

Endorsement #1 - BUSINESS INNOCENT COVERED PARTY (BIC)

ATTACHED TO AND FORMING PART OF POLICY NO. LPL 23-01-01 (the “**Policy**”)

This **BIC endorsement** only applies to coverage under Part A of the **Policy** and only if both the **individual Covered Party** and all other **individual Covered Parties** at the **covered firm** have paid the **BIC fee**. Any additions or deletions of **individual Covered Parties** at the **covered firm** during the **BIC coverage period** will not affect the validity of this **BIC endorsement**.

Words and phrases that appear in bold are defined in this **BIC endorsement** or in the Definitions section of the **Policy**. You or your in the **Policy** is amended to only refer to an **additional Covered Party** as defined in this **BIC endorsement**.

In consideration of the payment of the **BIC fee**, and in reliance on the statements made in the **BIC application**, it is understood and agreed that solely for the purposes of the coverage afforded by this **BIC endorsement** for a **vicarious liability claim** under Part A:

1. The following definitions are added to the **Policy**:

Authorized agent means: the **member** at the **covered firm** who has been authorized by each and every **individual Covered Party** at the **covered firm**, and the **covered firm**, to complete the **BIC application** on their behalf.

BIC application means: the application for this **BIC endorsement** forming part of the **BIC endorsement** and completed by the **authorized agent**.

BIC coverage period means:

- (a) any period after January 1, 2023, 12:01 a.m. PST during which the **individual Covered Party** was a **member**, and paid both the **indemnity fee** and **BIC fee**; and
- (b) any period prior to January 1, 2023, 12:01 PST during which the **covered firm** was issued a Business Innocent Covered Party (formerly Business Innocent Insured prior to January 1, 2020) Policy and the **individual Covered Party** was a **member** and paid the **indemnity fee**.

BIC endorsement period means: the period between January 1, 2023 12:01 a.m. to January 1, 2024 12:01 a.m. (PST) for which the **BIC fee**, or a prorated portion of the **BIC fee** has been paid in addition to the **indemnity fee**.

BIC fee means: the cost of this **BIC endorsement**, as communicated by the **Lawyers Indemnity Fund** of the **Law Society**.

Covered firm means: the **law firm** in which the **individual Covered Party** is or was a partner, employee or associate counsel or that is or was liable for the **individual Covered Party** at the time the **professional services** giving rise to the **claim** and the **vicarious liability claim** were provided.

Vicarious liability claim means: a **claim** against an **additional Covered Party** arising from a professional liability **claim** against the **individual Covered Party** for **damages** that would be covered under Part A of the **Policy** but for the application of Exclusion 6.2 and Part A 3.4 of the **Policy**.

INDEMNIFICATION POLICY

2. The definition of **additional Covered Parties** in the **Policy** is deleted and replaced with:
 - (a) a **covered firm**; and
 - (b) each present or former **member** who, at the time the **individual Covered Party** was providing the **professional services** giving rise to the **claim** and the **vicarious liability claim**:
 - (i) was indemnified by us and paid the **BIC fee**,
 - (ii) is or was at the **covered firm** and is or may be vicariously liable for the **individual Covered Party** at the time the **professional services** giving rise to the **claim** and the **vicarious liability claim** were provided,
 - (iii) had no knowledge of the circumstances giving rise to the application of Exclusion 6.2,
 - (iv) exercised due diligence in completing the **BIC application**, and
 - (v) made reasonable and regular inquiries of the **individual Covered Party** that could have disclosed the circumstances giving rise to the application of Exclusion 6.2 under the **Policy**.
3. An **individual Covered Party** is deleted from the definition of **Covered Party** for Part A in the **Policy**, leaving **additional Covered Party** only.
4. The following is inserted into Exclusion 6.2 before the word provided:

except that we will pay all sums **additional Covered Parties** become legally obligated to pay as **damages** because of any **vicarious liability claim** first made and reported to us in writing during the **BIC coverage period**, and
5. The following Exclusions are added to the Policy:

The **BIC endorsement** does not apply to:

 1. **errors** that occurred prior to January 1, 2002.
 2. **claims, errors** or any circumstances that the **individual Covered Party** knew or could have reasonably foreseen prior to the **endorsement coverage period** might be the basis of a **claim** excluded by Exclusion 6.2.
6. The following conditions apply to coverage afforded by this **BIC endorsement**:
 1. **THE BIC FEE**

The **BIC fee** is payable at the beginning of the **BIC coverage period** and is fully earned.
 2. **REPRESENTATIONS**

INDEMNIFICATION POLICY

By accepting the coverage afforded under this **BIC endorsement**, each **additional Covered Party** agrees:

2.1 the statements in this **BIC application** are accurate and complete; and

2.2 this **BIC endorsement** has been issued in reliance upon such representations;

but coverage is nevertheless extended under this policy to an **additional Covered Party** who did not make or who did not knowingly permit to be made any false statement in the **BIC application**.

3. ACTING AS AGENT

Each **individual Covered Party** expected to be with a **covered firm** at the inception of the **BIC coverage period** authorizes, on their behalf, the **authorized agent** at the **covered firm** to act as their sole agent to complete and sign the **BIC application**, and the **authorized agent** or **covered firm** to give or receive notice of cancellation, pay the **BIC fee** and agree to any changes to this **BIC endorsement**.

4. LIMITS OF LIABILITY

The limit of liability for **damages, claims expenses** and deductible is \$1,000,000 per **error**. The annual aggregate limit of liability for coverage afforded by this **BIC endorsement** is \$2,000,000 for all **additional Covered Parties** covered by all **BIC endorsements** issued to **members** at the **covered firm** for all **damages, claims expenses** and deductible arising from all **vicarious liability claims** or potential **vicarious liability claims** first made and reported to us in writing during the **BIC endorsement period**. All payments, including deductible, under Part A for the same **error** or **errors** are within, not in addition to, these limits of liability.

7. The following conditions are added to the **Policy**:

2.1.1 If **damages** or **claims expenses** are paid pursuant to the **BIC endorsement** for **vicarious liability claims**, you will pay the deductible in Declaration 7 for Endorsement #1.

17.4 This **BIC endorsement** may be cancelled by **BCLIA** for non-payment of the **BIC fee** by providing 15 days written notice to the **covered firm**. This **BIC endorsement** may be cancelled by the **covered firm** by surrender thereof to **BCLIA** or by written notice to the **Company** stating when thereafter the cancellation shall be effective. The mailing of notice by regular mail shall be sufficient proof of notice by the **Company** or the **covered firm**. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **BIC coverage period**. Notice of cancellation by **BCLIA** to the **covered firm** shall be deemed notice to all **additional Covered Parties**.

All other terms and conditions of the **Policy** remain unchanged.

