

# The Law Society

*of British Columbia*



## **2009 Budgets and Fees**

Presentation to Benchers  
July 4, 2008



## 2009 Overview

- Finance Committee reviewed and considered budgets for General Fund, Special Compensation Fund and the Lawyers Insurance Fund at three meetings during June
- Executive Committee reviewed the overall fee proposal at its June meeting
- Management presented a balanced General Fund budget with no use of reserve
- 10-year capital plan updated and funding is included in the practice fee
- General Fund fee increase of \$66.84 per member (5.3%) of which the majority of increase is market-based salary adjustments
- Includes first year implementation of new continuing professional development program
- Trust Administration fee remains the same at \$10
- Special Compensation Fund assessment reduced by \$200 to \$150
- Insurance assessment remains the same at \$1,400



## 2009 Practice Fee Recommendation

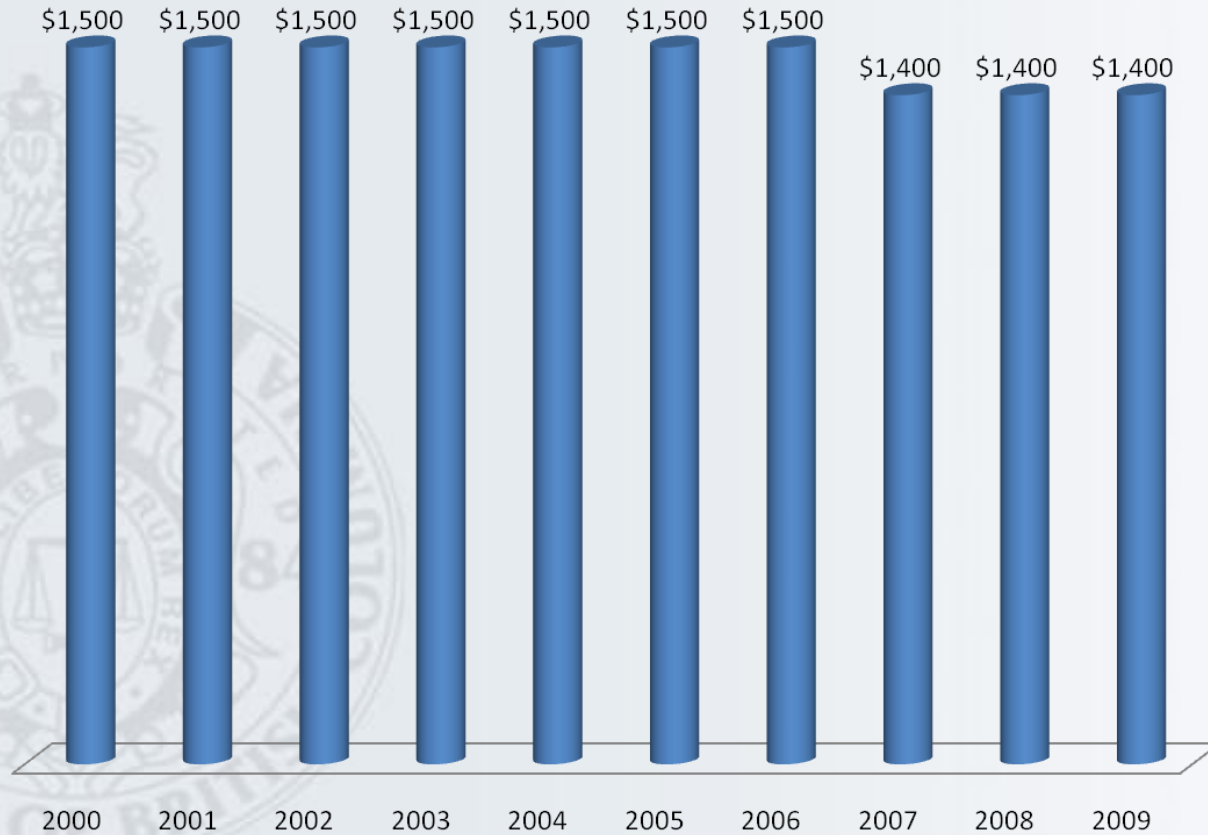
	2009	2008	Difference	%
General Fund Portion	\$ 1,323.04	\$ 1,256.20	\$ 66.84	5.3%
Federation of Law Societies	\$ 17.00	\$ 15.00		
CanLII	\$ 30.74	\$ 29.74		
Pro Bono Contribution	\$ 13.22	\$ 12.56		
Law Society Overall	\$ 1,384.00	\$ 1,313.50	\$ 70.50	5.4%
BCCLS Fee	\$ 166.00	\$ 160.00		
LAP Fee	\$ 56.00	\$ 53.00		
Advocate Subscription	\$ 27.50	\$ 27.50		
Total Practice Fee	\$ 1,633.50	\$ 1,554.00	\$ 79.50	5.1%
Special Fund Assessment	\$ 150.00	\$ 350.00		
Insurance Assessment	\$ 1,400.00	\$ 1,400.00		
<i>Total Mandatory Fee (excluding GST)</i>	<i>\$ 3,183.50</i>	<i>\$ 3,304.00</i>	<i>(120.50)</i>	<i>-3.6%</i>

# Decrease 2009 SCF Assessment



*Recommend \$200 reduction  
of SCF assessment from  
\$350 to \$150 for 2009*

## 2009 LIF assessment



*Recommend  
continuation of  
\$1,400 for full-time  
insured lawyers*



Be it resolved that:

The Benchers recommend to the members at the 2008 Annual General Meeting a practice fee of \$1,633.50 for the practice year commencing January 1, 2009, consisting of the following amounts:

General Fund	\$1,384.00
BCCLS	\$166.00
LAP	\$56.00
Advocate	<u>\$27.50</u>
Practice Fee	\$1,633.50



Be it resolved that:

- the insurance fee for 2009 pursuant to section 30(3) of the Legal Profession Act be fixed at \$1,400;
- the part-time insurance fee for 2009 pursuant to Rule 3-22(2) be fixed at \$700; and
- the insurance surcharge for 2009 pursuant to Rule 3-26(2) be fixed at \$1,000.



Be it resolved that the Special Compensation  
Fund Assessment for 2009 be set at \$150.00







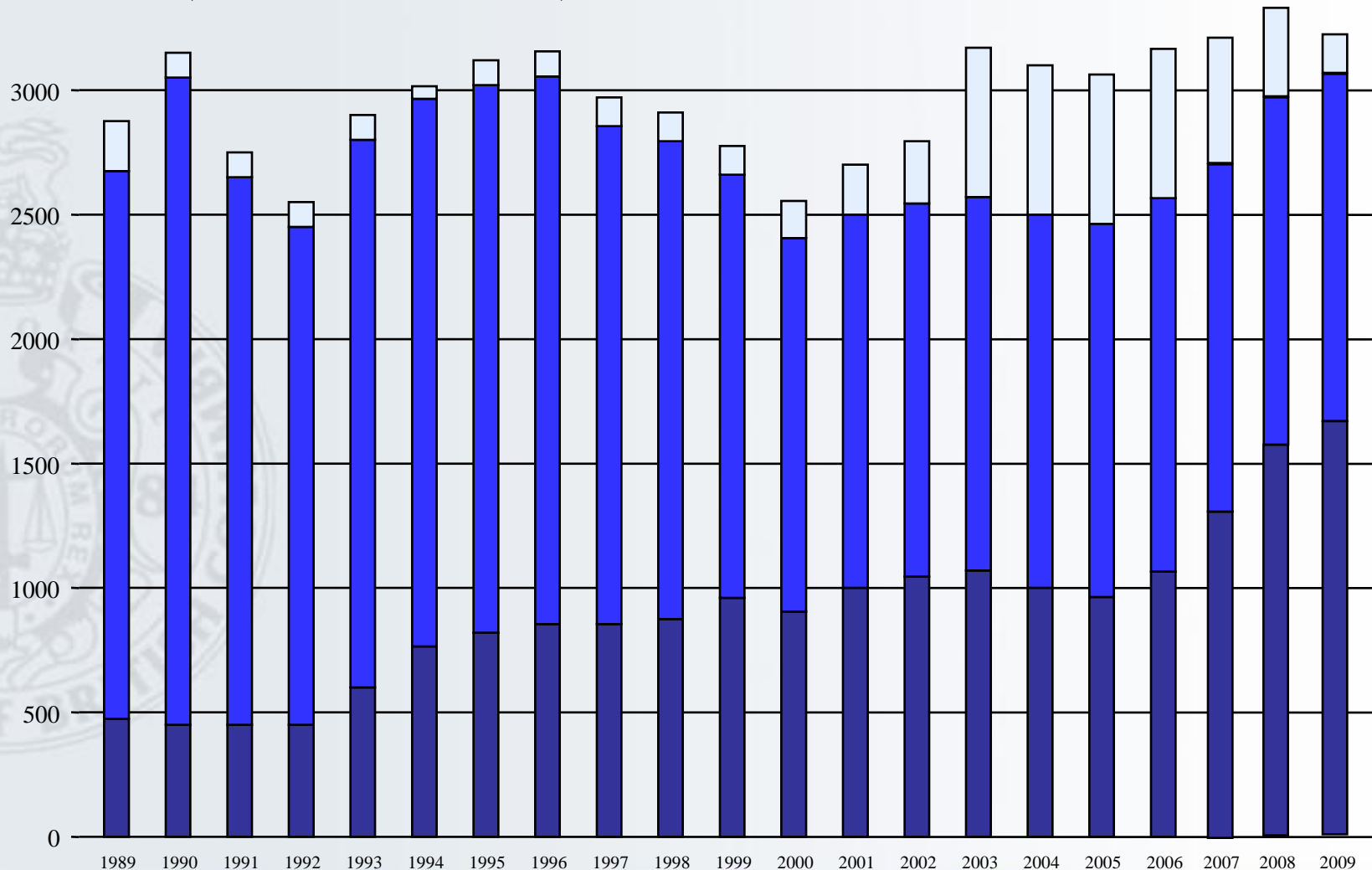
# APPENDICES



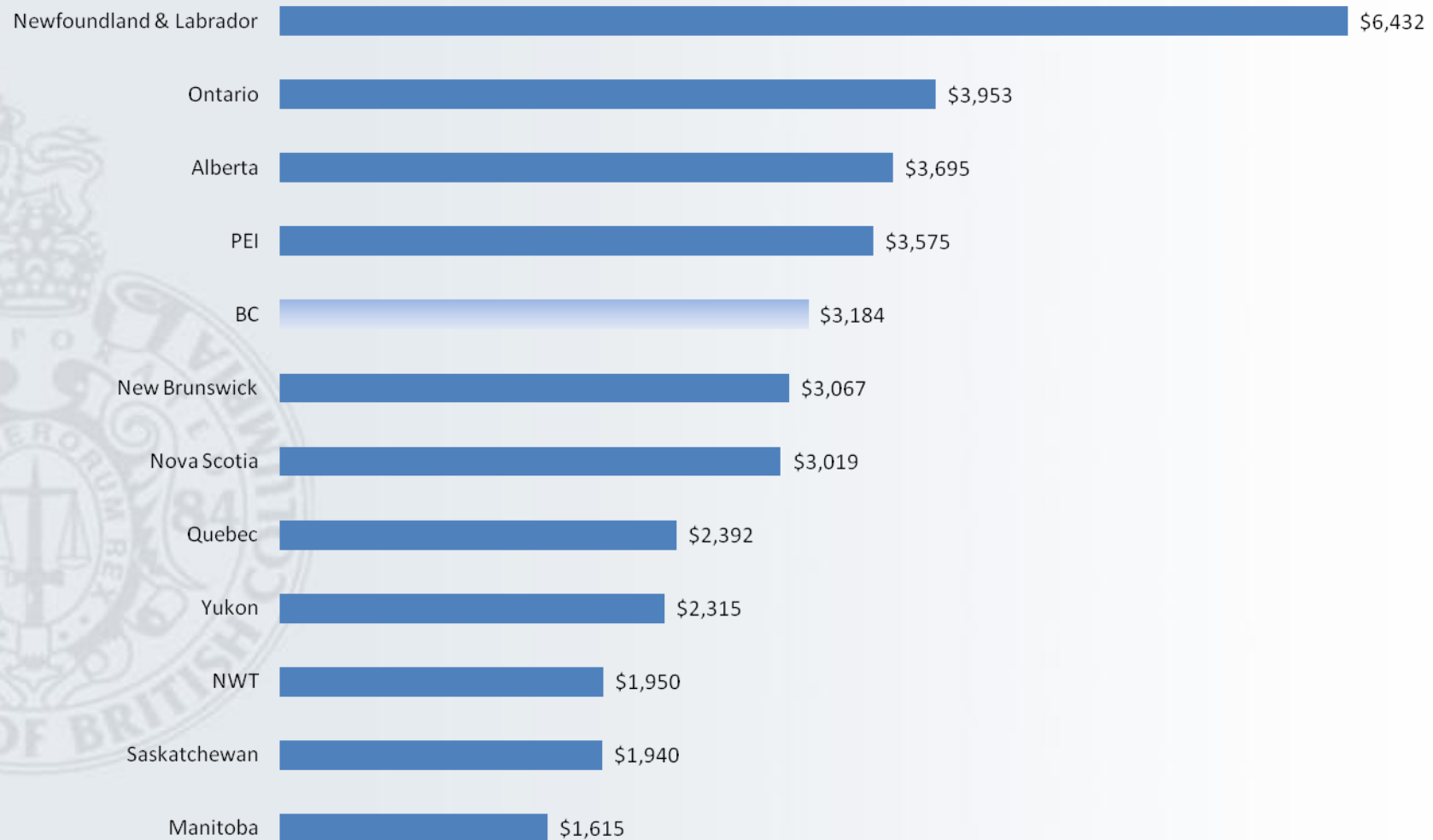


# Total Fee Comparison Year Over Year

- Special Fund Fee
- Insurance Fee
- Practice Fee (includes LAP, BCCLS and Advocate)



## 2009 Total Fee Compared to Other Law Society Total 2007/8 Fees





**The Law Society of British Columbia - General Fund  
Operating Budget  
For the Year ending December 31, 2009**

	<b>2009 Budget</b>	<b>2008 Budget</b>	<b>% Change</b>
TOTAL GENERAL FUND REVENUES	15,224,263	14,463,464	5.3%
<b>GENERAL FUND EXPENSES</b>			
Benchers Governance	1,413,414	1,392,936	
Corporate Services	2,756,248	2,538,653	
Credentials and Practice	3,051,475	2,980,736	
Executive Services	1,709,740	1,604,121	
Policy and Legal Services	1,605,313	1,509,877	
Regulation	5,320,794	5,031,724	
<b>TOTAL GENERAL FUND EXPENSES</b>	<b>15,856,984</b>	<b>15,058,047</b>	<b>5.3%</b>
<b>GENERAL FUND NET CONTRIBUTION</b>	<b>-632,721</b>	<b>-594,583</b>	
Net Building (845 Cambie) CONTRIBUTION (1)	701,699	696,373	
<b>GENERAL FUND NET CONTRIBUTION (Inc Bldg)</b>	<b>68,978</b>	<b>101,790</b>	
<b>TRUST ADMINISTRATION FEE REVENUES</b>	<b>3,044,800</b>	<b>3,000,000</b>	<b>1.5%</b>
<b>TRUST ADMINISTRATION EXPENSES</b>			
Trust Administration	2,311,364	2,491,230	
Forensic Audit	1,215,047	1,138,356	
TAF Reserve	-481,610	-600,000	
<b>TOTAL TRUST ADMINISTRATION EXPENSES</b>	<b>3,044,800</b>	<b>3,029,586</b>	<b>0.5%</b>
<b>TRUST ASSURANCE NET CONTRIBUTION</b>	<b>-</b>	<b>-29,586</b>	
<b>TOTAL GENERAL FUND RESULTS</b>	<b>68,978</b>	<b>72,204</b>	

**Notes:**

(1) This line represents the profit of operating the building at 845 Cambie.



**The Law Society of British Columbia - Lawyers Insurance Fund**  
**OPERATING BUDGET**  
**For the Year ended December 31, 2009**

	<b>2009</b>	<b>2008</b>	
	<b>Budget</b>	<b>Budget</b>	<b>% Change</b>
REVENUE			
Annual Assessment	10,516,601	10,205,000	
Investment Income	6,069,358	6,047,868	
Other Income	17,000	40,000	
	<u>16,602,959</u>	<u>16,292,868</u>	1.9%
INSURANCE EXPENSE			
Actuaries, consultants and investment brokers' fees	624,425.00	315,525	
Allocated office rent	116,076	122,100	
Contribution to costs of General Fund - Program and Administrative Costs	1,341,820	1,314,131	
Legal	12,000	17,000	
Office	618,070	665,184	
Premium Taxes	10,240	8,750	
Provision for settlement fo insurance deductibles	15,520,000	14,800,000	
Provision for ULAE	200,000	100,000	
Salaries, wages and benefits	<u>2,104,591</u>	<u>1,941,857</u>	
	<u>20,547,222</u>	<u>19,284,547</u>	6.5%
LOSS PREVENTION EXPENSE			
Contribution to costs of General Fund - Co-sponsored Program Costs	<u>730,493</u>	<u>719,643</u>	
Total Expense	<u>21,277,715</u>	<u>20,004,190</u>	6.4%
LAWYERS INSURANCE FUND RESULTS	<u>(4,674,756.00)</u>	<u>(3,711,322.00)</u>	



The Law Society of British Columbia - Special Compensation Fund  
**OPERATION BUDGET**  
 For the Year ended December 31, 2009

	<b>2009</b>	<b>2008</b>	
	<b>Budget</b>	<b>Budget</b>	<b>% Change</b>
REVENUE			
Annual Assessment	1,515,000	3,447,500	
Recoveries	4,000,000	-	
	<u>5,515,000</u>	<u>3,447,500</u>	60.0%
EXPENSE			
Allocated office rent	-	19,000	
Audit	12,100	14,520	
Loan interest expense	60,000	150,000	
Claims and costs	127,942	1,292,058	
Contribution to costs of General Fund - Program and Administrative Costs	-	100,000	
Counsel fees	200,000	350,000	
Miscellaneous	57,300	70,000	
Salaries, wages and benefits	-	159,333	
	<u>457,342</u>	<u>2,154,911</u>	-78.8%
SPECIAL COMPENSATION FUND RESULTS	<u>5,057,658</u>	<u>1,292,589</u>	