

# Coverage Information



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## The Law Society Indemnification Program

The Law Society indemnification program (the “Program”) includes coverage for licencees under the BC Lawyers Compulsory Professional Liability Indemnification Policy (the “Policy”) and coverage for eligible BC firms under a cyber and privacy liability insurance policy (the “Cyber Policy”).

The sheet [LIF Coverage Information – What’s covered under the Professional Liability Indemnification Policy](#) provides information about the Policy, and the sheet [LIF Coverage Information – Network Security and Privacy Liability Insurance Policy](#)<sup>1</sup> provides information about the Network Security and Privacy Liability Insurance Policy. Additional information about the Program and both policies is available on the [Lawyers Indemnity Fund](#)<sup>2</sup> website.

## Applying for coverage, an exemption or a part-time discount

### *Changing practice status*

[Applications to participate in the Program or claim an exemption](#)<sup>3</sup> are available online through your Law Society [Member Portal](#)<sup>4</sup>. You must comply with the Rules that are in effect at the time you apply, or any Rule changes made during the application process.

If you are applying to change from full-time to part-time practice, you may receive a refund of the prorated portion of the indemnity fee. The discount reduces each of the two installments, which are payable in November and May. If you apply for and pay the discounted fee in November, the discount will be automatically applied to the first installment of your annual fees, unless you notify the Law Society of a change in your practice status.

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<sup>1</sup> [https://www.lif.ca/LIF/media/Shared/docs/cyber/Cyber\\_-\\_Privacy\\_info\\_sheet.pdf](https://www.lif.ca/LIF/media/Shared/docs/cyber/Cyber_-_Privacy_info_sheet.pdf)

<sup>2</sup> [www.lif.ca](http://www.lif.ca)

<sup>3</sup> <https://www.lawsociety.bc.ca/support-and-resources-for-lawyers/registration-and-licensee-services/apply-for-indemnity-coverage-or-an-exemption/>

<sup>4</sup> <https://www.lawsociety.bc.ca/labc/apps/members/login.cfm>

If you are currently exempt from the requirement to maintain indemnification coverage, including employed in-house, and are applying for indemnification coverage for full or part-time private practice, you will be subject to the Law Society's returning to practice rules. The conditions of returning to practice vary depending on the length of time you have been engaged in the practice of law and the period of time you have been absent from practice: [Return to Practice | The Law Society of British Columbia](#)<sup>5</sup>

### ***The indemnity fee***

Every BC partner in a multidisciplinary practice (MDP) must pay the annual indemnity fee and participate in the Program, unless exempt from this requirement (Rules 3-39 and 3-43). If you have not paid the indemnity fee and are not exempt, you are prohibited from practising law (Section 30(7) of the *Legal Profession Act*).

If you are in-house or in a seconded arrangement, you have the option of claiming an exemption or paying the indemnity fee and participating in the Program, with all the potential benefits (e.g. part-time fee) and obligations (e.g. surcharges for prior or future paid claims) it entails. The Policy provides coverage for claims brought against you by third parties. There is no coverage for claims brought against you by or on behalf of your employer or a related entity.

The indemnity fee pays for both the Policy and the Cyber Policy. The indemnity fee for a licensee practising full-time is \$1,800 plus GST for the year and must be paid in two equal installments: the first installment on or before November 30 of the year preceding the year for which it is paid, and the second installment on or before May 30 of the year for which it is paid.

### ***The part-time discount***

You may obtain a 50% discount if you practise part-time. You may apply for the part-time discount if you are engaged in the practice of law (any professional services for which the indemnification policy extends coverage), and related professional services and activities that further those services, for an average of 25 hours or fewer per week. The terms "related professional services" and "activities that further those services" include, but are not limited to:

- practice management,
- administration and promotion, and
- professional duties or representation on bodies such as the Law Society, the Canadian Bar Association, the Continuing Legal Education Society and other organizations.

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<sup>5</sup> [www.lawsociety.bc.ca/becoming-a-lawyer-in-bc/return-to-practice/](http://www.lawsociety.bc.ca/becoming-a-lawyer-in-bc/return-to-practice/)

To be eligible for the discount, if you are in private practice you must be continuously employed on a part-time basis. If you are in-house, you must be employed part-time or only provide legal services to your employer as part of your full-time employment. You may occasionally practise more than 25 hours per week as long as, on average, over consecutive six-month periods (January to June; July to December), you practise 25 hours or fewer per week.

You may not apply for the discount if:

- you practise full-time for a portion of the year and do not practice at all for a portion or the balance of the year, or
- you have had a professional liability claim resulting in an indemnity payment in the past five calendar years in any jurisdiction.

### ***Exemptions to paying the fee***

If you are non-practising or retired, you are exempt from paying the indemnity fee. If you are practising, you may be exempt if you fall within one of the exemptions set out in Law Society Rule 3-43, and your application to claim an exemption is approved.

Generally, you fall within Rule 3-43 and may apply for an exemption if you:

- provide research and opinion services to an indemnified licensee and have no client contact whatsoever (includes law professors rendering research and opinion services to government),
- are not engaged in the practice of law at present (for reasons including a sabbatical, maternity or parental leave, or unemployment),
- are engaged in the practice of law for no fee, gain or reward, whether direct or indirect, from the person for whom the service is provided,
- reside<sup>6</sup> outside of BC and are not engaged in the practice of BC law,
- reside outside of BC in a Canadian jurisdiction, are a licensee in that jurisdiction's law society, are entitled to practise law in that jurisdiction, and maintain the full professional liability insurance or indemnification coverage required in that jurisdiction, or
- are a Canadian Legal Advisor authorized to practise law in BC and maintain full professional liability insurance coverage required by the Barreau du Québec that extends to your practice in BC. **Even if you do not apply for an exemption and pay for the Policy, you will not be covered by it.**

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<sup>6</sup> Resident has the meaning with respect to a province or territory that it has with respect to Canada in the *Income Tax Act* (Canada).

You have the option of applying for an exemption if you are employed by or seconded to one of the following: a federal, provincial, territorial or municipal government department or a Crown corporation; a society, association, partnership or corporation, other than a law firm; a trade union; or a regulatory body.

## Contact information

### ***Registration and Licensee Services***

If you have any questions about obtaining the Policy or claiming an exemption, please contact a representative at the Law Society of British Columbia.

Registration and Licensee Services  
Law Society of British Columbia  
8th Floor, 845 Cambie Street  
Vancouver, BC V6B 4Z9

Tel.: 604.605.5311  
BC Toll-free: 1.800.903.5300  
Fax: 604.687.0135  
Email: [registration@lsbc.org](mailto:registration@lsbc.org)

### ***Lawyers Indemnity Fund***

If you have questions about the Policy, the Cyber Policy, or the Program coverage, please contact the Lawyers Indemnity Fund: [Contact us by types of inquiries | LIF](#)<sup>7</sup>.

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<sup>7</sup> [www.lif.ca/about-us/our-people/contact-us-by-types-of-inquiries/](http://www.lif.ca/about-us/our-people/contact-us-by-types-of-inquiries/)