAMED INSURED, or such subsequent date and time in 2027 as the LAWYER becomes an UNNAMED LAWYER, to December 31, 2027, 11:59 p.m., Standard Time at the address of the NAMED INSURED, or such earlier date and time as the LAWYER next ceases to be an UNNAMED LAWYER.

#### ITEM 4 BASE-RATED INSURANCE PREMIUM FOR THE POLICY PERIOD

None.

#### ITEM 5 LIMIT OF LIABILITY

\$250,000 per CLAIM, subject to Part IV Condition A of the POLICY.

#### ITEM 6 AGGREGATE LIMIT OF LIABILITY

\$250,000 per POLICY PERIOD, subject to Part IV Condition B of the POLICY, as reduced by all amounts paid or to be paid pursuant to Part I of policies effective on or after January 1, 1996, which are issued by the INSURER to the NAMED INSURED, and paid or to be paid in regard to CLAIMS thereunder concerning the INSURED as an UNNAMED LAWYER.

#### ITEM 7 DEDUCTIBLE

\$5,000 per CLAIM.

#### ITEM 8 MODIFICATIONS TO COVERAGE

- (i) There shall be no coverage provided under this POLICY for any CLAIMS arising out of PROFESSIONAL SERVICES provided by the INSURED while suspended or disbarred by, or after ceasing to be a member of, the Law Society of Ontario, or while a judge, retired, exempt (unless employed by a DESIGNATED AGENCY(IES) at such time of exemption being claimed) or eligible for exemption from the payment of insurance premium levies pursuant to the by-laws of the Law Society Act, or after ceasing for any reason to be a LAWYER, unless the CLAIM relates entirely to PRO BONO SERVICES, or certain mentoring services provided pursuant to risk management protocols approved by the INSURER. Where the CLAIM relates entirely to PRO BONO SERVICES or those approved mentoring services, the PROFESSIONAL SERVICES will be deemed to have been provided by the INSURED as a PRACTISING LAWYER.
- (ii) If an UNNAMED LAWYER has applied for and been granted extended coverage with respect to acting in the capacity of an estate trustee, a trustee for *inter vivos* trust, or an attorney for property in respect of an estate, a trust or a property of a person other than a related person of the UNNAMED LAWYER of which the UNNAMED LAWYER was named as estate trustee, trustee or attorney while the UNNAMED LAWYER was engaged in the practice of law in Ontario, then any CLAIM relating entirely to such services will be deemed to have been provided by the UNNAMED LAWYER as a PRACTISING LAWYER.
- (iii) Part III Exclusion (a) of the POLICY shall not apply to the INSURED, where the INSURED is not the author of the act, a party to the act, nor an accomplice to the act. This exception to Part III Exclusion (a), however, is subject to a SUBLIMIT OF LIABILITY of \$250,000 per CLAIM and in the aggregate per POLICY PERIOD, as well as the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY set out under ITEMS 5 and 6 respectively herein.

The foregoing UNNAMED LAWYER Declarations replace, for that period in time that the INSURED is an UNNAMED LAWYER covered under this endorsement, any POLICY Declarations issued to the INSURED.

These UNNAMED LAWYER Declarations shall not be considered to be Declarations for the purposes of the definition of NAMED LAWYER(S) under Part V Definition (v) of the POLICY.

# Endorsement No. 10

## UNNAMED LAWYER DECLARATIONS (MOBILITY)

The Declarations for each INSURED who is an UNNAMED LAWYER under the POLICY (as defined under Part V Definition (v) of the POLICY), pursuant to Reason for Exemption “g” (mobility) under the Law Society of Ontario’s professional liability insurance program, meeting the requirements of an INSURED under ITEM 1 of these Declarations, shall be as follows:

### Declarations:

#### ITEM 1 **INSURED**

Each present and/or former LAWYER, as well as each former member of the Law Society of Ontario immediately before May 1, 2007:

- (i) who is a practising member of the law society of a RECIPROCATING JURISDICTION;
- (ii) who is buying coverage in respect of that practice, under the RECIPROCATING JURISDICTION’S POLICY for a premium that is based upon the standard insurance levy applied to those in private practice; and
- (iii) who is exempt from the payment of insurance premium levies pursuant to subparagraph 9(1)(3) of By-Law 6 of the *Law Society Act*.

#### ITEM 2 **NAMED INSURED**

Name      Law Society of Ontario

Address    Osgoode Hall, 130 Queen Street West  
Toronto, Ontario M5H 2N6

#### ITEM 3 **POLICY PERIOD**

From January 1, 2027, 12:01 a.m., Standard Time at the address of the NAMED INSURED, or such subsequent date and time in 2027 as these Declarations shall first apply in respect of the INSURED, to December 31, 2027, 11:59 p.m., Standard Time at the address of the NAMED INSURED, or such earlier date and time as these Declarations shall next cease to apply in respect of the INSURED.

#### ITEM 4 **BASE-RATED INSURANCE PREMIUM FOR THE POLICY PERIOD** None.

#### ITEM 5 **LIMIT OF LIABILITY**

\$1,000,000 per CLAIM, subject to Part IV Condition A of the POLICY and any POLICY endorsement(s) that apply to the INSURED.

#### ITEM 6 **AGGREGATE LIMIT OF LIABILITY**

\$2,000,000 per POLICY PERIOD, subject to Part IV Condition B of the POLICY and any POLICY endorsement(s) that apply to the INSURED.

#### ITEM 7 **DEDUCTIBLE**

\$5,000 per CLAIM.

#### ITEM 8 **MODIFICATIONS TO COVERAGE**

- (i) Coverage shall only apply to CLAIMS arising out of PROFESSIONAL SERVICES which were performed while the INSURED was a PRACTISING LAWYER (or before May 1, 2007, while the INSURED was a member of the Law Society of Ontario engaged in the practice of law and not exempt from the payment of insurance premium levies) and buying coverage in respect of that practice under the Law Society of Ontario’s mandatory professional liability insurance program.
- (ii) There shall be no coverage provided under this POLICY for any CLAIMS arising out of PROFESSIONAL SERVICES provided by the INSURED while suspended or disbarred by, or after ceasing to be a member of, the Law Society of Ontario, or while a judge, retired, exempt or eligible for exemption from the payment of insurance premium levies pursuant to the by-laws of the *Law Society Act*, or after ceasing for any reason to be a LAWYER, unless the CLAIM relates entirely to PRO BONO SERVICES. Where the CLAIM relates entirely to PRO BONO SERVICES, the PRO BONO SERVICES will be deemed to have been provided by the INSURED as a PRACTISING LAWYER.
- (iii) Part III Exclusion (a) of the POLICY shall not apply to the INSURED where the INSURED is not the author of the act, a party to the act, nor an accomplice to the act. Where the INSURED is the author of the act, a party to the act, or an accomplice to the act, Endorsement No. 8 may apply. The former exception to Part III exclusion (a) is subject to a SUBLIMIT OF LIABILITY of \$250,000 per CLAIM and in the aggregate per POLICY PERIOD as well as the LIMIT OF LIABILITY, and both exceptions are subject to the AGGREGATE LIMIT OF LIABILITY.

The foregoing UNNAMED LAWYER Declarations replace, for that period in time that the INSURED is an UNNAMED LAWYER covered under this endorsement, any POLICY Declarations issued to the INSURED.

These UNNAMED LAWYER Declarations shall not be considered to be Declarations for the purposes of the definition of NAMED LAWYER(S) under Part V Definition (v) of the POLICY.

## Endorsement No. II

# CLAIMS BROUGHT BY CORPORATE EMPLOYERS

This endorsement shall apply:

- (i) where indicated in ITEM 8 of the INSURED'S Declarations, and then only to those INSUREDS who are NAMED LAWYERS pursuant to Part V Definition (v)(i) or (v)(ii) of the POLICY and provided those INSUREDS work as IN-HOUSE CORPORATE COUNSEL during the POLICY PERIOD; and
- (ii) to SECONDED LAWYERS for PROFESSIONAL SERVICES provided for and while under secondment to a CORPORATE EMPLOYER.

### A. Modifications to coverage:

Notwithstanding Part III Exclusion (b)(ii) and (iii) but subject to all other terms and conditions of the POLICY for those INSUREDS to whom this endorsement applies, coverage in accordance with Part I Coverage B of the POLICY is hereby provided for CLAIMS brought by a CORPORATE EMPLOYER against any present or former INSURED EMPLOYEE or SECONDED LAWYER with respect to PROFESSIONAL SERVICES provided by that INSURED as an EMPLOYEE or SECONDED LAWYER of the CORPORATE EMPLOYER on or after January 1, 1997.

The additional coverage provided by this endorsement however shall not apply:

- (i) to any CLAIM made by or in connection with a corporation, business ENTERPRISE or nonbusiness ENTERPRISE in which an INSURED and/or that INSURED'S SPOUSE and/or that INSURED'S LAW PARTNERSHIP partner(s) and/or LAW PARTNERSHIP partner's(s') SPOUSE(S) (if applicable) have or, at the time of the error, omission, or negligent act, or thereafter, had, beneficial ownership, whether individually, collectively, directly or indirectly, in an amount greater than ten per cent (10%);
- (ii) to any CLAIM in any way relating to or arising out of the failure or omission to provide, effect or maintain any insurance or bond;

- (iii) to any CLAIM in any way relating to or arising out of an INSURED acting in that INSURED'S capacity as a director or officer of the CORPORATE EMPLOYER, except to the extent that the CLAIM is for PROFESSIONAL SERVICES on behalf of the CORPORATE EMPLOYER;
- (iv) to any CLAIM in any way relating to or arising out of the bankruptcy or insolvency of an INSURED or CORPORATE EMPLOYER;
- (v) to any CLAIM in any way relating to or arising out of any invasion of privacy, wrongful entry, eviction, loss of consortium or wrongful termination of employment;
- (vi) to any CLAIM (or that part of any CLAIM) that would otherwise be excluded under Part III, Exclusions (a), b(i), (b)(ii), (c), (d), (e), (f), (g), (h), (i), (j) and (l) of the POLICY, and for which a SUBLIMIT OF LIABILITY would otherwise be available under Part III Exclusion (k) of the POLICY. For clarity, there is no coverage available under both this Endorsement and this POLICY where both Exclusions (b) and (k) apply, just as there is no coverage available under this Endorsement and this POLICY where Exclusion (b) and any other Exclusion applies.

Nothing, however, in this endorsement shall be interpreted as providing or expanding the coverage provided to any INSURED under the POLICY pursuant to Part I Coverage A or C.

All coverage provided pursuant to this endorsement is subject to a SUBLIMIT OF LIABILITY of \$250,000 per CLAIM and in the aggregate per POLICY PERIOD for an INSURED.

### B. Definition:

For the purposes of this endorsement only, the following definition shall apply:

**IN-HOUSE CORPORATE COUNSEL** means those INSUREDS who are EMPLOYEES of a single CORPORATE EMPLOYER, and who provide PROFESSIONAL SERVICES for and on behalf of the CORPORATE EMPLOYER as counsel to the CORPORATE EMPLOYER, which is other than a LAW CORPORATION.

## Endorsement No. 12

# MULTI-DISCIPLINE PARTNERSHIPS

This endorsement shall only apply where indicated in ITEM 8 of the POLICY Declarations. Subject to all its terms and conditions not in conflict with this endorsement, the POLICY shall include the following:

### A. Coverage:

#### (i) DAMAGES

The INSURER shall pay on behalf of an INSURED all sums which that INSURED shall become legally obligated to pay as DAMAGES arising out of a CLAIM, provided the liability of that INSURED is the result of an error, omission or negligent act in the performance of PROFESSIONAL SERVICES for others, where:

- (a) coverage for NON-LICENSEE PARTNER(S) is limited to PROFESSIONAL SERVICES provided for or on behalf of the MULTI-DISCIPLINE PARTNERSHIP and no coverage is available in respect of:
  - (i) PROFESSIONAL SERVICES provided by the NON-LICENSEE PARTNER(S) outside of Canada; or
  - (ii) PROFESSIONAL SERVICES provided by the NON-LICENSEE PARTNER(S) within Canada, unless the CLAIM or CIVIL SUIT brought in relation to such PROFESSIONAL SERVICES is made in Canada and the issues thereon, including liability and DAMAGES, are adjudicated on their merits in Canada pursuant to the law of Canada, its provinces and/or territories, by a court in Canada; and
- (b) coverage in respect of PROFESSIONAL SERVICES provided for or on behalf of the MULTI-DISCIPLINE PARTNERSHIP, is limited to that provided on or after April 30, 1999, or such date that the MULTI-DISCIPLINE PARTNERSHIP was first authorized by the NAMED INSURED pursuant to By-law 7 of the *Law Society Act*, whichever is later.

#### (ii) Defence, settlement, expenses

The INSURER will provide such coverage to an INSURED as is provided for under Part I Coverage B of the POLICY, i.e. its obligation to defend, investigate and pay certain expenses and costs, but only in respect of such coverage as is afforded under (i) DAMAGES above.

#### (iii) PRESCRIBED PENALTY expenses

The INSURER will provide such coverage to the individual NON-LICENSEE PARTNER(S) as is provided under Part I Coverage C of the POLICY, i.e. to reimburse, after final resolution, certain expenses in the successful defence of any CLAIM regarding a PRESCRIBED PENALTY assessed against the individual NAMED LAWYER, but only in respect of such coverage as is afforded under (i) DAMAGES above with respect to PROFESSIONAL SERVICES provided for or on behalf of the MULTI-DISCIPLINE PARTNERSHIP.

### B. Premium:

The NAMED INSURED, as agent of the INSUREDS, has arranged for this POLICY, including this endorsement. The premium for this endorsed coverage is an individually assessed risk-based premium and is as set out in ITEM 4 of the POLICY Declarations issued by the INSURER.

The NAMED INSURED shall pay this endorsement premium by invoicing the NON-LICENSEE PARTNER(S), levying the LICENSEE PARTNER(S), and directing the NON-LICENSEE PARTNER(S) and LICENSEE PARTNER(S) to pay this premium to the INSURER.

### C. Definitions:

For the purposes of this endorsement only (and the POLICY in respect of this endorsement) the following definitions shall apply:

**INSURED(S)** means both NAMED LAWYER(S) and UNNAMED LAWYER(S). "NAMED LAWYER(S)" means as defined in Part V Definition (v) of the POLICY, but shall also include:

- (i) each NON-LICENSEE PARTNER(S) who has been granted coverage pursuant to this endorsement and is named in the POLICY Declarations as an INSURED, in respect of whom, in ITEM 8 thereof, this endorsement is said to apply; and
- (ii) each MULTI-DISCIPLINE PARTNERSHIP named in the POLICY Declarations as an INSURED, but only with respect to the rendering of PROFESSIONAL SERVICES for or on behalf of the MULTI-DISCIPLINE PARTNERSHIP by its LICENSEE PARTNER(S), NON-LICENSEE PARTNER(S), and/or LAWYER employees who are INSURED(S) under this POLICY and named in ITEM I of the Declarations as INSURED(S).

“UNNAMED LAWYERS” means as defined in Part V Definition (v) of the POLICY.

In no case shall a present and/or former NON-LICENSEE PARTNER(S) be considered to be an UNNAMED LAWYER(S) under the POLICY as a result of the NON-LICENSEE PARTNER(S) being or having been a NON-LICENSEE PARTNER(S) in a MULTI-DISCIPLINE PARTNERSHIP.

**LICENSEE PARTNER(S)** means a LAWYER(S) while a partner in a MULTI-DISCIPLINE PARTNERSHIP and, if applicable, a PARALEGAL(S) while a partner in a MULTI-DISCIPLINE PARTNERSHIP with one or more LAWYER partners.

**NON-LICENSEE PARTNER(S)** means an individual(s) or professional corporation(s) who is not a LAWYER or someone authorized to practise law in any province or territory of Canada outside Ontario, while a partner in a MULTI-DISCIPLINE PARTNERSHIP and who is engaged in the practice of a profession, trade or occupation, permitted by a non-licencee as pursuant to By-Law 7 of the *Law Society Act*, that supports or supplements the practice of the Law of Canada, its provinces or territories, as a partner in the MULTI-DISCIPLINE PARTNERSHIP.

**PROFESSIONAL SERVICES:**

- (i) in respect of services provided by a LAWYER, means as defined in Part V Definition (nn) of the POLICY; and
- (ii) in respect of services provided by a NON-LICENSEE PARTNER(S), means the practice of the NON-LICENSEE PARTNER(S)'S profession, trade or occupation, permitted by a non-licencee as pursuant to By-Law 7 of the *Law Society Act* that supports or supplements the practice of the law of Canada, its provinces and territories, where such services are provided by the NON-LICENSEE PARTNER(S) for or on behalf of the MULTI-DISCIPLINE PARTNERSHIP.

**D. Application of other terms and conditions of the POLICY:**

Endorsement Nos. 2, 3, 5, 7, 12, 14 and 15 (if applicable) only of the POLICY shall apply in respect of each NON-LICENSEE PARTNER(S). All POLICY endorsements shall or may apply to LICENSEE PARTNER(S) and/or LAWYER employee(s) who are employed by a MULTI-DISCIPLINE PARTNERSHIP.

For the purposes of interpretation of Endorsement Nos. 2 and 3, a NON-LICENSEE PARTNER(S) shall be deemed to be a LAWYER who is required, pursuant to By-Law 6 of the *Law Society Act*, to pay a professional liability insurance premium levy and the real estate and civil litigation transaction levies.

For the purposes of interpretation of Endorsement Nos. 5, 7 and 14, reference to Part I Coverages A and B of the POLICY shall be deemed to be to Section A. Coverage (i) and (ii) of this endorsement for the NON-LICENSEE PARTNER(S).

For the purposes of interpretation of Endorsement No. 5, a NON-LICENSEE PARTNER(S) shall be deemed to be an insured LAWYER for the purposes of the Innocent Party Coverage. Coverage for INSURED(S) under that endorsement, however, in connection with the PROFESSIONAL SERVICES of the NON-LICENSEE PARTNER(S), shall be limited to that provided by the NON-LICENSEE PARTNER(S) for or on behalf of the MULTI-DISCIPLINE PARTNERSHIP, and then only where the PROFESSIONAL SERVICES were provided on or after April 30, 1999, or such date that the MULTI-DISCIPLINE PARTNERSHIP was first authorized by the NAMED INSURED pursuant to By-law 7 of the *Law Society Act*, whichever is later.

For the purposes of interpretation of Endorsement No. 12, a PARALEGAL partner(s) in a MULTI-DISCIPLINE PARTNERSHIP with a LAWYER partner(s) shall be deemed to be a PARALEGAL PARTNER(S) in a COMBINED LICENSEE FIRM.

## Endorsement No. 13

# COMBINED LICENSEE FIRMS

This endorsement shall only apply where indicated in ITEM 8 of the POLICY Declarations. Subject to all its terms and conditions not in conflict with this endorsement, the POLICY shall include the following:

### A. Coverage:

#### (i) DAMAGES

The INSURER shall pay on behalf of an INSURED all sums which that INSURED shall become legally obligated to pay as DAMAGES arising out of a CLAIM, provided the liability of that INSURED is the result of an error, omission or negligent act in the performance of PROFESSIONAL SERVICES for others, where:

- (a) coverage for PARALEGAL PARTNER(S) OR SHAREHOLDER(S) is limited to PROFESSIONAL SERVICES provided for or on behalf of the COMBINED LICENSEE FIRM; and
- (b) coverage in respect of PROFESSIONAL SERVICES provided for or on behalf of the COMBINED LICENSEE FIRM, is limited to that provided on or after such date that the COMBINED LICENSEE FIRM was first authorized by the NAMED INSURED pursuant to By-law 6 of the Law Society Act.

#### (ii) Defence, settlement, expenses

The INSURER will provide such coverage to an INSURED as is provided for under Part I Coverage B of the POLICY, i.e. its obligation to defend, investigate and pay certain expenses and costs, but only in respect of such coverage as is afforded under (i) DAMAGES above.

#### (iii) PRESCRIBED PENALTY expenses

The INSURER will provide such coverage to the individual PARALEGAL PARTNER(S) OR SHAREHOLDER(S) as is provided under Part I Coverage C of the POLICY, i.e. to reimburse, after final resolution, certain expenses in the successful defence of any CLAIM regarding a PRESCRIBED PENALTY assessed against the individual NAMED LAWYER, but only in respect of such coverage as is afforded under (i) DAMAGES above with respect to PROFESSIONAL SERVICES provided for or on behalf of the COMBINED LICENSEE FIRM.

### B. Premium:

The NAMED INSURED, as agent of all INSUREDS, has arranged for this POLICY, including this endorsement. The premium for this endorsed coverage is an individually assessed risk-based premium and is as set out in ITEM 4 of the POLICY Declarations.

The NAMED INSURED shall pay this endorsement premium by levying and directing the PARALEGAL PARTNER(S) OR SHAREHOLDER(S), to pay this premium to the INSURER.

### C. Cancellation/Amendment:

- (i) For the purposes of this endorsement only (and the POLICY in respect of this endorsement), PARALEGAL PARTNER(S) OR SHAREHOLDER(S) shall be deemed INSURED(S) and PRACTISING LAWYER(S) for the purposes of Part IV CONDITION N;
- (ii) In addition, this POLICY may be cancelled or amended in respect of any PARALEGAL PARTNER(S) OR SHAREHOLDER(S) prior to its natural expiry:
  - (a) by the INSURER, by giving at least sixty (60) days prior notice in writing to the PARALEGAL PARTNER(S) OR SHAREHOLDER(S) and the NAMED INSURED. The INSURER may cancel this POLICY for non-payment of a premium levy and/or DEDUCTIBLE and/or failure to file a fully completed COMBINED LICENSEE FIRM application form, and/or Civil Litigation Transaction Summary Form or applicable exemption form in accordance with Endorsement No. 3. The PARALEGAL PARTNER(S) OR SHAREHOLDER(S) may set aside the cancellation by payment in full of the premium levy or deductible amount due and/or filing the fully completed applicable forms before the effective date of cancellation. Notice to the PARALEGAL PARTNER(S) OR SHAREHOLDER(S) shall be made by delivery or by mail sent to the address of the PARALEGAL PARTNER(S) OR SHAREHOLDER(S) set out in the Declarations, or such other address of the PARALEGAL PARTNER(S) OR SHAREHOLDER(S) indicated in the records of the INSURER at the time of cancellation. Notice to the NAMED INSURED shall be delivered or sent by mail to the address of the NAMED INSURED stated in the Declarations at ITEM 2. Such notice will state the reason for cancellation and the effective date of cancellation;
  - (b) by the PARALEGAL PARTNER(S) OR SHAREHOLDER(S), by giving at least sixty (60) days prior notice in writing to the INSURER and the NAMED INSURED. Such notice shall be delivered or sent by mail to the INSURER at the municipal address indicated under Part IV Condition E and to the address of the NAMED INSURED stated in ITEM 2 of the Declarations. A copy of such notice may be provided by the INSURER to the NAMED INSURED confirming the effective date of cancellation.

### D. Extended Notice Period:

In the event of cancellation of this POLICY in respect of a PARALEGAL PARTNER(S) OR SHAREHOLDER(S), an extended notice period of ninety (90) days from the effective date of cancellation is granted to the PARALEGAL PARTNER(S) OR SHAREHOLDER(S) for the purpose of giving notice of any CLAIM or circumstances of an error, omission or negligent act which any reasonable PARALEGAL or COMBINED LICENSEE FIRM

would expect to subsequently give rise to a CLAIM, but then only with respect to and arising out of an error, omission or negligent act occurring prior to the effective date of cancellation of the POLICY.

If any other policy of insurance in effect would apply to any CLAIM first made during the extended notice period, then coverage provided under this POLICY during the extended notice period will apply in excess of such other insurance to the extent that the other insurance is valid and collectable, and will not be called upon in contribution or otherwise.

## E. Definitions:

For the purposes of this endorsement only (and the POLICY in respect of this endorsement) the following definitions shall apply:

**INSURED(S)** means both NAMED LAWYER(S) and UNNAMED LAWYER(S). "NAMED LAWYER(S)" means as defined in Part V Definition (v) of the POLICY, but shall also include:

- (i) each PARALEGAL PARTNER(S) OR SHAREHOLDER(S) who has been granted coverage pursuant to this endorsement and is named in the POLICY Declarations as an INSURED, in respect of whom, in ITEM 8 thereof, this endorsement is said to apply; and
- (ii) each COMBINED LICENSEE FIRM named in the POLICY Declarations as an INSURED, but only with respect to the rendering of PROFESSIONAL SERVICES for or on behalf of the COMBINED LICENSEE FIRM by its LAWYER PARTNER(S) OR SHAREHOLDER(S), PARALEGAL PARTNER(S) OR SHAREHOLDER(S), and/or LAWYER employee(s), who are INSURED(S) under this POLICY and named in ITEM I of the Declarations as INSURED(S).

"UNNAMED LAWYERS" means as defined in Part V Definition (v) of the POLICY.

In no case shall a present and/or former PARALEGAL PARTNER(S) OR SHAREHOLDER(S) be considered to be an UNNAMED LAWYER(S) under the POLICY as a result of the PARALEGAL PARTNER(S) OR SHAREHOLDER(S) being or having been a PARALEGAL PARTNER(S) OR SHAREHOLDER(S) in a COMBINED LICENSEE FIRM.

**LAWYER PARTNER(S) OR SHAREHOLDER(S)** means a LAWYER(S) while a partner or a shareholder in a COMBINED LICENSEE FIRM.

**PARALEGAL PARTNER(S) OR SHAREHOLDER(S)** means a PARALEGAL(S) while a partner or a shareholder in a COMBINED LICENSEE FIRM.

## PROFESSIONAL SERVICES:

- (i) in respect of services provided by a LAWYER, means as defined in Part V Definition (nn) of the POLICY;
- (ii) in respect of services provided by a PARALEGAL PARTNER(S) OR SHAREHOLDER(S), means the PARALEGAL PARTNER'S(S') OR SHAREHOLDER'S(S') provision of legal services authorized under a Class PI licence, pursuant to the by-laws of the *Law Society Act*, where such services are provided by the PARALEGAL PARTNER(S) OR SHAREHOLDER(S) for or on behalf of the COMBINED LICENSEE FIRM.

## F. Application of other terms and conditions of the POLICY:

Endorsement Nos. 3, 5, 7, 12, 13, 14 and 15 (if applicable) only of the POLICY shall apply in respect of each PARALEGAL PARTNER(S) OR SHAREHOLDER(S). All POLICY endorsements shall or may apply to LAWYER PARTNER(S) OR SHAREHOLDER(S) and/or LAWYER employee(s) who are employed by a COMBINED LICENSEE FIRM.

For the purposes of interpretation of Endorsement No. 3, a PARALEGAL PARTNER(S) OR SHAREHOLDER(S) shall be deemed to be a LAWYER who is required, pursuant to By-Law 6 of the *Law Society Act*, to pay a professional liability insurance premium levy and the civil litigation transaction levy.

For the purposes of interpretation of Endorsement Nos. 5, 7 and 14, reference to Part I Coverages A and B of the POLICY shall be deemed to be to Section A. Coverage (i) and (ii) of this endorsement for the PARALEGAL PARTNER(S) OR SHAREHOLDER(S).

For the purposes of interpretation of Endorsement No. 5, a PARALEGAL PARTNER(S) OR SHAREHOLDER(S) shall be deemed to be an insured LAWYER for the purposes of the Innocent Party Coverage. Coverage for INSURED(S) under that endorsement, however, in connection with the PROFESSIONAL SERVICES of the PARALEGAL PARTNER(S) OR SHAREHOLDER(S), shall be limited to that provided by the PARALEGAL PARTNER(S) OR SHAREHOLDER(S) for or on behalf of the COMBINED LICENSEE FIRM, and then only where the PROFESSIONAL SERVICES were provided on or after such date that the COMBINED LICENSEE FIRM was first authorized by the NAMED INSURED pursuant to By-law 6 of the *Law Society Act*.

# Endorsement No. 14

## CYBER LIABILITY AND CYBER INCIDENT COVERAGE

Notwithstanding Part III Exclusion (j), but subject to the SUBLIMIT OF LIABILITY and the terms and conditions contained in this endorsement, coverage under this Endorsement applies only to CYBER INCIDENT(S), CYBER LIABILITY and SOCIAL ENGINEERING EVENT as defined in Part V of the POLICY. This POLICY, subject to all its terms and conditions not in conflict with this endorsement, shall include the following:

### A. Third-Party Cyber Liability Coverage:

The INSURER shall pay on behalf of the INSURED all sums which the INSURED becomes legally obligated to pay as DAMAGES arising from a CLAIM first made during the POLICY PERIOD that results from CYBER LIABILITY.

### B. First-Party Cyber Incident Coverage:

- (i) The INSURER shall pay on behalf of the INSURED for such reasonable and necessary BREACH EXPENSES incurred directly as a result of a CYBER INCIDENT affecting the INSURED'S COMPUTER SYSTEM.
- (ii) The INSURER shall reimburse the INSURED and/or LAW FIRM for any EXTORTION PAYMENT incurred on account of an EXTORTION THREAT that is first made and discovered by the INSURED and/or LAW FIRM during the POLICY PERIOD.

### C. SOCIAL ENGINEERING EVENT Coverage:

The INSURER shall reimburse the INSURED or LAW FIRM for direct loss of funds resulting from a SOCIAL ENGINEERING EVENT.

#### 1 Coverage Where Risk Controls are Not Met

Where the INSURED has not implemented the verification procedures described in Section C(3) below, coverage is limited to: \$250,000 per SOCIAL ENGINEERING EVENT and in the aggregate per POLICY PERIOD per LAW FIRM.

#### 2 Coverage Where Risk Controls Are Met

Where the INSURED satisfies the risk controls described in Section C(3) below, the limit of liability for a SOCIAL ENGINEERING EVENT shall increase to: \$1,000,000 per SOCIAL ENGINEERING EVENT and in the aggregate per POLICY PERIOD per LAW FIRM subject to the provisions in Section D. Limits of Liability.

### 3 Required Risk Controls

For the enhanced limits under Section C(2) to apply, the INSURED must:

- (i) Include instructions for the receipt, release and/or transfer of funds or information in any written retainers, engagement agreement, settlement agreement, trust condition, undertaking, closing document, lender instruction, or other written agreement governing the transaction, where such documentation exists and is reasonably within the INSURED'S control;
- (ii) Advise clients and other parties that revised instructions must be independently verified; and
- (iii) Verify any change to transfer instructions or contact information using previously confirmed contact information or through an in-person meeting and provide evidence supporting that this verification was completed.

Verification via the phone number or email address contained within the fraudulent change request itself shall not constitute fulfillment of this condition. Failure to comply with these controls will limit coverage to the amounts described in Section C(1).

### D. Limits of Liability:

#### 1 Firm-Level Sublimits

The INSURER'S liability under this Endorsement shall not exceed:

##### Coverage

First-Party Cyber Incident  
Coverage and Third-Party Cyber  
Liability Coverage

Social Engineering Event Coverage

##### Sublimit

\$250,000 in the aggregate  
per POLICY PERIOD per LAW  
FIRM, provided that no more  
than \$100,000 shall be payable  
for First-Party Cyber Incident  
Coverage

\$250,000 in the aggregate per  
POLICY PERIOD per LAW FIRM,  
or \$1,000,000 where the risk  
controls set out in Section C(3)  
are satisfied.

## 2 Aggregate Limit

Where risk controls are satisfied under Section C(3), the maximum liability of the INSURER under this Endorsement with respect to Sections A, B and C shall be \$1,000,000 in the aggregate per POLICY PERIOD per LAW FIRM.

For greater certainty, any amounts paid under this Endorsement reduce the amount remaining available under the applicable sublimits set out above.

## 3 Interaction with Individual Lawyer Limits

Payments made under this Endorsement:

- (i) Erode the LIMIT OF LIABILITY of the INSURED LAWYER, and
- (ii) Are included within and not in addition to the LIMIT OF LIABILITY and AGGREGATE LIMIT OF LIABILITY set forth in Part IV Conditions A and B.
- (iii) CYBER LIABILITY and SOCIAL ENGINEERING EVENT shall not constitute an error, omission or negligent act in the performance of PROFESSIONAL SERVICES for the purposes of Part I Coverage A of this POLICY.
- (iv) Any CLAIM arising out of CYBER LIABILITY and SOCIAL ENGINEERING EVENT shall be subject exclusively to the SUBLIMITS OF LIABILITY provided under this Endorsement and shall not give rise to coverage under any other provision of this POLICY.
- (v) The existence of CYBER LIABILITY or SOCIAL ENGINEERING EVENT shall not operate to increase the LIMIT OF LIABILITY or AGGREGATE LIMIT OF LIABILITY otherwise available under this POLICY.

## E. DEDUCTIBLE:

Notwithstanding Part IV Condition C of the POLICY, the following deductible applies:

A \$5,000 deductible shall apply to each CLAIM or loss covered under this Endorsement.

This deductible:

- (i) Applies to investigation, defence, repair, indemnity payments and reimbursable first-party expenses;
- (ii) Applies to the total loss prior to payment by the INSURER;
- (iii) Applies regardless of the deductible stated in Item 7 of the Declarations

## F. Other Insurance:

To amplify Part IV Condition J, coverage under this Endorsement shall apply only as excess over any other valid and collectible insurance available to the INSURED or the INSURED'S LAW FIRM that provides coverage for the CYBER INCIDENT, CYBER LIABILITY, SOCIAL ENGINEERING EVENT or other loss for which coverage is sought under this Endorsement.

## G. Assistance and cooperation of an INSURED

To amplify Part IV Condition G, the INSURED shall:

- (i) Notify the INSURER immediately upon discovery of a CYBER INCIDENT, EXTORTION THREAT, or a SOCIAL ENGINEERING EVENT, notify the INSURER by contacting the cyber claims service provider designated by the INSURER in accordance with instructions published on [lawpro.ca/claims/](http://lawpro.ca/claims/). Notwithstanding the requirement for written notice under Part IV, Condition E, notice provided by telephone to the INSURER's designated cyber claims service provider in accordance with instructions shall constitute notice to the INSURER for all purposes of this POLICY.
- (ii) Cooperate with forensic investigators and/or breach coaches, or any service providers relating to an EXTORTION THREAT appointed by or on behalf of the INSURER;
- (iii) Assist the INSURER in recovery of funds or other losses.

Failure to comply with these obligations may reduce or eliminate coverage.

## H. Consent Requirement

- (i) The INSURER shall not be liable for any assumed obligation or admission, settlement or BREACH EXPENSES to which it has not provided prior written consent, which shall not be unreasonably withheld.

## I. Exclusions:

This Endorsement does not apply to:

- (i) Losses arising from system failures not caused by a CYBER INCIDENT;
- (ii) Losses arising from the interruption, degradation, failure or unavailability of cloud services, hosted platforms, computer systems, telecommunications networks, internet infrastructure or other technology services operated by a third party on which the INSURED or LAW FIRM depends, including any widespread or systemic outage affecting such services, systems, networks, platforms or infrastructure. Losses arising from failure of utility services;
- (iii) Bodily injury or property damage;
- (iv) Contractual liability not otherwise covered by the POLICY;
- (v) Payments prohibited by any sanction, prohibition, or restriction under United Nations resolutions or the trade or economic sanctions of Canada, the European Union, or United States of America;
- (vi) Any CLAIM (or that part of any CLAIM) that would otherwise be excluded under Part III, Exclusions (a), (b), (c), (d), (e), (f), (g), (h), (i) and (k) of the POLICY.

## J. Definitions:

For the purposes of this endorsement only (and the POLICY in respect of this endorsement) the following definitions shall apply:

(i) **BREACH EXPENSES** means the following reasonable and necessary fees, costs and expenses incurred by the INSURED or LAW FIRM, with the INSURER's prior written consent, as a direct of a CYBER INCIDENT:

- (a) Adjusting fees and expenses of a third-party adjusting firm to investigate a CYBER INCIDENT
- (b) Legal fees and expenses of a lawyer and/or breach coach retained to examine, analyze, evaluate, assess or advise upon the privacy, regulatory or legal implications of the CYBER INCIDENT;
- (c) Fees and expenses of forensic investigators, consultants or other approved service providers retained to determine the cause, nature and extent of the CYBER INCIDENT and to contain, mitigate or remediate its effect; and
- (d) Costs of notifying impacted individuals/entities who are required to be notified of the CYBER INCIDENT pursuant to applicable law or at the discretion of the INSURER.
- (e) Provide credit monitoring, identity theft monitoring, fraud consultation, identity restoration or similar mitigation services to impacted individuals/entities if recommended by legal counsel or a breach coach retained pursuant to paragraph (a), or at the discretion of the INSURER.

BREACH EXPENSES must be incurred within one year of discovery by the INSURED and/or INSURED'S LAW FIRM of the CYBER INCIDENT to which the claimed BREACH EXPENSES correspond.

BREACH EXPENSES do not include costs incurred to upgrade, improve, replace or enhance any COMPUTER SYSTEM beyond the condition that existed immediately prior to the CYBER INCIDENT.

BREACH EXPENSES do not include EXTORTION PAYMENTS or the INSURED or LAW FIRM's internal expenses, salaries, wages, or overhead.

(ii) **EXTORTION PAYMENT** means the following reasonable and necessary costs made by the INSURED and/or the INSURED's LAW FIRM, with the INSURER's prior written consent, as a result of an EXTORTION THREAT:

- (a) monies, cryptocurrency or other consideration paid in response to the EXTORTION THREAT;
- (b) costs incurred solely in making or attempting to make such payment; and
- (c) fees and expenses of third-party vendors retained to investigate, negotiate, respond to or mitigate the EXTORTION THREAT.

## Endorsement No. 15

# INTELLECTUAL PROPERTY BUSINESS COVERAGE SURCHARGE

### (OPTIONAL COVERAGE TO MEET THE INSURANCE REQUIREMENTS OF THE COLLEGE OF PATENT AGENTS AND TRADEMARK AGENTS (CANADA))

This endorsement shall apply in respect of an INSURED where so indicated in ITEM 8 of that INSURED'S Declarations, upon application and approval for such coverage. Subject to all terms and conditions not in conflict with this endorsement, the POLICY shall include the following:

#### A. Enhanced INTELLECTUAL PROPERTY BUSINESS Coverage:

This optional endorsed coverage is intended to enhance the existing coverage that may otherwise extend to INTELLECTUAL PROPERTY BUSINESS services conducted by INSUREDS and meet the prescribed insurance requirements set by CPATA. This endorsed coverage shall not apply to any INSUREDS who are not CPATA licensees nor INSUREDS not approved for such coverage.

#### B. Modifications to Coverage:

Subject to the other terms and conditions contained herein, the provision of INTELLECTUAL PROPERTY BUSINESS as a CPATA licensee shall be deemed the performance of PROFESSIONAL SERVICES for others. Notwithstanding Special Provision A in Part II and the definition of PROFESSIONAL SERVICES in Part V the provision of such services may include EXTRA-JURISDICTIONAL services and coverage is provided by this POLICY, pursuant to Coverages A and B of Part I, for any resulting CIVIL SUITS, including those not brought in Canada.

#### C. Exclusions:

This endorsed coverage shall not apply to:

- (a) any CLAIM in any way relating to or arising out of EXTRA-JURISDICTIONAL services if an INSURED is not authorized in the non-Canadian jurisdiction to provide such services under that INSURED's CPATA license; and
- (b) any CLAIM in any way relating to or arising out of an INSURED'S INTELLECTUAL PROPERTY BUSINESS where that INSURED was maintaining coverage in respect of the INSURED'S INTELLECTUAL PROPERTY BUSINESS under another professional liability insurance policy that satisfied the CPATA minimum insurance requirements at the time the PROFESSIONAL SERVICES giving rise to the CLAIM were performed.

#### D. Definitions:

For the purposes of this endorsement only (and the POLICY in respect of this endorsement) the following definitions shall apply:

CPATA means the College of Patent Agents and Trademark Agents (Canada).

EXTRA-JURISDICTIONAL means the practice of law and/or the provision of INTELLECTUAL PROPERTY BUSINESS services with respect to another country and subject to laws that are not the law of Canada, its provinces nor its territories.

**INSURED(S)** means as defined in Part V Definition (v) of the POLICY and Endorsement No. 12 (if applicable).

**INTELLECTUAL PROPERTY BUSINESS** means the provision of services relating to intellectual property rights by an INSURED to another party, including services of advice, acquisition, prosecution, maintenance/renewal, enforcement, defence, opposition, consulting, support, formalities, search, administration, drafting of documents, and/or ancillary services when acting as a patent agent and/or trademark agent.

#### PROFESSIONAL SERVICES:

- (i) means as defined in Part V Definition (nn) of the POLICY;
- (ii) means as defined in Endorsement No. 12 (if applicable); and
- (iii) in respect of services provided by a licensee in good standing of the College of Patent & Trademark Agents (CPATA), this includes such services the INSURED'S CPATA license authorizes an INSURED to provide, even if such services may be broader than what an INSURED is authorized to provide according to the NAMED INSURED and may include EXTRA- JURISDICTIONAL services.



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