

Application

The Law Society
of British Columbia



Optional Business Innocent Covered Party Coverage

845 Cambie Street, Vancouver, BC, Canada V6B 4Z9
t 604.669.2533 | BC toll-free 1.800.903.5300
Membership 604.605.5311 | f 604.687.0135
TTY 604.443.5700
Email memberinfo@lsbc.org | lawsociety.bc.ca

This application (**BIC application**) is for coverage offered under the Business Innocent Covered Party Endorsement (**BIC endorsement**).

These defined terms are applicable to this **BIC application** only:

Applicant firm means: the **firm** authorized to act as agent for all **applicant lawyers** at the **firm** for the purposes of applying for the **BIC endorsement** coverage.

Applicant lawyer means: a **lawyer** practising law at any office location of the **applicant firm**.

Authorized agent means: the **lawyer** authorized by each and every **applicant lawyer** at the **applicant firm** to complete the **BIC application** on their behalf and on behalf of the **applicant firm**.

Business exclusion means: Exclusion 6.2 to Part A of the **Policy**.

Firm means: a legal entity or combination of legal entities carrying on the practice of law.

Lawyer means: any member of the B.C. Law Society or MDP Partner (see Law Society Rule 2.41) covered under Part A of the **Policy**.

Partner means: a **lawyer** who is a partner, apparent partner, MDP partner, director or shareholder who is covered under Part A of the **Policy** and may be vicariously liable for a **lawyer** at the same **firm**.

Policy means: the annual compulsory professional liability indemnification policy issues by BC Lawyers Indemnity Association.

***Before completing this BIC application, we strongly recommend that you read the due diligence information sheet attached to this application.**

All questions must be completed:

1. **Applicant firm** (legal name): _____

Authorized agent (Name, position and e-mail): _____

2. The **Applicant firm** is a/an: ☐ Partnership ☐ Apparent Partnership ☐ MDP Partnership ☐ Corporation

3. Total number of **applicant lawyers** at the **applicant firm** on January 1, 2021 _____

4. Is any **applicant lawyer** at the **applicant firm** providing legal services in circumstances that would or may be excluded from coverage by the **business exclusion**?

☐ Yes ☐ No (please check one) If yes, please provide details on a separate sheet.

5. Is any **partner** at the **applicant firm** aware of any **lawyer** at the **applicant firm** providing legal services in circumstances that would or may trigger the application of the **business exclusion**?

☐ Yes ☐ No (please check one) If yes, please provide details on a separate sheet.

***Any affirmative answers to questions 4 or 5 are deemed to be within the knowledge of any partners at your firm, and there will be no coverage under the BIC endorsement for any claims arising from those detailed activities.**

DECLARATIONS AND UNDERSTANDINGS:

The undersigned is authorized to complete this **BIC application** and to make the following statements on behalf of the **applicant firm** and its **applicant lawyers**:

- a. I declare that, to the best of my knowledge and understanding, the above statements and particulars are true and complete and that I have not omitted or suppressed or misstated any material facts and I agree that this **BIC application** form shall be the basis of the endorsement issued.
- b. I understand that if a **lawyer** who is covered under Part A of the **Policy** joins the **applicant firm** after this **BIC application** has been signed but before January 1, 2021, I or the **firm's** designate must ask the **lawyer** questions 4 and 5 in this **BIC application**.
- c. I understand that the indemnity coverage applied for will not extend coverage to any claims arising from any of the activities disclosed in the answers to questions 4 and 5 in this **BIC application**.
- d. I declare that the **applicant firm** has _____ office location(s) at: _____

- d. I declare that I have read the 2021 **BIC endorsement** information sheet provided with this **BIC application**, and I understand that coverage under the endorsement, if issued, shall not apply to any claim or incident unless the **BIC endorsement** is in place both at the time of the error and at the time any claim or incident is first reported.
- e. I understand and accept that signing this **BIC application** does not bind the **applicant firm** nor the indemnitor to complete the indemnity coverage applied for herein.
- f. *If the **Applicant Firm** is an apparent partnership*, I declare that the attached Schedule of apparent partners is true and complete.

SIGNATURE OF **AUTHORIZED AGENT**: _____

PRINT NAME: _____

DATE: _____

In addition to providing all basic information necessary to enable us to consider your **BIC application**, you must ensure that you comply with your duty to disclose, before inception of your indemnity contract, all matters which a prudent underwriter would view as probably tending to increase the risk in relation to your indemnity contract. If such matters are not disclosed, we have the right to void the contract from its commencement which will lead to claims not being met. Similarly, any future changes must also be disclosed to us.

Coverage cannot be bound until this fully completed and executed **BIC application** is received and approved by the indemnitor of the **Policy**. In order to complete this **BIC application**, please attach copies of the following documents:

- 1. Copy of your letterhead; and
- 2. Completed apparent partnership form (if applicable).

BIC ENDORSEMENT- APPLICANT LAWYER QUESTIONNAIRE

I, (name of **applicant lawyer**) _____, authorize _____ to complete the **BIC application** as my **authorized agent** and agree that information provided by my **authorized agent** to the indemnitor will be binding on me.

I am aware that LIF has provided a summary of the **business exclusion**, Exclusion 6.2 of the Policy, on its portion of the Law Society website found at: The Policy and coverage -> What claims are excluded -> Business or personal interest claims.

*Instructions: Please answer the following two questions for use in completing the **BIC application** for **BIC endorsement** coverage, and note the follow-up requirement at the end. In answering these questions and considering the follow-up requirement, please note that if you are providing legal services to any organization through your law corporation's contract with your firm, then "you" includes your law corporation, and if another lawyer is providing legal services to any organization through that lawyer's law corporation's contract with your firm, then "lawyer" includes that lawyer's law corporation.*

Bolded words are defined as follows:

"Organization means: any business, business venture, joint venture, proprietorship, partnership, limited partnership, cooperative, society, syndicate, corporation, association or any legal or commercial entity."

"Family means: **spouse**, children, parents or siblings."

"Spouse means: a person who is or has been married, or a person who is or has been living in a marriage-like relationship for a period of time of not less than one year."

1. To the best of your knowledge and understanding, are you providing legal services to any **organization** in which you, your **family** or any other lawyer practising at any office of your firm, separately or together, has or had effective management or control or beneficial ownership in an amount greater than 10%?

☐ Yes / ☐ No (please check one) If yes, please provide details on a separate sheet.

2. To the best of your knowledge and understanding, is any other lawyer at our firm providing legal services to any **organization** in which that lawyer, that lawyer's **family** or any other lawyer (including you) practising at any office of our firm, separately or together, has or had effective management or control or beneficial ownership in an amount greater than 10%?

☐ Yes / ☐ No (please check one) If yes, please provide details on a separate sheet.

Follow-up requirement: If *after* completing this Questionnaire, you begin providing legal services to any **organization** in which you, your **family** or any other lawyer practising at any office of your firm, separately or together, has or had effective management or control or beneficial ownership in an amount greater than 10%, please provide details immediately to the **authorized agent** at your firm.

Applicant lawyer: _____ **Date:** _____

Please return this Questionnaire to the **authorized agent** at your firm by (date): _____.

BIC ENDORSEMENT - DUE DILIGENCE INFORMATION

*This due diligence information is intended to be guide to a **covered firm** to comply with the terms and conditions of the **BIC endorsement**. The information provided is for your guidance only and the **BIC endorsement** wording governs.*

A **covered firm** may implement whatever due diligence processes they choose. If a claim is made, LIF will investigate the process to determine whether the requirements of the **BIC endorsement** were met. If you would like the indemnitor's position on whether or not your **firm's** specific due diligence process will satisfy the requirements of the endorsement, please provide, in writing, a detailed description of the process to LIF attention: Shelley Braun.

To assist **covered firms**, LIF has developed a protocol which, if implemented, the indemnitor will accept as meeting the due diligence requirements of the **BIC endorsement**. In this protocol, the defined terms in the **BIC application** and **BIC endorsement** will be used. The protocol is:

1. at the time of completing the **BIC application** for the **BIC endorsement**, each **lawyer** in the **firm** is asked and answers the questions set forth in the **applicant lawyer** Questionnaire ("Questionnaire", copy attached);
2. the **lawyer** authorized to sign the **BIC application** on behalf of the **applicant firm** and **applicant lawyers** reviews each completed Questionnaire and:
 - i. answers questions 4 and 5 of the **BIC application**, based on the information provided in the Questionnaires;
 - ii. communicates the details of any affirmative answers to questions 4 and 5 of the **BIC application** to all other **partners** or apparent partners in the **firm**, and confirms for them that there will be no coverage under the endorsement for any claims arising from those activities detailed;
3. new **lawyers** joining the **firm** during the **endorsement coverage period** are asked and answer the questions set forth in the Questionnaire, and the details of any affirmative answers to the questions are communicated to all **partners** or apparent partners in the **firm** who are covered under Part A of the **Policy**, with confirmation that there will be no coverage under the endorsement for any claims arising from those activities detailed;
4. if, after completing the Questionnaire, a **lawyer** provides details in response to the follow-up requirement in the Questionnaire, those details are communicated to all **partners** or apparent partners in the **firm**, with confirmation that there will be no coverage under the endorsement for any claims arising from those activities detailed; and
5. steps 1 through 4 inclusive are repeated each time the **firm** applies for the **BIC endorsement**.

In answering the Questionnaire, a **lawyer** may be unsure whether or not certain facts or circumstances fall within the business exclusion, and therefore require disclosure. Further guidance on the interpretation of the business exclusion is offered in the summary of Exclusion 6.2 of the **Policy**, included in your **BIC application** packet.

Please note that BIC does not provide coverage for legal services triggering Exclusion 6.1 of the **Policy**, the "benefit exclusion". If a **lawyer** provides services that fall within the benefit exclusion, coverage under the **Policy** will be denied to that **lawyer** and any other **lawyer** vicariously liable for the claim.

If you would like the indemnitor's position on the application of Exclusion 6 to a particular set of circumstances, please provide, in writing, a detailed description of the circumstances to one of our advance ruling advisors, Shelley Braun, Surindar Nijjar, Lamour Afonso or Michael Soltynski.

SCHEDULE OF APPARENT PARTNERS

(Only complete if the Applicant Firm is an expense sharing or other arrangement in which two or more members or law corporations, or a combination thereof, are or were held out to the public as partners whether or not the partnership in fact exists or existed)

List: All apparent partners who will be covered under Part A of the **Policy** and combine to make up the **applicant firm** on January 1, 2021:

NAMES OF APPARENT PARTNERS
