

MEMBER'S MANUAL

The Law Society
of British Columbia



AMENDMENT PAGES

2013: No. 4 December

Highlights

Law Society Rules: The conditions under which the President's powers may be delegated are clarified (Rule 1-3(8): p. 14.5); the form of majority that is required for committees to pass a resolution is clarified (Rules 1-13 (rescinded) and 1-17(3): p. 20); it is now specifically stated that the President is the chair and the First Vice-President is the vice chair of the Executive Committee (Rule 1-48(2) and (3): p. 30); the significant powers and duties of the Executive Committee are brought together in Rule 1-49 (p. 30); an applicant's law degree must be from a common law school in Canada that has been approved by the Federation of Law Societies, unless the Benchers declare that it is not an approved faculty of law (Rule 2-27(4) and (4.1): p. 42.8); the tariff of costs now includes provision for Notices to Admit (Schedule 4(8.1) and (8.2): p. 133); the fees are updated for 2014 (Schedules 1, 2 and 3: pp. 129-132).

Code of Professional Conduct for British Columbia: The Benchers have adopted new provisions in the Federation Model Code of Conduct dealing with limited scope retainers (definition of "limited scope retainer" and rules 3.1-2 commentary [7.1], 3.2-1.1, 7.2-6 and 7.2-6.1: pp. 2, 11, 14 and 84); the standard for determining conflicts with clients is modified to be consistent with the definition of "conflict of interest" (Rule 3.4-26.1: p. 38).

Insurance Policies: Insurance Policy No. LPL 14-01-01 replaces Policy No. LPL 12-01-01 and the 2013 Endorsement. Refer to the Spring 2014 *Insurance Issues: Program Report* for details of the policy revisions.

Filing: File the amended pages in your *Member's Manual* as follows:

Manual section	Existing pages to be removed	Amendment pages to be inserted
Law Society Rules	14.5 – 14.6 19 – 20 29 – 30 42.7 – 42.8 129 – 134	14.5 – 14.6 19 – 20 29 – 30, 30.1 – 30.2 42.7 – 42.8 129 – 134
Code of Professional Conduct for British Columbia	1 – 2 11 – 14 37 – 38 83 – 84	1 – 2 11 – 14, 14.1 – 14.2 37 – 38 83 – 84, 84.1 – 84.2
Insurance Policies	2013 Endorsement (1 – 2) Policy No. LPL 12-01-01 (1 – 26)	Policy No. LPL 14-01-01 (1 – 26)

After filing, insert this sheet at the front of the *Manual* for reference.

[continued over]

Updates: This amendment package updates the *Member's Manual* to **November 30, 2013**. The previous amendment package was 2013: No. 3 September.

To check that your copy of the Manual is up to date, consult the contents checklist on the next page. If you have further questions about updating your Manual, contact Jenna Kirouac in the Communications department: telephone 604.697.5838 or toll-free 1.800.903.5300 or email communications@lsbc.org.

Website: The *Legal Profession Act*, Law Society Rules and the *Code of Professional Conduct for British Columbia* can be accessed in the Publications section of the Law Society website at **lawsociety.bc.ca** in both HTML (for online use) and PDF (for printout, including printout of *Member's Manual* replacement pages).

Refer to the Law Society website for the most current versions of the Act, Rules and Code.

MEMBER'S MANUAL CONTENTS CHECKLIST

2013: No. 4 December

The following list of pages and tabs can be used to verify that your *Member's Manual* is complete and up to date.

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PART 1 – ORGANIZATION

- (6) If a vacancy under subrule (5) occurs when there is no Benchers elected by the members to assume the office,
 - (a) the Benchers may elect a Benchers who is a member of the Society to act in the vacant office until a mail ballot of all members, the next general meeting or December 31, whichever comes first, and
 - (b) if the next general meeting or a mail ballot takes place before December 31, the members must elect a Benchers who is a member of the Society to the vacant office for the remainder of the year, and a Second Vice-President-elect.
- (7) If the First Vice-President assumes the office of President under subrule (5) on or after July 1, subrule (2) does not operate on January 1 of the following year and the President and the Vice-Presidents continue in office for an additional full year.
- (8) The powers of the President may be exercised by a Vice-President or another member of the Executive Committee designated by the President
 - (a) if the President is absent or otherwise unable to act, or
 - (b) with the consent of the President.

[(8) amended 07/2007, 10/2011, 11/2013]

Removal of the President or a Vice-President

- 1-4** (1) On a resolution of a majority of the Benchers to remove the President or a Vice-President from office, the Executive Director must conduct a referendum of all members of the Society to determine if the President or Vice-President, as the case may be, should be removed from office.
- (2) If a 2/3 majority of the members voting in a referendum under this Rule vote to remove the President or a Vice-President from office, he or she ceases to hold that office and ceases to be a Benchers.
- (3) Before conducting a referendum under subrule (1), the Executive Director must notify the President or Vice-President who is affected.
- (4) Within 30 days after the Benchers pass a resolution under subrule (1), the Executive Director must mail to each member of the Society in good standing
 - (a) a notice stating
 - (i) that the Benchers have resolved to remove from office the President or a Vice-President, as the case may be,
 - (ii) the reasons for the Benchers' resolution,
 - (iii) that a referendum from among the membership is being conducted to determine if the President or Vice-President, as the case may be, should be removed from office, and
 - (iv) the date on which the referendum votes will be counted,
 - (b) a statement by the President or Vice-President, as the case may be, stating why he or she should not be removed from office, if that person wishes to have such a statement sent to each member, and
 - (c) voting materials as required in Rule 1-26.

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- (5) The President or Vice-President in respect of whom the referendum is conducted may attend personally or by agent during proceedings under this Rule.
- (6) After the counting of the voting papers is completed, the Executive Director must declare whether the President or Vice-President, as the case may be, ceases to hold office.

Bencher ceasing to be member

- 1-5** A Bencher, other than an appointed Bencher, must be a member of the Society in good standing to take or hold office as a Bencher.

[amended 09/2009]

PART 1 – ORGANIZATION

- (13) A dispute concerning the procedure to be followed at a general meeting not provided for in the Act or these Rules is to be resolved in accordance with the most recent edition of *Robert's Rules of Order Newly Revised*.
- (14) When a decision of the President is appealed, the President must call a vote of all members present, without debate, on whether they are in favour of or opposed to sustaining the President's decision.
- (15) A member of the Society in good standing who is present at a general meeting is entitled to one vote.
- (16) Voting at a general meeting must be by show of voting cards, or by show of hands if voting cards have not been issued, unless the President orders a secret ballot.
- (17) A member of the Society is not entitled to vote by proxy.
- (18) A general meeting may be adjourned from time to time and from place to place, but no business can be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Bencher meetings

- 1-12** (1) Bencher meetings are held in British Columbia, unless the Benchers direct otherwise.
- (2) The President or any 2 Benchers may call a special meeting of the Benchers.
- (3) At a meeting of the Benchers, 7 Benchers constitute a quorum, provided that a majority of the Benchers present are members of the Society.

1-13 [rescinded 09/2013]

Notice of Bencher meeting

- 1-14** (1) The Executive Director must notify the Benchers of the date, time and place of the next Bencher meeting or of an adjourned Bencher meeting.
- (2) The Executive Director must notify the Benchers under subrule (1) at least 48 hours before the meeting, or within less time if that is reasonable in the circumstances.

Procedure at Bencher meeting

- 1-15** (1) Subject to subrule (4), members of the Society in good standing and articulated students are entitled to be present at Bencher meetings.
- (2) The President may allow a member of the Society in good standing or an articulated student to speak at the meeting.
- (3) The President may allow a person not referred to in subrule (1) to be present at all or part of a Bencher meeting, with or without the right to speak at the meeting.
- (4) The President may order that only Benchers, or Benchers and specified employees of the Society, be present during the discussion of a confidential matter at a Bencher meeting.

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- (5) In the absence of the President, or at his or her request, the First Vice-President or Second Vice-President must preside at a Bencher meeting and assume the duties of the President under this Rule.
- (6) In the absence of the President, First Vice-President and Second Vice-President, the Benchers present must choose one of their number to preside at the meeting and assume the duties of the President under this Rule.
- (7) If a quorum is not present 30 minutes after the time appointed for a Bencher meeting, the meeting may, as determined by the President, stand adjourned to a date, time and place set by the President.
- (8) The Benchers must not conduct business other than the election of a presiding Bencher and the adjournment of the meeting unless a quorum is present.
- (9) A dispute concerning the procedure to be followed at a Bencher meeting that is not provided for in the Act or these Rules is to be resolved in accordance with the most recent edition of *Robert's Rules of Order Newly Revised*.
- (10) When a decision of the President is appealed, the President must call a vote of all Benchers present, without debate, on whether they are in favour of or opposed to sustaining the President's decision.
- (11) A Bencher present at a Bencher meeting is entitled to one vote.
- (12) Voting at a Bencher meeting must be by show of hands, unless the President orders a secret ballot.
- (13) A Bencher is not entitled to vote by proxy.
- (14) A Bencher meeting may be adjourned from time to time and from place to place.
- (15) The Benchers may conduct a meeting by joining together 2 or more locations by telephone or by any other means of communication that allows all persons participating in and entitled to vote at the meeting to hear each other, and a Bencher participating in the meeting in that way is, for the purpose of this Rule and the calculation of a quorum, present at the meeting.

Quorum for committee meetings

- 1-16** (1) At least half the members of a committee constitutes a quorum.
- (2) As an exception to subrule (1), a quorum of the Executive Committee is 4.

Procedure for committee meetings

- 1-17** (1) A member of a committee may not vote by proxy.
- (2) A meeting of a committee may be conducted by joining together 2 or more locations by telephone or by any other means of communication that allows all persons participating in and entitled to vote at the meeting to hear each other, and a member of the committee participating in the meeting in that way is present at the meeting for all purposes, including the calculation of a quorum.
- (3) A committee may take any action consistent with the Act and these Rules by resolution of a majority of the members of the committee present at a meeting, if the members present constitute a quorum.

[(3) added 09/2013]

General

Seal

- 1-43** (1) Subject to subrule (2), the seal of the Society may be affixed to a document in the presence of
- (a) 2 persons, one of whom must be the President or a Vice-President, and the other of whom must be an officer of the Society, or
 - (b) one or more persons appointed by resolution of the Executive Committee.
- (2) The seal may be affixed in the presence of any one of the persons referred to in subrule (1) in the case of
- (a) a certificate, or
 - (b) a document that certifies true copies of any document or resolution.
- (3) The person or persons in whose presence the seal is affixed must sign the certificate or document of certification.

[(1) amended 07/2004]

Laying of information

- 1-44** Any information alleging an offence against the Act may be laid in the name of the Society on oath of an officer of the Society or a member of the Executive Committee.

Freedom of Information and Protection of Privacy Act

- 1-45** The Executive Director is designated as the head of the Society for the purposes of the *Freedom of Information and Protection of Privacy Act*.

[amended 09/2008]

Appointment of Law Society counsel

- 1-46** (1) Subject to Rule 1-49(a), the Executive Director may appoint an employee of the Society or retain another lawyer to advise or represent the Society in any legal matter.
- (2) When Rule 1-49(a) applies and it is not practicable to call a meeting of the Executive Committee before the advice of counsel is required, the Executive Director may appoint counsel on an interim basis.

Division 2 – Committees

Committees of the Benchers

- 1-47** Subject to these Rules, the President may
- (a) appoint any person as a member of a committee of the Benchers, and
 - (b) terminate the appointment.

Executive Committee

- 1-48** (1) The Executive Committee consists of the following Benchers:
- (a) the President;
 - (b) the First and Second Vice-Presidents;
 - (c) the Second Vice-President-elect, if not elected under paragraph (d);
 - (d) 3 other Benchers elected under Rule 1-39(1);
 - (e) one appointed Bencher elected under Rule 1-39(8).
- (2) The President is the chair of the Executive Committee, and the First Vice-President is the vice chair.
- (3) The Executive Committee is accountable and reports directly to the Benchers as a whole.

[amended 09/2009; (2) and (3) added 09/2013]

Powers and duties

- 1-49** (1) The Executive Committee provides direction and oversight for the strategic and operational planning of the Society and ensures that the Benchers exercise their oversight, regulatory and policy development responsibilities.
- (2) The powers and duties of the Executive Committee include the following:
- (a) authorizing appointment of counsel to advise or represent the Society when the Society is a plaintiff, petitioner or intervenor in an action or proceeding;
 - (b) authorizing the execution of documents relating to the business of the Society;
 - (b.1) appointing persons to affix the seal of the Society to documents;
 - (b.2) approving forms under these Rules;
 - (c) approving agreements relating to the employment, termination or resignation of the Executive Director and the remuneration and benefits paid to him or her;
 - (d) assisting the President and Executive Director in establishing the agenda for Bencher meetings and the annual general meeting;
 - (e) planning of Bencher meetings or retreats held to consider a policy development schedule for the Benchers;
 - (f) assisting the Benchers and the Executive Director on establishing relative priorities for the assignment of Society financial, staff and volunteer resources;
 - (f.1) providing constructive performance feedback to the President;
 - (g) recommending to the appointing bodies on Law Society appointments to outside bodies;
 - (g.1) determining the date, time and locations for the annual general meeting;
 - (g.2) overseeing Bencher elections in accordance with Division 1 of this Part;
 - (h) [rescinded]

PART 1 – ORGANIZATION

- (i) appointing members of the Board of Governors of the Foundation under section 59 of the Act;
- (i.1) deciding matters referred by the Executive Director under Rule 2-72.5;
- (i.2) declaring that a financial institution is not or ceases to be a savings institution under Rule 3-50;
- (i.3) adjudicating claims for unclaimed trust funds under Rule 3-84;
- (j) other functions authorized or assigned by these Rules or the Benchers.

[(1) added, (2) amended 09/2013]

Division 3 – Law Society Rules

Act, Rules and Code

- 1-50** The Executive Director must provide each lawyer and each articulated student with a copy of the *Legal Profession Act*, all Rules made by the Benchers, and the *Code of Professional Conduct*.

[amended effective 01/2013]

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- (3) Before the Executive Director sends material to a governing body under subrule (1)(b), the Executive Director must be satisfied that privacy of the applicant will be protected where possible, unless the material has been put in evidence in a public hearing.
- (4) With the consent of the Credentials Committee, the Executive Director may deliver to a law enforcement agency any information or documents obtained under this Division that the Committee reasonably believes may disclose evidence of an offence.
- (5) The Executive Director may disclose the existence and nature of a condition or limitation imposed or agreed to under this Division if the condition or limitation
 - (a) is ordered as a result of a hearing under this Division,
 - (b) restricts or prohibits a lawyer's practice in one or more areas of law, or
 - (c) is imposed by Rule 2-48.1, 2-49.1 or 2-54.
- (6) If the Executive Director discloses the existence of a condition or limitation under subrule (5) by means of the Society's website, the Executive Director must remove the information from the website within a reasonable time after the condition or limitation ceases to be in force.

[added 02/2004; (1) amended, (5) and (6) added 06/2005; (5) amended 12/2009;
(2) amended 07/2012]

Admission program

Enrolment in the admission program

- 2-27** (1) An applicant for enrolment in the admission program may apply for enrolment at any time.
- (2) [rescinded]
- (3) An applicant may make an application under subrule (1) by delivering to the Executive Director the following:
- (a) a completed application for enrolment in a form approved by the Credentials Committee, including a written consent for the release of relevant information to the Society;
 - (b) proof of academic qualification under subrule (4);
 - (c) an articling agreement stating a proposed enrolment start date not less than 30 days from the date that the application is received by the Executive Director;
 - (d) other documents or information that the Credentials Committee may reasonably require;
 - (e) the application fee specified in Schedule 1.

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- (4) Each of the following constitutes academic qualification under this Rule:
 - (a) successful completion of the requirements for a bachelor of laws or the equivalent degree from an approved common law faculty of law in a Canadian university;
 - (b) a Certificate of Qualification issued under the authority of the Federation of Law Societies of Canada;
 - (c) approval by the Credentials Committee of the qualifications of a full-time lecturer at the faculty of law of a university in British Columbia.
- (4.1) For the purposes of this Rule, a common law faculty of law is approved if it has been approved by the Federation of Law Societies of Canada unless the Benchers adopt a resolution declaring that it is not or has ceased to be an approved faculty of law.
- (5) An official transcript of the applicant's grades at each faculty of law at which the applicant studied is proof of academic qualification under subrule (4)(a).
- (6) The Credentials Committee may approve academic qualifications under subrule (4)(c) if the applicant
 - (a) has been a full-time lecturer at a common law faculty of law in a Canadian university for at least 5 of the last 8 years, and
 - (b) has been found by the Credentials Committee to have an adequate knowledge of the common law.

[(1) and (3) amended, (2) rescinded 11/1999; (4) amended 09/2001; (3) amended 03/2003, 12/2011; (4) amended, (4.1) added 09/2013]

Re-enrolment

2-28 (1) This Rule applies to a person

- (a) whose application for enrolment has been rejected because he or she has not satisfied a panel that he or she is of good character and repute and fit to become a barrister and solicitor of the Supreme Court,

SCHEDULE 1 – 2014 LAW SOCIETY FEES AND ASSESSMENTS

A. Annual fee		\$
1.	Practice fee (Rule 2-70)	1,940.00
2.	[rescinded 06/2012]	
3.	Liability insurance base assessment (which may be increased or decreased in individual cases in accordance with Rule 3-22(1)):	
(a)	member in full-time practice	1,750.00
(b)	member in part-time practice	875.00
4.	Liability insurance surcharge (Rule 3-26(2))	1,000.00
5.	Late payment fee for practising members (Rule 2-72(3))	100.00
6.	Retired member fee (Rule 2-4(3))	75.00
7.	Late payment fee for retired members (Rule 2-72(4)).....	nil
8.	Non-practising member fee (Rule 2-3(2))	300.00
9.	Late payment fee for non-practising members (Rule 2-72(5))	25.00
10.	Administration fee (Rule 2-75(3))	50.00
A.1 Trust administration fee		
1.	Each client matter subject to fee (Rule 2-72.2(1))	15.00
B. Special assessments		
C. Articled student fees		
1.	Application fee for enrolment in admission program (Rules 2-27(3)(e) and 2-33(1)(b))	250.00
2.	Application fee for temporary articles (Rule 2-42(1)(c))	125.00
3.	Application fee for temporary articles (legal clinic) (Rule 2-42(1)(c))	25.00
4.	Training course registration (Rule 2-44(4)(a))	2,250.00
5.	Remedial work (Rule 2-45(7)):	
(a)	for each piece of work	50.00
(b)	for repeating the training course	3,500.00
D. Transfer fees		
1.	Application fee for transfer from another Canadian province or territory – investigation fee (Rule 2-49(1)(f))	1,125.00
2.	Transfer or qualification examination (Rules 2-49(6) and 2-58(2))	300.00
E. Call and admission fees		
1.	After enrolment in admission program (Rule 2-48(1)(d))	200.00
2.	After transfer from another Canadian province or territory (Rule 2-49(1)(f))....	200.00

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F. Reinstatement fees	\$
1. Application fee following disbarment, resignation or other cessation of membership as a result of disciplinary proceedings (Rule 2-52(1)(b))	600.00
1.1 Application fee following 3 years or more as a former member (Rule 2-52(1)(b))	500.00
2. Application fee in all other cases (Rule 2-52(1)(b))	415.00
G. Change of status fees	
1. Application fee to become retired member (Rule 2-4(2)(b))	30.00
2. Application fee to become non-practising member (Rule 2-3(1)(b))	60.00
3. Application fee for non-practising or retired member applying for practising certificate (Rule 2-4.1(1)(b))	60.00
H. Inter-jurisdictional practice fees	
1. Application fee (Rule 2-11(2)(b))	500.00
2. Renewal of permit (Rule 2-11(2)(b))	100.00
I. Corporation and limited liability partnership fees	
1. Permit fee for law corporation (Rule 9-4(c))	300.00
2. New permit on change of name fee (Rule 9-6(4)(c))	75.00
3. LLP registration fee (Rule 9-15(1))	300.00
J. Practitioners of foreign law	
1. Application fee for practitioners of foreign law (Rule 2-18(1)(b))	600.00
2. Permit renewal fee for practitioners of foreign law (Rules 2-18(1)(b) and 2-22(2)(c))	125.00
3. Late payment fee (Rule 2-22(6))	100.00
K. Late fees	
1. Trust report late filing fee (Rule 3-74(2))	200.00
2. Professional development late completion fee (Rule 3-18.4(1)(c))	500.00
2. Professional development late reporting fee (Rule 3-18.4(3)(b))	200.00
L. Multi-disciplinary practice fees	
1. Application fee (Rule 2-23.3(1)).....	300.00
2. Application fee per proposed non-lawyer member of MDP (Rules 2-23.3(1) and 2-23.5(2))	1,125.00

Note: The federal goods and services tax applies to Law Society fees and assessments.

**SCHEDULE 2 – 2014 PRORATED FEES AND ASSESSMENTS
FOR PRACTISING MEMBERS**

	Law Society fee	Liability insurance assessment	
		Payable prior to call	Payable by June 30
Full-time insurance			
January	1,940.00	875.00	875.00
February	1,776.06	729.17	875.00
March	1,616.66	583.33	875.00
April	1,452.71	437.50	875.00
May	1,293.34	291.67	875.00
June	1,129.37	145.83	875.00
July	970.00	875.00	0.00
August	806.06	729.17	0.00
September	646.66	583.33	0.00
October	482.71	437.50	0.00
November	323.34	291.67	0.00
December	159.37	145.83	0.00
Part-time insurance			
January	1,940.00	437.50	437.50
February	1,776.06	364.58	437.50
March	1,616.66	291.67	437.50
April	1,452.71	218.75	437.50
May	1,293.34	145.83	437.50
June	1,129.37	100.00	437.50
July	970.00	437.50	0.00
August	806.06	364.58	0.00
September	646.66	291.67	0.00
October	482.71	218.75	0.00
November	323.34	145.83	0.00
December	159.37	100.00	0.00

Note: The federal goods and services tax applies to Law Society fees and assessments.

**SCHEDULE 3 – 2014 PRORATED FEES
FOR NON-PRACTISING AND RETIRED MEMBERS**

	Non-practising members fee	Retired members fee
January	300.00	75.00
February	275.00	68.75
March	250.00	62.50
April	225.00	56.25
May	200.00	50.00
June	175.00	43.75
July	150.00	37.50
August	125.00	31.25
September	100.00	25.00
October	75.00	18.75
November	50.00	12.50
December	25.00	6.25

Note: The federal goods and services tax applies to Law Society fees and assessments.

SCHEDULE 4 – TARIFF FOR HEARING AND REVIEW COSTS

Item no.	Description	Number of units
Citation hearing		
1.	Preparation/amendment of citation, correspondence, conferences, instructions, investigations or negotiations after the authorization of the citation to the completion of the discipline hearing, for which provision is not made elsewhere	Minimum 1 Maximum 10
2.	Proceeding under s. 26.01, 26.02 or 39 and any application to rescind or vary an order under the Rules, for each day of hearing	30
3.	Disclosure under Rule 4-25	Minimum 5 Maximum 20
4.	Application for particulars/preparation of particulars under Rule 4-26	Minimum 1 Maximum 5
5.	Application to adjourn under Rule 4-29 • if made more than 14 days prior to the scheduled hearing date • if made less than 14 days prior to the scheduled hearing date	1 3
6.	Pre-hearing conference	Minimum 1 Maximum 5
7.	Preparation of agreed statement of facts • if signed more than 21 days prior to hearing date • if signed less than 21 days prior to hearing date • delivered to Respondent and not signed	Min. 5 to max. 15 Min. 10 to max. 20 Min. 10 to max. 20
8.	Preparation of affidavits	Minimum 5 Maximum 20
8.1	Preparation of Notice to Admit	Minimum 5 Maximum 20
8.2	Preparation of response to Notice to Admit	Minimum 5 Maximum 20
9.	All process and correspondence associated with retaining and consulting an expert for the purpose of obtaining opinion(s) for use in the proceeding	Minimum 2 Maximum 10
10.	All process and communication associated with contacting, interviewing and issuing summons to all witnesses	Minimum 2 Maximum 10
11.	Interlocutory or preliminary motion for which provision is not made elsewhere, for each day of hearing	10
12.	Preparation for interlocutory or preliminary motion, per day of hearing	20
13.	Attendance at hearing, for each day of hearing, including preparation not otherwise provided for in tariff	30

LAW SOCIETY RULES

Item no.	Description	Number of units
14.	Written submissions, where no oral hearing held	Minimum 5 Maximum 15
S. 47 review		
15.	Giving or receiving notice under Rule 5-15, correspondence, conferences, instructions, investigations or negotiations after review initiated, for which provision is not made elsewhere	Minimum 1 Maximum 3
16.	Preparation and settlement of hearing record under Rule 5-17	Minimum 5 Maximum 10
17.	Pre-review conference	Minimum 1 Maximum 5
18.	Application to adjourn under Rule 5-19 • If made more than 14 days prior to the scheduled hearing date • If made less than 14 days prior to the scheduled hearing date	1 3
19.	Procedural or preliminary issues, including an application to admit evidence under Rule 5-19(2), per day of hearing	10
20.	Preparation and delivery of written submissions	Minimum 5 Maximum 15
21.	Attendance at hearing, per day of hearing, including preparation not otherwise provided for in the tariff	30
Summary hearings		
22.	Each day of hearing	\$2,000
Hearings under Rule 4-22		
23.	Complete hearing, based on the following factors: (a) complexity of matter; (b) number and nature of allegations; and (c) the time at which respondent elected to make conditional admission relative to scheduled hearing and amount of pre-hearing preparation required.	\$1,000 to \$3,500
Credentials hearings		
24.	Each day of hearing	\$2,000

Value of units:

Scale A, for matters of ordinary difficulty: \$100 per unit

Scale B, for matters of more than ordinary difficulty: \$150 per unit

[schedule added 04/2012; schedule title amended, 24 added 01/2013; 2 amended 04/2013; 8.1 and 8.2 added 11/2013]

Chapter 1 – Interpretation and Definitions

1.1 Definitions

1.1-1 In this Code, unless the context indicates otherwise,

“associate” includes:

- (a) a lawyer who practises law in a law firm through an employment or other contractual relationship; and
- (b) a non-lawyer employee of a multi-discipline practice providing services that support or supplement the practice of law;

“client” means a person who:

- (a) consults a lawyer and on whose behalf the lawyer renders or agrees to render legal services; or
- (b) having consulted the lawyer, reasonably concludes that the lawyer has agreed to render legal services on his or her behalf.

Commentary

[1] A lawyer-client relationship may be established without formality.

[2] When an individual consults a lawyer in a representative capacity, the client is the corporation, partnership, organization, or other legal entity that the individual is representing;

[3] For greater clarity, a client does not include a near-client, such as an affiliated entity, director, shareholder, employee or family member, unless there is objective evidence to demonstrate that such an individual had a reasonable expectation that a lawyer-client relationship would be established.

“conflict of interest” means the existence of a substantial risk that a lawyer’s loyalty to or representation of a client would be materially and adversely affected by the lawyer’s own interest or the lawyer’s duties to another client, a former client, or a third person.

“consent” means fully informed and voluntary consent after disclosure

- (a) in writing, provided that, if more than one person consents, each signs the same or a separate document recording the consent; or
- (b) orally, provided that each person consenting receives a separate written communication recording the consent as soon as practicable;

Code of Professional Conduct for British Columbia

“disclosure” means full and fair disclosure of all information relevant to a person’s decision (including, where applicable, those matters referred to in commentary in this Code), in sufficient time for the person to make a genuine and independent decision, and the taking of reasonable steps to ensure understanding of the matters disclosed;

“interprovincial law firm” means a law firm that carries on the practice of law in more than one province or territory of Canada;

“law firm” includes one or more lawyers practising:

- (a) in a sole proprietorship;
- (b) in a partnership;
- (c) as a clinic under the [provincial or territorial Act governing legal aid];
- (d) in a government, a Crown corporation or any other public body; or
- (e) in a corporation or other organization;

“lawyer” means a member of the Society and includes a law student enrolled in the Law Society Admission Program;

“limited scope retainer” means the provision of legal services for part, but not all, of a client’s legal matter by agreement with the client;

“Society” means the Law Society of British Columbia;

“tribunal” includes a court, board, arbitrator, mediator, administrative agency or other body that resolves disputes, regardless of its function or the informality of its procedures.

[“limited scope retainer” added 09/2013]

[6] A lawyer must recognize a task for which the lawyer lacks competence and the disservice that would be done to the client by undertaking that task. If consulted about such a task, the lawyer should:

- (a) decline to act;
- (b) obtain the client's instructions to retain, consult or collaborate with a lawyer who is competent for that task; or
- (c) obtain the client's consent for the lawyer to become competent without undue delay, risk or expense to the client.

[7] The lawyer should also recognize that competence for a particular task may require seeking advice from or collaborating with experts in scientific, accounting or other non-legal fields, and, when it is appropriate, the lawyer should not hesitate to seek the client's instructions to consult experts.

[7.1] When a lawyer considers whether to provide legal services under a limited scope retainer the lawyer must carefully assess in each case whether, under the circumstances, it is possible to render those services in a competent manner. An agreement for such services does not exempt a lawyer from the duty to provide competent representation. The lawyer should consider the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation. The lawyer should ensure that the client is fully informed of the nature of the arrangement and clearly understands the scope and limitation of the services. See also rule 3.2-1.1.

[8] A lawyer should clearly specify the facts, circumstances and assumptions on which an opinion is based, particularly when the circumstances do not justify an exhaustive investigation and the resultant expense to the client. However, unless the client instructs otherwise, the lawyer should investigate the matter in sufficient detail to be able to express an opinion rather than mere comments with many qualifications.

[9] A lawyer should be wary of bold and over-confident assurances to the client, especially when the lawyer's employment may depend upon advising in a particular way.

[10] In addition to opinions on legal questions, a lawyer may be asked for or may be expected to give advice on non-legal matters such as the business, economic, policy or social complications involved in the question or the course the client should choose. In many instances the lawyer's experience will be such that the lawyer's views on non-legal matters will be of real benefit to the client. The lawyer who expresses views on such matters should, if necessary and to the extent necessary, point out any lack of experience or other qualification in the particular field and should clearly distinguish legal advice from other advice.

[11] In a multi-discipline practice, a lawyer must ensure that the client is made aware that the legal advice from the lawyer may be supplemented by advice or services from a non-lawyer. Advice or services from non-lawyer members of the firm unrelated to the retainer for legal services must be provided independently of and outside the scope of the legal services retainer and from a location separate from the premises of the multi-discipline practice. The provision of non-legal advice or services unrelated to the legal services retainer will also be subject to the constraints outlined in the Rules governing multi-discipline practices.

[12] The requirement of conscientious, diligent and efficient service means that a lawyer should make every effort to provide timely service to the client. If the lawyer can reasonably foresee undue delay in providing advice or services, the client should be so informed.

[13] The lawyer should refrain from conduct that may interfere with or compromise his or her capacity or motivation to provide competent legal services to the client and be aware of any factor or circumstance that may have that effect.

[14] A lawyer who is incompetent does the client a disservice, brings discredit to the profession and may bring the administration of justice into disrepute. In addition to damaging the lawyer's own reputation and practice, incompetence may also injure the lawyer's partners and associates.

[15] **Incompetence, negligence and mistakes** – This rule does not require a standard of perfection. An error or omission, even though it might be actionable for damages in negligence or contract, will not necessarily constitute a failure to maintain the standard of professional competence described by the rule. However, evidence of gross neglect in a particular matter or a pattern of neglect or mistakes in different matters may be evidence of such a failure, regardless of tort liability. While damages may be awarded for negligence, incompetence can give rise to the additional sanction of disciplinary action.

[[7.1] added 09/2013]

3.2 Quality of service

3.2-1 A lawyer has a duty to provide courteous, thorough and prompt service to clients. The quality of service required of a lawyer is service that is competent, timely, conscientious, diligent, efficient and civil.

Commentary

[1] This rule should be read and applied in conjunction with section 3.1 regarding competence.

[2] A lawyer has a duty to provide a quality of service at least equal to that which lawyers generally expect of a competent lawyer in a like situation. An ordinarily or otherwise competent lawyer may still occasionally fail to provide an adequate quality of service.

[3] A lawyer has a duty to communicate effectively with the client. What is effective will vary depending on the nature of the retainer, the needs and sophistication of the client and the need for the client to make fully informed decisions and provide instructions.

[4] A lawyer should ensure that matters are attended to within a reasonable time frame. If the lawyer can reasonably foresee undue delay in providing advice or services, the lawyer has a duty to so inform the client, so that the client can make an informed choice about his or her options, such as whether to retain new counsel.

Examples of expected practices

[5] The quality of service to a client may be measured by the extent to which a lawyer maintains certain standards in practice. The following list, which is illustrative and not exhaustive, provides key examples of expected practices in this area:

- (a) keeping a client reasonably informed;
- (b) answering reasonable requests from a client for information;
- (c) responding to a client's telephone calls;
- (d) keeping appointments with a client, or providing a timely explanation or apology when unable to keep such an appointment;
- (e) taking appropriate steps to do something promised to a client, or informing or explaining to the client when it is not possible to do so; ensuring, where appropriate, that all instructions are in writing or confirmed in writing;
- (f) answering, within a reasonable time, any communication that requires a reply;
- (g) ensuring that work is done in a timely manner so that its value to the client is maintained;
- (h) providing quality work and giving reasonable attention to the review of documentation to avoid delay and unnecessary costs to correct errors or omissions;
- (i) maintaining office staff, facilities and equipment adequate to the lawyer's practice;
- (j) informing a client of a proposal of settlement, and explaining the proposal properly;
- (k) providing a client with complete and accurate relevant information about a matter;

- (l) making a prompt and complete report when the work is finished or, if a final report cannot be made, providing an interim report when one might reasonably be expected;
- (m) avoidance of self-induced disability, for example from the use of intoxicants or drugs, that interferes with or prejudices the lawyer's services to the client;
- (n) being civil.

[6] A lawyer should meet deadlines, unless the lawyer is able to offer a reasonable explanation and ensure that no prejudice to the client will result. Whether or not a specific deadline applies, a lawyer should be prompt in prosecuting a matter, responding to communications and reporting developments to the client. In the absence of developments, contact with the client should be maintained to the extent the client reasonably expects.

Limited scope retainers

3.2-1.1 Before undertaking a limited scope retainer the lawyer must advise the client about the nature, extent and scope of the services that the lawyer can provide and must confirm in writing to the client as soon as practicable what services will be provided.

Commentary

[1] Reducing to writing the discussions and agreement with the client about the limited scope retainer assists the lawyer and client in understanding the limitations of the service to be provided and any risks of the retainer.

[2] A lawyer who is providing legal services under a limited scope retainer should be careful to avoid acting in a way that suggests that the lawyer is providing full services to the client.

[3] Where the limited services being provided include an appearance before a tribunal a lawyer must be careful not to mislead the tribunal as to the scope of the retainer and should consider whether disclosure of the limited nature of the retainer is required by the rules of practice or the circumstances.

[4] A lawyer who is providing legal services under a limited scope retainer should consider how communications from opposing counsel in a matter should be managed (see rule 7.2-6.1).

[5] This rule does not apply to situations in which a lawyer is providing summary advice, for example over a telephone hotline or as duty counsel, or to initial consultations that may result in the client retaining the lawyer.

[rule and commentary added 09/2013]

Honesty and candour

3.2-2 When advising a client, a lawyer must be honest and candid and must inform the client of all information known to the lawyer that may affect the interests of the client in the matter.

Commentary

[1] A lawyer should disclose to the client all the circumstances of the lawyer's relations to the parties and interest in or connection with the matter, if any that might influence whether the client selects or continues to retain the lawyer.

[2] A lawyer's duty to a client who seeks legal advice is to give the client a competent opinion based on a sufficient knowledge of the relevant facts, an adequate consideration of the applicable law and the lawyer's own experience and expertise. The advice must be open and undisguised and must clearly disclose what the lawyer honestly thinks about the merits and probable results.

[3] Occasionally, a lawyer must be firm with a client. Firmness, without rudeness, is not a violation of the rule. In communicating with the client, the lawyer may disagree with the client's perspective, or may have concerns about the client's position on a matter, and may give advice that will not please the client. This may legitimately require firm and animated discussion with the client.

When the client is an organization

3.2-3 Although a lawyer may receive instructions from an officer, employee, agent or representative, when a lawyer is employed or retained by an organization, including a corporation, the lawyer must act for the organization in exercising his or her duties and in providing professional services.

Commentary

[1] A lawyer acting for an organization should keep in mind that the organization, as such, is the client and that a corporate client has a legal personality distinct from its shareholders, officers, directors and employees. While the organization or corporation acts and gives instructions through its officers, directors, employees, members, agents or representatives, the lawyer should ensure that it is the interests of the organization that are served and protected. Further, given that an organization depends on persons to give instructions, the lawyer should be satisfied that the person giving instructions for the organization is acting within that person's authority.

[2] In addition to acting for the organization, a lawyer may also accept a joint retainer and act for a person associated with the organization. For example, a lawyer may advise an officer of an organization about liability insurance. In such cases the lawyer acting for an organization should be alert to the prospects of conflicts of interests and should comply with the rules about the avoidance of conflicts of interests (section 3.4).

Chapter 3 – Relationship to Clients

- (C) the good faith of the former client and the client of the new law firm;
and
- (ii) it has taken reasonable measures to ensure that there will be no disclosure of the former client’s confidential information by the transferring lawyer to any member of the new law firm.

Commentary

[2] Appendix D may be helpful in determining what constitutes “reasonable measures” in this context.

[3] Issues arising as a result of a transfer between law firms should be dealt with promptly. A lawyer’s failure to promptly raise any issues identified may prejudice clients and may be considered sharp practice.

Continued representation not to involve transferring lawyer

3.4-22 If the transferring lawyer actually possesses information relevant to a matter referred to in rule 3.4-18 (a) respecting the former client, but that information is not confidential information that may prejudice the former client if disclosed to a member of the new law firm, the new law firm must notify its client of the relevant circumstances and its intended action under rules 3.4-17 to 3.4-26.

3.4-23 Unless the former client consents, a transferring lawyer to whom rule 3.4-20 or 3.4-22 applies must not:

- (a) participate in any manner in the new law firm’s representation of its client in that matter; or
- (b) disclose any confidential information respecting the former client.

3.4-24 Unless the former client consents, members of the new law firm must not discuss the new law firm’s representation of its client or the former law firm’s representation of the former client in that matter with a transferring lawyer to whom rule 3.4-20 or 3.4-22 applies.

Determination of compliance

3.4-25 Notwithstanding remedies available at law, a lawyer who represents a party in a matter referred to in rules 3.4-6 or 3.4-17 to 3.4-26 may seek the opinion of the Society on the application of those rules.

Due diligence

3.4-26 A lawyer must exercise due diligence in ensuring that each member and employee of the lawyer's law firm, and each other person whose services the lawyer has retained

- (a) complies with rules 3.4-17 to 3.4-26, and
- (b) does not disclose confidences of clients of
 - (i) the firm, and
 - (ii) another law firm in which the person has worked.

Conflicts with clients

3.4-26.1 A lawyer must not perform any legal services if there is a substantial risk that a lawyer's loyalty to or representation of a client would be materially and adversely affected by the lawyer's

- (a) relationship with the client, or
- (b) interest in the client or the subject matter of the legal services.

[amended 11/2013]

Commentary

[1] Any relationship or interest that affects a lawyer's professional judgment is to be avoided under this rule, including ones involving a relative, partner, employer, employee, business associate or friend of the lawyer.

3.4-26.2 The remuneration paid to a lawyer by a client for the legal work undertaken by the lawyer for the client is not a disqualifying interest under rule 3.4-26.1.

Commentary

[1] Generally speaking, a lawyer may act as legal advisor or as business associate, but not both. These principles are not intended to preclude a lawyer from performing legal services on his or her own behalf. Lawyers should be aware, however, that acting in certain circumstances may cause them to be uninsured as a result of Exclusion 6 in the B.C. Lawyers Compulsory Professional Liability Insurance Policy and similar provisions in other insurance policies.

[2] Whether or not insurance coverage under the Compulsory Policy is lost is determined separate and apart from the ethical obligations addressed in this chapter. Review the current policy for the exact wording of Exclusion 6 or contact the Lawyers Insurance Fund regarding the application of the Exclusion to a particular set of circumstances.

Encouraging client to report dishonest conduct

7.1-4 A lawyer must encourage a client who has a claim or complaint against an apparently dishonest lawyer to report the facts to the Society as soon as reasonably practicable.

7.2 Responsibility to lawyers and others

Courtesy and good faith

7.2-1 A lawyer must be courteous and civil and act in good faith with all persons with whom the lawyer has dealings in the course of his or her practice.

Commentary

[1] The public interest demands that matters entrusted to a lawyer be dealt with effectively and expeditiously, and fair and courteous dealing on the part of each lawyer engaged in a matter will contribute materially to this end. The lawyer who behaves otherwise does a disservice to the client, and neglect of the rule will impair the ability of lawyers to perform their functions properly.

[2] Any ill feeling that may exist or be engendered between clients, particularly during litigation, should never be allowed to influence lawyers in their conduct and demeanour toward each other or the parties. The presence of personal animosity between lawyers involved in a matter may cause their judgment to be clouded by emotional factors and hinder the proper resolution of the matter. Personal remarks or personally abusive tactics interfere with the orderly administration of justice and have no place in our legal system.

[3] A lawyer should avoid ill-considered or uninformed criticism of the competence, conduct, advice or charges of other lawyers, but should be prepared, when requested, to advise and represent a client in a complaint involving another lawyer.

[4] A lawyer should agree to reasonable requests concerning trial dates, adjournments, the waiver of procedural formalities and similar matters that do not prejudice the rights of the client.

[5] A lawyer who knows that another lawyer has been consulted in a matter must not proceed by default in the matter without inquiry and reasonable notice.

[[5] added 04/2013]

7.2-2 A lawyer must avoid sharp practice and must not take advantage of or act without fair warning upon slips, irregularities or mistakes on the part of other lawyers not going to the merits or involving the sacrifice of a client's rights.

7.2-3 A lawyer must not use any device to record a conversation between the lawyer and a client or another lawyer, even if lawful, without first informing the other person of the intention to do so.

Communications

7.2-4 A lawyer must not, in the course of a professional practice, send correspondence or otherwise communicate to a client, another lawyer or any other person in a manner that is abusive, offensive, or otherwise inconsistent with the proper tone of a professional communication from a lawyer.

7.2-5 A lawyer must answer with reasonable promptness all professional letters and communications from other lawyers that require an answer, and a lawyer must be punctual in fulfilling all commitments.

7.2-6 Subject to rules 7.2-6.1 and 7.2-7, if a person is represented by a lawyer in respect of a matter, another lawyer must not, except through or with the consent of the person's lawyer:

- (a) approach, communicate or deal with the person on the matter; or
- (b) attempt to negotiate or compromise the matter directly with the person.

[amended 09/2013]

7.2-6.1 Where a person is represented by a lawyer under a limited scope retainer on a matter, another lawyer may, without the consent of the lawyer providing the limited scope legal services, approach, communicate or deal with the person directly on the matter unless the lawyer has been given written notice of the nature of the legal services being provided under the limited scope retainer and the approach, communication or dealing falls within the scope of that retainer.

Commentary

[1] Where notice as described in rule 7.2-6.1 has been provided to a lawyer for an opposing party, the opposing lawyer is required to communicate with the person's lawyer, but only to the extent of the limited representation as identified by the lawyer. The opposing lawyer may communicate with the person on matters outside of the limited scope retainer.

[rule and commentary added 09/2013]

7.2-7 A lawyer who is not otherwise interested in a matter may give a second opinion to a person who is represented by a lawyer with respect to that matter.

Commentary

[1] Rule 7.2-6 applies to communications with any person, whether or not a party to a formal adjudicative proceeding, contract or negotiation, who is represented by a lawyer concerning the matter to which the communication relates. A lawyer may communicate with a represented person concerning matters outside the representation. This rule does not prevent parties to a matter from communicating directly with each other.

[2] The prohibition on communications with a represented person applies only where the lawyer knows that the person is represented in the matter to be discussed. This means that the lawyer has actual knowledge of the fact of the representation, but actual knowledge may be inferred from the circumstances. This inference may arise when there is substantial reason to believe that the person with whom communication is sought is represented in the matter to be discussed. Thus, a lawyer cannot evade the requirement of obtaining the consent of the other lawyer by closing his or her eyes to the obvious.

[3] Rule 7.2-7 deals with circumstances in which a client may wish to obtain a second opinion from another lawyer. While a lawyer should not hesitate to provide a second opinion, the obligation to be competent and to render competent services requires that the opinion be based on sufficient information. In the case of a second opinion, such information may include facts that can be obtained only through consultation with the first lawyer involved. The lawyer should advise the client accordingly and, if necessary, consult the first lawyer unless the client instructs otherwise.

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**BC LAWYERS' COMPULSORY PROFESSIONAL
LIABILITY INSURANCE
POLICY NUMBER: LPL 14-01-01**

INSURER:

**THE LSBC CAPTIVE INSURANCE COMPANY LTD.
(the "Company")**

Administrative Offices, 8th Floor, 845 Cambie Street
Vancouver, BC V6B 4Z9

ADMINISTRATOR:

**THE LAW SOCIETY OF BRITISH COLUMBIA
(the "Law Society")**

INSURANCE CONSULTANT:

JARDINE LLOYD THOMPSON CANADA INC.

DECLARATIONS

- | | | | | | | | | | | | |
|-----|---------------------------|--|-----|-------------|---|-----|-------------|--|-----|-----------|---|
| 1. | Individual Insured | As defined in this policy. | | | | | | | | | |
| 2. | Policy Period | From January 1, 2014 to January 1, 2015 (12:01 a.m. standard time). | | | | | | | | | |
| 3. | Limits of Liability | <p>PART A: Professional Liability (for negligence)</p> <table border="0" style="margin-left: 40px;"><tr><td style="vertical-align: top; padding-right: 10px;">(a)</td><td style="vertical-align: top; padding-right: 20px;">\$1,000,000</td><td>All claims arising out of an error for damages, claims expenses and deductibles.</td></tr><tr><td style="vertical-align: top; padding-right: 10px;">(b)</td><td style="vertical-align: top; padding-right: 20px;">\$2,000,000</td><td>Annual Aggregate Limit for damages, claims expenses and deductibles, including any payments under Part C.</td></tr></table> <p>PART B: Trust Protection (for dishonest appropriation)</p> <table border="0" style="margin-left: 40px;"><tr><td style="vertical-align: top; padding-right: 10px;">(c)</td><td style="vertical-align: top; padding-right: 20px;">\$300,000</td><td>All claims for damages by a claimant arising out of an error or related errors</td></tr></table> <p style="margin-left: 80px;">except for inter-jurisdictional practice as provided in Conditions 1.4.3 and 1.6.</p> | (a) | \$1,000,000 | All claims arising out of an error for damages, claims expenses and deductibles. | (b) | \$2,000,000 | Annual Aggregate Limit for damages, claims expenses and deductibles, including any payments under Part C. | (c) | \$300,000 | All claims for damages by a claimant arising out of an error or related errors |
| (a) | \$1,000,000 | All claims arising out of an error for damages, claims expenses and deductibles. | | | | | | | | | |
| (b) | \$2,000,000 | Annual Aggregate Limit for damages, claims expenses and deductibles, including any payments under Part C. | | | | | | | | | |
| (c) | \$300,000 | All claims for damages by a claimant arising out of an error or related errors | | | | | | | | | |

INSURANCE POLICIES

- (d) \$17,500,000 Profession-Wide Annual Aggregate Limit for all **claims** for **damages** and **claims expenses**.

PART C: Trust Shortage Liability (for reliance on fraudulent certified cheques)

- (e) \$500,000 All **claims** arising out of an **error** for **damages, claims expenses** and deductibles.
- (f) \$500,000 Annual Aggregate Limit for **damages, claims expenses** and deductibles.
- (g) \$500,000 **Law Firm** Annual Aggregate Limit for all **claims** for **damages, claims expenses** and deductibles.
- (h) \$2,000,000 Profession-Wide Annual Aggregate Limit for all **claims** for **damages, claims expenses** and deductibles.

4. Deductibles

Applicable to PARTS A and C only

Part A: Professional Liability (for negligence)

- (a) \$5,000 Each **error** resulting in the payment of **damages**, except an **error** arising out of your performance of **sanctioned services** or a **protocol error**.
- (b) \$10,000 Each additional **error** reported within a three year period resulting in the payment of **damages**, except an **error** arising out of your performance of **sanctioned services** or a **protocol error**.

PART C: Trust Shortage Liability (for reliance on fraudulent certified cheques)

35% of the total amount of **damages** paid under this policy, subject to Condition 2.2.

5. Insurance Fee

As agreed between the **Company** and the **Law Society**.

This policy governs claims and potential claims reported in 2014 — read carefully. Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.

DEFINITIONS

For convenience, all defined words are in bold print. We, us or our refers to the **Company**. You, your or the **Insured** refers in Parts A and C to the **Individual Insured** or the **Additional Insured**, and in Part B to the **Individual Insured** or the **Innocent Insured**. Unless otherwise indicated, all specific statutory references are to statutes of British Columbia. In this policy:

Additional Insured means:

- (a) each **law firm** in which the **Individual Insured** is or was a partner, employee or associate counsel or that is or was liable for the **Individual Insured**;
- (b) each **law corporation**, law office management corporation and law office management limited partnership, which is or was owned wholly or partly, directly or indirectly, by the **Individual Insured** or his or her spouse, and each present or former officer, director, shareholder or limited partner thereof;
- (c) each present or former **member** who, at the time of the **error**, was insured by us and was the **Individual Insured's** partner or liable for the **Individual Insured**;
- (d) each present or former employee of the **Individual Insured**, or of any **law firm**, **law corporation**, law office management corporation and law office management limited partnership described in (a) or (b) above, provided such employee was acting within the scope of his or her duties and acting under the supervision of, in a supporting role to and not independent of the **Individual Insured**; and
- (e) each present or former **MDP partner** who, at the time of the **error**, was insured by us and a partner in a **multi-disciplinary practice** in which all of the members were in compliance with **Law Society Rules 2-23.1 through 2-23.12**.

Apparent partnership means: 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.

Canadian legal advisor means: a Canadian legal advisor under the **Law Society Rules**.

Certificate means: a certificate issued by the **Law Society** to a **member** as evidence of insurance under any previous plan of professional liability insurance for **members** of the **Law Society**.

Claim means: a demand for money, an action, a claim or institution of proceedings against you.

Claimant means:

- (a) under Part A or C: a person or **organization** who has made or may make a **claim**; or
- (b) under Part B: a person who has or alleges to have suffered a monetary loss, and who provides a statutory declaration relating to that loss in a form satisfactory to us.

Claims expenses means:

- (a) fees and disbursements charged by defence counsel appointed by us; and
- (b) all other fees, costs and expenses incurred by us, or by you with our written consent, resulting from the investigation, adjustment, defence and appeal of a **claim** or potential **claim**, including all sums payable under Insuring Agreements A 2, B 2 and C 2. **Claims expenses** does not include salaries of our officers, directors and employees, or those of the **Law Society**.

Common-law spouse means: a person not married to the **Individual Insured**, who has lived with the **Individual Insured** in a marriage-like relationship, including a similar relationship between persons of the same gender, for a period of not less than one year.

Compensation program means: those statutory compensation programs as provided for by any current or former legislative act, including but not limited to: the “Special Compensation Fund” as formerly provided under the *Legal Profession Act*; the “Assurance Fund” as provided under the *Land Title Act*; similar funds as established for general public protection against loss consequent on the unlawful acts of third parties under other legislation as may now or subsequently be established; and any substantially similar or equivalent compensation programs established by any government.

Confidentiality Protocol means: the **Law Society’s** protocol for the preservation of confidentiality of professional liability insurance claims information, as amended from time to time.

Damages means:

- (a) under Part A: any compensatory damages, including any pre-judgment interest, post-judgment interest or costs awarded thereon, or settlement or **repair costs**, relating to covered allegations. **Damages** does not include:
 - (i) an order of set-off or any order for the return or reimbursement of, or accounting for or disgorgement of, any property, benefit, legal fees or disbursements that you received, even if claimed as general damages;
 - (ii) any order for punitive, exemplary or aggravated damages;
 - (iii) any fine, sanction or penalty; or
 - (iv) any order for costs or indemnification for costs made against you in litigation in which you are not a party, or any order for special costs;
- (b) under Part B: any monetary award, including any pre-judgment interest, post-judgment interest or costs awarded thereon, or settlement, for the direct loss only of no more than the value of money or the **deemed value** of other property dishonestly appropriated. **Damages** does not include:
 - (i) any amount for which the **claimant** or **Insured**:
 - a. is entitled to claim indemnity under any other policy or form of insurance (including title insurance); or

- b. has recourse through any **compensation program** or other source of recovery including set-offs whether legal or equitable;

that would cover such loss in whole or in part in the absence of this policy as this coverage is intended to be last-resort insurance; or
- (ii) any order for costs or indemnification for costs made against you in litigation in which you are not a party, or any order for special costs; or
- (c) under Part C: any monetary award, including any pre-judgment interest, post-judgment interest or costs awarded thereon, or settlement, for the direct loss only of no more than the amount of the trust shortage.

Deemed individual coverage period means: any period after January 1, 2002, 12:01 a.m. standard time during which the **Individual Insured** was a **member** and was performing **sanctioned services**.

Deemed value means: the equivalent of the property's actual cash value or, if the property is not convertible into money, the actual cash value of the property at the time of dishonest appropriation.

Error means:

- (a) under Part A: an actual or alleged negligent act, negligent error or negligent omission, including a **protocol error**, or a **personal injury**. Where actual or alleged errors are related, they will be deemed to be one **error**. Errors are related when they:
 - (i) are logically or causally connected;
 - (ii) cause a single loss to one or more **claimants**;
 - (iii) occur in the course of the **Insured(s)** acting as an administrator, executor, guardian, trustee or committee; or
 - (iv) occur in relation to the same or similar underlying facts, events, transactions, activities or undertakings, which, without limiting the generality of the foregoing, include accidents, investment programs or schemes, loan agreements, offerings of ownership interest or debt, corporate reorganizations, tax plans, estates, real estate developments, leases, licences, commercial ventures and litigation matters;

regardless of whether they are made by more than one **Insured** or by **Insured(s)** acting in more than one capacity, occur at different times or in the course of more than one professional service, retainer or client matter, or give rise to **claims** by more than one **claimant**;

- (b) under Part B: a dishonest appropriation of money or other property, whether to the use of the **Individual Insured** or a third party, which was entrusted to and received by the **Individual Insured** in his or her capacity as a barrister and solicitor and in relation to the provision of **professional services** to others; or

- (c) under Part C: a payment to a third party that, as a result of the deposit into a **trust account** of what purports and appears and the **Individual Insured** believes to be a genuine certified cheque, bank draft, credit union official cheque, **law firm** trust cheque or money order that ultimately proves to be counterfeit, forged or materially altered, creates an unintended shortage in client funds that are held in that **trust account** in connection with the performance of **professional services** for others.

Family means: spouse (including **common-law spouse**), children, parents or siblings.

Individual coverage period means: any period prior to January 1, 1971, 12:01 a.m. standard time during which the **Individual Insured** was a **member**, any period between January 1, 1971, 12:01 a.m. standard time and January 1, 1998, 12:01 a.m. standard time during which the **Individual Insured** was a **member** and held a **certificate**, and any period after January 1, 1998, 12:01 a.m. standard time for which the **Individual Insured** has paid the annual insurance fee.

Individual Insured means: each **member** or former **member** who made or allegedly made the **error** or, for the purposes of Part A of this policy only, each **MDP partner** or former **MDP partner** who made or allegedly made the **error**, provided that all of the members of the **multi-disciplinary practice** were in compliance with **Law Society** Rules 2-23.1 through 2-23.12 at the time of the **error**.

Ineligible portion means: that portion that equals the proportionate beneficial ownership of the **organization** held individually or collectively, directly or indirectly, at the time of the **error** by the persons listed in subparagraphs 6.2.1, 6.2.2 and 6.2.3 of Exclusion 6.2 of this policy.

Innocent Insured means: each present or former **member** who:

- (a) is or may be liable for the **Individual Insured**;
- (b) did not personally commit, participate in committing, or acquiesce in the **error**; and
- (c) was insured by us at the time of the **error**.

Insured means:

- (a) under Part A or Part C: an **Individual Insured** or **Additional Insured**; or
- (b) under Part B: an **Individual Insured** or **Innocent Insured**.

Law corporation means: a law corporation as defined in the *Legal Profession Act*.

Law firm means: a sole proprietorship owned by a **member**, a **law corporation**, a partnership of **members** or **law corporations** or a combination thereof, a **multi-disciplinary practice** or an **apparent partnership**.

MDP partner means: a non-lawyer partner in a **multi-disciplinary practice** in which permission to practise law was granted under Rule 2-23.4 of the **Law Society** Rules.

Member means: a member, other than a **Canadian legal advisor**, in good standing shown on the records of the **Law Society**.

Multi-disciplinary practice means: a multi-disciplinary practice as defined in the **Law Society** Rules.

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

Personal injury means: malicious prosecution, libel or slander, or a publication or utterance in violation of an individual's right of privacy.

Policy period means: the period stated in Declaration 2.

Professional services means:

- (a) the practice of law as defined in the *Legal Profession Act*;
- (b) *pro bono* legal services;
- (c) acting as an Official Administrator, a custodian under Part 6 of the *Legal Profession Act*, an arbitrator, mediator or conciliator, by a **member**;
- (d) acting as:
 - (i) an administrator, executor, guardian, trustee or committee or in any similar fiduciary capacity;
 - (ii) a patent or trademark agent; or
 - (iii) agent for any record keeping or filing duty imposed by any provincial or federal statute;provided that such services are connected with and incidental to the **Individual Insured's** practice of law and, for the purposes of Part B of this policy only, the **Individual Insured** is also providing legal services;
- (e) performing any other activity deemed to be the practice of law by the **Law Society**; or
- (f) acting as an **MDP partner**, provided that such services support or supplement the practice of law by the **law firm** and are provided under the supervision of a **member**.

Professional services does not include:

- (a) the mere receipt and/or distribution of funds, from trust or otherwise; or
- (b) acting merely as a bailee.

Protocol error means: a building location defect that is not disclosed as a result of an opinion given in compliance with and pursuant to the terms and conditions of the Western Law Societies Conveyancing Protocol (British Columbia) issued by the **Law Society**, Version 2, February 2, 2001 as amended from time to time.

INSURANCE POLICIES

Reciprocal Jurisdiction means: the province, but not the territory, of a reciprocating governing body as defined in the **Law Society** Rules, other than the Barreau du Québec.

Related claimants in Part B means: **claimants** are related if the money or other property dishonestly appropriated was jointly provided or jointly owned by the **claimants**.

Related errors in Part B means: **errors** are related if the money or other property dishonestly appropriated was received in relation to the provision of the same **professional services**, retainer or client matter.

Repair costs means: any costs, other than **claims expenses**, approved or paid by us, incurred attempting to avoid or mitigate a loss arising out of an **error**.

Sanctioned services means: *pro bono* legal services provided to an individual known to you only as a result of performing these services through a *pro bono* legal services program, provided that both the services and the program are approved for the purposes of this policy by the **Law Society**, and that the services are provided solely through the program.

Trust account means: a trust account operated pursuant to and in accordance with Part 3, Division 7, Trust Accounts and Other Client Property, of the **Law Society** Rules.

Unauthorized practice means: the practice of law by an **Individual Insured**:

- (a) in breach of an undertaking given to the **Law Society** or in contravention of a condition or limitation of practice imposed or agreed to under the **Law Society** Rules, for the purposes of Condition 3.3; or
- (b) in contravention of the rules of any other law society or bar, for the purposes of Exclusion 9.

This policy is a contract between each **Insured** and the **Company**.

In consideration of the payment of the insurance fee and subject to the terms of this policy, we agree with you that:

INSURING AGREEMENTS

PART A: PROFESSIONAL LIABILITY (FOR NEGLIGENCE)

1. INSURING AGREEMENT A 1

We shall pay on your behalf all sums which you become legally obligated to pay as **damages** because of any **claim** first made against you and reported to us during the **policy period** arising out of an **error** by you in performing or failing to perform **professional services** for others.

2. INSURING AGREEMENT A 2

- 2.1 With respect to any **claim** first made or suit first brought within Canada or the United States of America seeking **damages** for which you are entitled to indemnity under Part A of this policy, we shall have the right:
- 2.1.1 and the duty to defend any suit against you, even if any of the allegations of the suit are groundless, false or fraudulent; and
 - 2.1.2 to select and instruct defence counsel and to investigate and settle any **claim** including the right to elicit, or instruct defence counsel to elicit, offers of settlement. If you object to any settlement recommended by us, we may:
 - (a) settle the **claim** without your consent and you will remain liable to pay the deductible stated in Declaration 4; or
 - (b) give you the right to negotiate or defend the **claim** or suit. In this event, any duty we may have had to defend the **claim** ceases and the **damages and claims expenses** in excess of the amount for which we could have settled will not be recoverable under this policy.
- 2.2 With respect to any **claim** that is made or suit that is brought elsewhere than within Canada or the United States of America seeking **damages** for which you are entitled to indemnity under Part A of this policy:
- 2.2.1 we shall have the right, but not the duty, to investigate, settle, defend or pay **claims expenses** in accordance with Insuring Agreement A 2.1.2; and
 - 2.2.2 if we elect not to investigate, settle or defend a **claim** or suit, you will, under our supervision, investigate and defend as is reasonably necessary and, if we deem prudent you will settle such **claim** or suit. Subject to Insuring Agreement A 2.3, we shall reimburse you for the reasonable cost of such investigation, settlement or defence.
- 2.3 For any part of a **claim** for which you are not entitled to coverage under Part A of this policy, you agree that you are responsible for:
- 2.3.1 any **claims expenses** that are solely or substantially attributable to that part; and
 - 2.3.2 an equal or, if we agree, less than equal share of any **claims expenses** that are attributable both to that part, and any other part of the **claim** for which you are entitled to coverage under Part A.
- 2.4 The allocation of **claims expenses** under Insuring Agreement A 2.3 shall be determined following final determination of the **claim**.
- 2.5 Notwithstanding Insuring Agreement A 2.4 we may, at any time prior to final determination of a **claim**, require that you contribute, on an interim basis, to **claims expenses** in any proportion or amount that we determine is reasonable having regard to

Insuring Agreement A 2.3. Any such payment, demand or failure to make a demand by us shall be without prejudice to our respective rights under Insuring Agreement A 2.4.

- 2.6 Any allocation or advancement of **claims expenses** shall not apply to or create any presumption with respect to the allocation between covered and uncovered loss.
- 2.7 Notwithstanding Exclusion 2, we shall have the right and the duty to defend, in accordance with Insuring Agreement A 2.1.2, any **claim** first made against you and reported to us during the **policy period** arising out of a **personal injury** while you were performing or failing to perform **professional services** for others.

3. INSURING AGREEMENT A 3

- 3.1 Part A of this policy applies only to **claims** arising out of **errors** that occurred either during the **individual coverage period** or in relation to **sanctioned services** performed during the **deemed individual coverage period**, and provided that:
 - 3.1.1 the **claim** or potential **claim** is first made against you during the **policy period** and reported to us in writing during the **policy period**; and
 - 3.1.2 you had no knowledge, prior to January 1, 1989 of the **claim** or of an **error** or circumstances occurring prior to January 1, 1986 which you knew or could have reasonably foreseen might be the basis of a **claim**.
- 3.2 A **claim** is first made against you during the **policy period** if during the **policy period**:
 - 3.2.1 you become aware of an **error** or any circumstance which could reasonably be expected to be the basis of a **claim**, however unmeritorious; or
 - 3.2.2 a **claim** is made against you seeking **damages** for which you are entitled to indemnity under this policy.
- 3.3 If Part A of this policy replaces, without interruption of coverage, a policy issued previously by us then a **claim** which was first made against you after January 1, 1989, and reported to us within the **policy period**, will be deemed to be first made against you within the **policy period** of this policy.
- 3.4 Except as provided in Condition 6, if you are not entitled to indemnity or a defence for a **claim**, Part A of this policy will not provide indemnity or a defence for such or similar **claim** to any other **Insured**.
- 3.5 Where the closest and most real connection to a **claim** or potential **claim** is with a **Reciprocal Jurisdiction**, and the scope of coverage provided by the **Reciprocal Jurisdiction's** compulsory lawyers professional liability insurance (the "**Reciprocal Jurisdiction's** policy") is broader than that provided by Part A of this policy, then we shall provide the same scope of coverage as that of the **Reciprocal Jurisdiction's** policy. For clarity, however, all **claims** and potential **claims** reported under Part A of this policy shall remain subject to the limits of liability stated in Condition 1 and the Declarations of this policy.

The determination of whether a **Reciprocal Jurisdiction** has the closest and most real connection to a **claim** or potential **claim** will be made by us, exercising our discretion reasonably, and considering whether at the time you were performing the **professional services** giving rise to the **claim**:

- (a) you were practicing the law of a **Reciprocal Jurisdiction**;
- (b) you were performing the **professional services** in a **Reciprocal Jurisdiction**;
- (c) your client was in a **Reciprocal Jurisdiction**; and
- (d) the subject matter of the **professional services** was located in or emanated from a **Reciprocal Jurisdiction**.

We will also consider where the proceedings, if any, to advance the **claim** are or are likely to be brought.

This Insuring Agreement applies only if, at the time the **Individual Insured** was performing the **professional services** giving rise to a **claim**, the **Individual Insured** was practicing law either in accordance with the inter-jurisdictional practice provisions of the Rules of the **Law Society** and the **Reciprocal Jurisdiction's** law society or as a Canadian legal advisor member of the Barreau du Québec. This Insuring Agreement does not apply if coverage under Part A of this policy would be excluded or limited in any way by the application of Exclusion 7 or 11 to a **claim** or potential **claim**.

PART B: TRUST PROTECTION (FOR DISHONEST APPROPRIATION)

1. INSURING AGREEMENT B 1

Notwithstanding Exclusions 1 and 2 of this policy, we shall pay on your behalf all sums which you become legally obligated to pay to a **claimant** as **damages** because of any **claim** first made against you and reported to us during the **policy period** arising out of an **error** by the **Individual Insured**, provided that the **error** is the sole cause of the **damages**.

2. INSURING AGREEMENT B 2

2.1 With respect to any **claim** first made or suit first brought seeking **damages** that are covered under Part B of this policy:

2.1.1 we shall have the right, but not the duty, to defend any suit against you;

2.1.2 if we elect to defend you, we shall have the right to:

- (a) select and instruct defence counsel; and
- (b) withdraw from the defence of the suit, without seeking or obtaining your consent, at any time that we, in our sole discretion, deem appropriate;

- 2.1.3 we shall have the right to investigate any **claim** or potential **claim**; and
- 2.1.4 we shall have the right to settle any **claim** without seeking or obtaining your consent, on such terms and conditions and at such time as we, in our sole discretion, deem appropriate.

Coverage under this Part B shall only apply to:

- 1. **Claims** arising out of **errors** that occurred while the **Individual Insured** was a **member**, and provided that the **claim** is first made against you during the **policy period** and reported to us during the **policy period**. A **claim** is first made against you during the **policy period** if during the **policy period**:
 - 1.1 an **Innocent Insured** becomes aware of an **error** or any circumstance which could reasonably be expected to be the basis of a **claim**, however unmeritorious, or a **claim** is made against an **Innocent Insured** seeking **damages** that are covered under Part B of this policy;
 - 1.2 a **claim** is made against an **Individual Insured** seeking **damages** that are covered under Part B of this policy, and we deem notice of the **claim** given to us by a third party to be notice given by the **Individual Insured**; or
 - 1.3 the **Law Society** gives notice of a **claim** or potential **claim** against an **Individual Insured**, and we deem such notice to be notice given by the **Individual Insured**.
- 2. A **claim** seeking **damages** that are covered under Part B of this policy that is first made against you and of which written notice is given to us by the **claimant** within:
 - 2.1 six (6) months of the **claimant** becoming sufficiently aware of the facts underlying the occurrence of an **error** such that the **claimant** had the means of knowing that an **error** had occurred; and
 - 2.2 in any event, no more than ten (10) years of the time of the **error**.

We may, in our sole discretion, agree to extend the time limits set out in 2.1 and 2.2.

PART C: TRUST SHORTAGE LIABILITY (FOR RELIANCE ON FRAUDULENT CERTIFIED CHEQUES)

1. INSURING AGREEMENT C 1

We shall pay on your behalf all sums which you become legally obligated to pay as **damages** because of any **claim** first made against you and reported to us during the **policy period** arising out of an **error** by you.

2. INSURING AGREEMENT C 2

- 2.1 With respect to any **claim** first made or suit first brought seeking **damages** that are covered under Part C of this policy:
- 2.1.1 we shall have the right, but not the duty, to defend any suit against you;
 - 2.1.2 if we elect to defend you, we shall have the right to select and instruct defence counsel;
 - 2.1.3 we shall have the right to investigate any **claim** or potential **claim**; and
 - 2.1.4 we shall have the right to settle any **claim** including the right to elicit, or instruct defence counsel to elicit, offers of settlement. If you object to any settlement recommended by us, we may:
 - (a) settle the **claim** without your consent and you will remain liable to pay the deductible stated in Declaration 4; or
 - (b) give you the right to negotiate or, if we are defending, defend the **claim** or suit. In this event, the **damages** and **claims expenses** in excess of the amount for which we could have settled will not be recoverable under this policy.

3. INSURING AGREEMENT C 3

- 3.1 Part C of this policy applies only to **claims** arising out of **errors** that occurred during the **individual coverage period**, and provided that the **claim** or potential **claim** is first made against you during the **policy period** and reported to us in writing during the **policy period**.
- 3.2 A **claim** is first made against you during the **policy period** if during the **policy period**:
- 3.2.1 you first become aware of an **error** or any circumstance which could reasonably be expected to be the basis of a **claim**, however unmeritorious; or
 - 3.2.2 a **claim** is made against you seeking **damages** for which you are entitled to indemnity under this policy.
- 3.3 If Part C of this policy replaces, without interruption of coverage, a policy issued previously by us then a **claim** which was first made against you after January 1, 2012, and reported to us within the **policy period**, will be deemed to be first made against you within the **policy period** of this policy.
- 3.4 Except as provided in Condition 6, if you are not entitled to indemnity or a defence for a **claim**, Part C of this policy will not provide indemnity or a defence for such or similar **claim** to any other **Insured**.

EXCLUSIONS

This policy does not apply to:

1. a **claim** arising out of your actual or alleged criminal act;
2. a **claim** arising out of your actual or alleged dishonest, fraudulent or malicious act;
3. a **claim** arising out of any injury to, physical contact with, sickness, disease or death of any person or injury to or destruction of any tangible property, including the loss of use thereof;
4. a **claim** arising out of your activity as a fiduciary with respect to an employee benefit plan or pension plan;
5. a **claim** arising out of your activities as an officer or director except your activities as an officer or director of a **law corporation** or law office management corporation;
6. a **claim**:
 - 6.1 arising out of an **error** of an **Individual Insured**, the payment of which would benefit, in whole or in part, directly or indirectly, the **Individual Insured** or the **Individual Insured's family** or **law firm**, provided that this Exclusion 6.1 does not apply to any benefit derived solely from the ownership of an **organization**; or
 - 6.2 by or in connection with any **organization** in which:
 - 6.2.1 the **Individual Insured**;
 - 6.2.2 the **Individual Insured's family**; or
 - 6.2.3 the partners, associates or associate counsel of the **Individual Insured** or of the **Individual Insured's law firm**;

individually or collectively, directly or indirectly, had at the time of the **error** or thereafter, effective management or control of the **organization** or beneficial ownership of the **organization** in an amount greater than ten per cent (10%), provided that with respect to any payment resulting from a **claim** that falls within Part B of this policy, this Exclusion 6.2 applies only to exclude the **ineligible portion** of such payment.

- 6.3 If a **claim** arises out of an **error** which occurred before January 1, 1991, **family** shall be read without the words "(including **common-law spouse**)" and "parents or siblings".
- 7. a **claim** arising out of your activity as an employee, dependent contractor or partner of any **organization** other than:

- 7.1 a **law firm**; or
- 7.2 a trade union, society or not-for-profit **organization** that provides *pro bono* legal services to the public, provided that:
 - 7.2.1 the **claim** arises out of an **error** that occurred during the **individual coverage period**; and
 - 7.2.2 the **claim** is not brought against you by or on behalf of such trade union, society or not-for-profit **organization**;

except a **claim** that falls within Part B of this policy and is not brought against you by or on behalf of such **organization**; or

- 8. a **claim** against you where the **Individual Insured** is a member of any other jurisdiction's law society or bar, except a law society of another province or territory of Canada, arising out of that **Individual Insured's** permanent practice in the other jurisdiction. For the purposes of Part B of this policy, this Exclusion 8 shall be read with the words "the Barreau du Québec" substituted for the words "a law society of another province or territory of Canada" and without the word "permanent".

With respect to Part A: Professional Liability (for negligence) only, the following additional exclusions apply.

Part A of the policy does not apply to:

- 9. a **claim** against you where the **Individual Insured** is engaged in **unauthorized practice**, arising out of that **unauthorized practice**;
- 10. a **claim** arising out of your provision of investment advice or investment services unless as a direct consequence of the performance of **professional services**;
- 11. a **claim** that is connected to or arises out of, in whole or in part:
 - 11.1 the dishonest appropriation of money or other property; or
 - 11.2 an **error** under Part C of this policy, or any other shortage of funds held in a **trust account** if that shortage is caused by or connected to a dishonest or fraudulent act; or
- 12. a **claim** arising out of or connected to the collection, use and/or disclosure of any information by a third party, or the receipt by or transmission to a third party of malware or malicious code.

INSURANCE POLICIES

With respect to Part B: Trust Protection (for dishonest appropriation) only, the following additional exclusions apply.

Part B of this policy does not apply to:

13. **claims, errors** or any circumstances that an **Innocent Insured** or **claimant** knew or reasonably ought to have known could form or did form the basis of a **claim** for compensation to a **compensation program** prior to May 1, 2004;
14. a **claim** that is connected to or arises out of, in whole or in part, the wrongful or unlawful conduct, fault or neglect of the **claimant** or the **claimant's** spouse (including **common-law spouse**);
15. a **claim** by an **organization** that is connected to or arises out of, in whole or in part, the wrongful or unlawful conduct, fault or neglect of an officer, director, employee or agent of the **organization** or an individual who had, directly or indirectly, effective management or control of the **organization** or beneficial ownership of the **organization** in an amount greater than ten per cent (10%);
16. a **claim** where the money or property that was dishonestly appropriated had been unlawfully obtained by the **claimant**;
17. a **claim** brought by a **claimant** who:
 - 17.1 knew prior to the time of the **error** of any dishonest act by the **Individual Insured**; or
 - 17.2 committed, participated in committing, consented to expressly or impliedly, acquiesced in or was reckless or wilfully blind to the **error**; or
18. a **claim** that is connected to or arises out of, in whole or in part, an investment, a purported investment or a Ponzi scheme.

With respect to Part C: Trust Shortage Liability (for reliance on fraudulent certified cheques) only, the following additional exclusions apply.

Part C of this policy does not apply to:

19. a **claim** that is connected to or arises out of, in whole or in part, the wrongful or unlawful conduct of a present or former employee of the **law firm** or contractor for the **law firm**;
20. a **claim** that arises in circumstances in which you were required but failed to comply with the client identification and verification procedures set out in Part 3, Division 11, Client Identification and Verification, of the **Law Society Rules**; or
21. **errors** that occurred prior to January 1, 2012.

CONDITIONS

1. LIMITS OF LIABILITY

1.1 LIMIT OF LIABILITY PART A — EACH ERROR

1.1.1 The limit of liability stated in Declaration 3(a) shall be the maximum amount payable under Part A of this policy for all **damages, claims expenses** and deductibles for all **claims** arising out of an **error**.

1.1.2 If a **claim** or potential **claim** is reported to us by or on behalf of any **Insured** during the **policy period**, all additional **claims** or potential **claims** reported subsequently that arise out of the same **error** shall be:

- (a) part of the **claim** or potential **claim** first made and reported to us; and
- (b) deemed to be reported within this **policy period**;

and all such **claims** or potential **claims** shall be subject to the terms of this policy and to the one limit of liability applicable to the **claim** or potential **claim** first reported.

1.2 LIMIT OF LIABILITY PART A — ANNUAL AGGREGATE LIMIT

1.2.1 The limit of liability stated in Declaration 3(b) is the maximum amount payable under Part A of this policy on behalf of each **Individual Insured**, including all related **Additional Insureds**, for all **damages, claims expenses** and deductibles arising out of all **claims** and potential **claims** first reported during the **policy period**.

1.2.2 All payments of **damages, claims expenses** and deductibles reduce the limits of our liability stated in Declarations 3(b) and 3(f).

1.3 MULTIPLE INSUREDS, CLAIMS OR CLAIMANTS — PART A

Notwithstanding any other provision of this policy, one or more **claims** resulting from an **error** shall be subject to one limit of liability and shall not increase our limits of liability regardless of whether the **error** is made by more than one **Insured** or by **Insured(s)** acting in more than one capacity and regardless of whether the **claims** are made against more than one **Insured** or made by more than one **claimant**.

1.4 LIMIT OF LIABILITY PART B — EACH ERROR

1.4.1 The limit of liability stated in Declaration 3(c) or, if Condition 1.4.3 applies, then as stated there, shall be the maximum amount payable under Part B of this policy for all **damages** for all **claims** by a **claimant** arising out of an **error** or **related errors**.

1.4.2 If a **claim** or potential **claim** is reported to us by or on behalf of any **Insured** during the **policy period**, all additional **claims** or potential **claims** reported subsequently that arise out of the same **error** or **related errors** shall be:

- (a) part of the **claim** or potential **claim** first made and reported to us; and
- (b) deemed to be reported within this **policy period**;

and all such **claims** or potential **claims** shall be subject to the terms of this policy and to the limit of liability stated in Declaration 3(c) or, if Condition 1.4.3 applies, then as stated there, applicable to the **claim** or potential **claim** first reported.

1.4.3 If the **error** or **related errors** arise out of either your temporary practice in or with respect to the law of a **Reciprocal Jurisdiction** of which you are not a member, or your practice as a Canadian legal advisor member of the Barreau du Québec, the limit of liability stated in Declaration 3(c) shall be \$250,000, and Conditions 1.4.1, 1.4.2 and 1.5 shall be read as if the amount in Declaration 3(c) was \$250,000.

1.5 MULTIPLE INSUREDS, CLAIMS, CLAIMANTS OR ERRORS — PART B

One or more **claims**, resulting from an **error** or **related errors** made by one or more **Insureds**, made against one or more **Insureds** by a **claimant** or by **related claimants**, shall be subject to the one limit of liability stated in Declaration 3(c) or, if Condition 1.4.3 applies, then as stated there. In no case will the limit of coverage for an **error** or **related errors** exceed the limit set out in Declaration 3(c).

1.6 LIMIT OF LIABILITY PART B — INTER-JURISDICTIONAL PRACTICE ANNUAL AGGREGATE LIMIT

The limit of liability that is the maximum amount payable under Part B of this policy on behalf of each **Individual Insured**, including all related **Additional Insureds**, for all **damages** arising out of all **claims** and potential **claims** first reported during the **policy period** arising out of either your temporary practice in or with respect to the law of a **Reciprocal Jurisdiction** of which you are not a member, or your practice as a Canadian legal advisor member of the Barreau du Québec, is \$2,000,000. This limit shall be included within the limit set out in Declaration 3(d).

1.7 LIMIT OF LIABILITY PART B — PROFESSION-WIDE ANNUAL AGGREGATE LIMIT

1.7.1 The limit of liability stated in Declaration 3(d) is the maximum amount payable under this policy for the **policy period** on an aggregate basis for all **Insureds** covered by Part B of this policy. For clarity, all **Insureds** covered by Part B of this policy means all present and former **members** of the **Law Society**. All payments by us of **damages** and **claims expenses** arising out of all **claims** and potential **claims** first reported during the **policy period** reduce the Profession-Wide Aggregate Limit for that **policy period** in the amount of the payments.

- 1.7.2 The **Individual Insureds** and **Innocent Insureds** agree that we may make payments of **damages** and **claims expenses** in reduction of the Profession-Wide Aggregate Limit, even though such payments will reduce or eliminate the limit otherwise available to **Individual Insureds** or **Innocent Insureds** for the **policy period**.

1.8 LIMIT OF LIABILITY PART C — EACH **ERROR**

- 1.8.1 The limit of liability stated in Declaration 3(e) shall be the maximum amount payable under Part C of this policy for all **damages**, **claims expenses** and deductibles for all **claims** arising out of an **error**.

- 1.8.2 If a **claim** or potential **claim** is reported to us by or on behalf of any **Insured** during the **policy period**, all additional **claims** or potential **claims** reported subsequently that arise out of the same **error** shall be:

- (a) part of the **claim** or potential **claim** first made and reported to us; and
- (b) deemed to be reported within this **policy period**;

and all such **claims** or potential **claims** shall be subject to the terms of this policy and to the one limit of liability applicable to the **claim** or potential **claim** first reported.

1.9 LIMIT OF LIABILITY PART C — ANNUAL AGGREGATE LIMIT

- 1.9.1 The limit of liability stated in Declaration 3(f) is the maximum amount payable under Part C of this policy on behalf of each **Individual Insured**, including all related **Additional Insureds**, for all **damages**, **claims expenses** and deductibles arising out of all **claims** and potential **claims** first reported during the **policy period**.

- 1.9.2 All payments of **damages**, **claims expenses** and deductibles reduce the limits of our liability stated in Declarations 3(b) and 3(f).

1.10 LIMIT OF LIABILITY PART C — **LAW FIRM** ANNUAL AGGREGATE LIMIT

The limit of liability stated in Declaration 3(g) is the maximum amount payable under this Part C of this policy for the **policy period** on an aggregate basis for all **Insureds** who, at the time of the **error**, were at the same **law firm**, for all **damages**, **claims expenses** and deductibles arising out of all **claims** and potential **claims** first reported during the **policy period**.

1.11 MULTIPLE **INSUREDS**, **CLAIMS** OR **CLAIMANTS** — PART C

Notwithstanding any other provision of this policy, one or more **claims** resulting from an **error** shall be subject to one limit of liability and shall not increase our limits of liability regardless of whether the **error** is made by more than one **Insured** or by **Insured(s)** acting in more than one capacity and regardless of whether the **claims** are made against more than one **Insured** or made by more than one **claimant**.

1.12 LIMIT OF LIABILITY PART C — PROFESSION-WIDE ANNUAL AGGREGATE LIMIT

1.12.1 The limit of liability stated in Declaration 3(h) is the maximum amount payable under this policy for the **policy period** on an aggregate basis for all **Insureds** covered by Part C of this policy. For clarity, all **Insureds** covered by Part C of this policy means all present and former **members** of the **Law Society**. All payments by us of **damages** and **claims expenses** arising out of all **claims** and potential **claims** first reported during the **policy period** reduce the Profession-Wide Aggregate Limit for that **policy period** in the amount of the payments.

1.12.2 The **Individual Insureds** and **Additional Insureds** agree that we may make payments of **damages** and **claims expenses** in reduction of the Profession-Wide Aggregate Limit, even though such payments will reduce or eliminate the limit otherwise available to **Individual Insureds** or **Additional Insureds** for the **policy period**.

1.13 OBLIGATION TO PAY PART C

We shall not be obliged to pay any **damages** or **claims expenses**, or to undertake or continue the defence of any proceeding until you have complied with your obligation to eliminate a trust shortage under Rule 3-66 (1) of the **Law Society** Rules.

1.14 PRIORITY OF PAYMENTS

All **claims expenses** will be subtracted first from the applicable limit of our liability, with the remainder being the amount available to pay **damages**.

1.15 EXHAUSTION OF LIMITS

We shall not be obliged to pay any **damages** or **claims expenses**, or to undertake or continue the defence of any proceeding after the applicable limit of our liability has been exhausted by payment of **damages**, **claims expenses** and deductibles or after deposit of the balance of the applicable limit of our liability in a court of competent jurisdiction. In such a case, we shall have the right to withdraw from the further defence by tendering control of the defence to you.

2. DEDUCTIBLES

2.1 If **damages** are payable pursuant to Part A of this policy, you will pay the deductible stated in Declaration 4.

2.2 If **damages** are payable pursuant to Part C of this policy, you will pay the deductible stated in Declaration 4, reduced by the amount you are legally obligated to pay and have paid a savings institution to satisfy any overdraft created in the **trust account**.

2.3 Our obligation to pay **damages** applies only to **damages** in excess of the deductible and we shall be liable only for the difference between the deductible and the limit of liability.

- 2.4 When one or more **claims** arising out of an **error** are made jointly or severally against two or more **law firms** or **Individual Insureds** at separate **law firms**, the deductible will apply separately to each **law firm**.
- 2.5 All the terms and conditions of this policy apply notwithstanding that the amount of the **claim**, potential **claim** or **damages** may be less than the deductible stated in Declaration 4.
- 2.6 If we request, you will make direct payments for **claims** or potential **claims** within the deductible to us or to other parties.
- 2.7 There is no deductible payable by you if **damages** or **claims expenses** are paid pursuant to Part B of this policy.

3. REIMBURSEMENT

- 3.1 **Damages** or **claims expenses** may be paid in excess of the limit of liability or within the deductible and you will repay such amounts to us on demand.
- 3.2 If you are not entitled to coverage for a **claim** or any part of a **claim** because of any exclusion, breach of a condition, or any other term of this policy and **damages** or **claims expenses** are paid on behalf of you or any other **Insured** pursuant to this policy, you will reimburse us for all such amounts on demand.
- 3.3 If you are engaged in **unauthorized practice** and a **claim** or any part of a **claim** that falls within Part A or C of this policy relates to the **unauthorized practice**, and **damages** or **claims expenses** are paid on behalf of you or any other **Insured** pursuant to this policy, the **Individual Insured** will reimburse us for all such amounts on demand.
- 3.4 If **damages** or **claims expenses** are paid on behalf of you or any other **Insured** pursuant to Part B of this policy:
 - 3.4.1 the **Individual Insured** will reimburse us for all such amounts on demand; and
 - 3.4.2 if any other **Insured** received a benefit from the **error**, that **Insured** will reimburse us on demand for the portion of the **damages** paid that is commensurate with the amount of the benefit.
- 3.5 In relation to Conditions 3.1, 3.2, 3.3 and 3.4:
 - 3.5.1 if payments are made on behalf of two or more of you, your liability to us will be joint and several; and
 - 3.5.2 the timing of any demand made shall be in our sole discretion.

4. NOTICE OF CLAIM OR SUIT

- 4.1 If you become aware of an **error** or any circumstance which could reasonably be expected to be the basis of a **claim**, however unmeritorious, you will give written notice immediately, along with the fullest information obtainable, during the **policy period** to:

Lawyers Insurance Fund
8th Floor, 845 Cambie Street
Vancouver, BC V6B 4Z9
Attention: Claims Manager
Fax: 604-682-5842

Such notice is necessary to settle, or defend, any **claim** or anticipated **claim** against you which may be covered under this policy.

- 4.2 If a **claim** is made or suit is brought against you, you will forward immediately to us every demand, notice of civil claim or other process with the fullest information obtainable.
- 4.3 We may deem notice of an **error**, **claim** or potential **claim** given by a third party to be notice given by you.

5. ASSISTANCE AND COOPERATION

- 5.1 You will cooperate with us and with any counsel we retain and assist us in investigating coverage for and the facts and circumstances of **claims** and potential **claims**, in efforts to repair **errors**, in making settlements and in the conduct of suits. Upon request, you will also:

- 5.1.1 give written statements, information and documents to and meet with us or any counsel we retain for the purpose of determining or reviewing coverage;
- 5.1.2 provide information and documents as necessary to investigate and defend any **claim** or potential **claim**;
- 5.1.3 submit to examination and interview by us or any counsel we retain, under oath if we request;
- 5.1.4 attend hearings, examinations for discovery and trial;
- 5.1.5 assist in securing and giving evidence, including obtaining the attendance of witnesses in the conduct of suits; and
- 5.1.6 assist in effecting all rights of indemnity, contribution or apportionment available to you or us;

all without cost to us.

- 5.2 You will notify us immediately of any settlement offer made on any **claim** or potential **claim**.

- 5.3 You will not, except at your own cost, admit liability, make any payment, settle a **claim** or potential **claim**, assume any obligation, directly or indirectly assist in making or proving a **claim** against you, take any other action that might prejudice our ability to avoid or minimize any **damages**, agree to arbitration or any similar means of resolution of any dispute, waive any rights or incur any expenses without our prior written consent.
- 5.4 We shall keep any information that you provide us confidential in accordance with the **Confidentiality Protocol**. You consent to any permitted disclosure, and agree that such disclosure does not constitute a waiver of privilege with respect to any third parties or, if it does, constitutes a limited waiver of privilege only for the purpose for which it is disclosed.

6. INNOCENT ADDITIONAL INSURED

- 6.1 Whenever coverage under Part A of this policy would be excluded, suspended or lost because of:

6.1.1 the application of Exclusion 1 or 2 to you; or

6.1.2 the failure to give timely notice in accordance with Condition 4;

we shall cover each **Additional Insured** who did not personally commit, participate in committing, acquiesce in or remain passive after having personal knowledge of the act or **error** which is the subject of the Exclusion or the breach of Condition 4 and provided that those **Additional Insureds** who are entitled to the benefit of this Condition comply with all conditions promptly.

- 6.2 Condition 6.1 does not apply if the act or **error** which is the subject of Exclusion 1 or 2 is an **error** for the purposes of Part B of this policy.

- 6.3 Where Exclusion 6.2 applies to a **claim** because, individually or collectively, directly or indirectly, the acquisition by you or your **family** of effective management or control or beneficial ownership greater than 10% of an **organization**:

6.3.1 occurred after the time of the **error**; and

6.3.2 was not related in any way to the legal services giving rise to the **error**;

then, pursuant to the terms of this policy, we shall cover your partners who were **members** at the time of the **error**, or the **law firm** employing you (excluding any **law corporation** wholly owned by you or your **family**) at the time of the **error**.

7. CONFLICTS

Any duty that we may have to defend or indemnify you shall not give rise to an obligation on our part to pay any cost you may incur in relation to:

- 7.1 a dispute arising out of or in connection with this policy or the breach thereof; or
- 7.2 any other actual or potential conflict between us.

You agree that you are solely responsible for any such cost without recourse to us.

8. ARBITRATION OR MEDIATION

We shall be entitled to exercise all your rights in the choice of arbitrators or mediators and in the conduct of any arbitration or mediation proceeding involving a **claim** covered by this policy.

9. OTHER INSURANCE OR RECOURSE

- 9.1 This insurance is excess over any other valid and collectible insurance, or right of indemnity, whether primary, contributing, contingent or otherwise, and we will not pay any loss or **claim** until such insurance or recourse is exhausted.
- 9.2 Condition 9.1 does not apply to insurance specifically arranged to apply as excess insurance over the insurance provided by this policy.
- 9.3 If you or any non-**member** lawyer or non-lawyer partner practising in your law firm has lawyers professional liability insurance (other than insurance specifically arranged to apply as excess insurance over the insurance provided by this or any other Canadian jurisdiction's policy) under another Canadian jurisdiction's policy (or Canadian jurisdictions' policies) 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 that 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) the policies, shall be made by us together with the other Canadian jurisdiction, and you agree to be bound by the decision. For clarity, a **Reciprocal Jurisdiction** is also a Canadian jurisdiction.
- 9.4 To further clarify the intent and effect of the definition of **damages** under Part B, if the **Insured, claimant** or any other party at interest in any loss covered by Part B of this policy has any bond, right of indemnity, insurance or recourse to any other source of recovery including set-offs whether legal or equitable, which would cover such loss in whole or in part in the absence of this policy, this policy shall be null and void to the extent of the amount of such other bond, right of indemnity, insurance or recourse to any other source of recovery including set-offs whether legal or equitable; but this policy shall cover such loss, subject to its exclusions, conditions and other terms, only to the extent of the amount of such loss in excess of the amount of such other bond, right of indemnity, insurance or recourse to any other source of recovery including set-offs whether legal or equitable.

10. PROCEEDINGS AGAINST US

- 10.1 No proceeding will lie against us unless, as a condition precedent, you have complied with all the terms of this policy, and until the amount of your obligation to pay has been finally determined either by judgment against you after actual trial or by binding arbitration ruling or by written agreement between you, the **claimant** and us. Neither you nor any other person shall have any right to join us in any proceeding against you.
- 10.2 All disputes arising out of or in connection with this policy or the breach thereof, except in relation to reimbursement as provided in Condition 3, and the allocation of **claims expenses** under Insuring Agreement A 2.4 shall be determined by arbitration in Vancouver, British Columbia, before a single arbitrator. You agree to keep all communications, meetings, evidence, materials and hearings relating to the arbitration, and any reasons or award arising from the arbitration, strictly confidential unless we agree otherwise or disclosure is required by law.

11. INSOLVENCY, BANKRUPTCY, INCAPACITY OR DEATH

Your insolvency, bankruptcy, incapacity or death will not relieve us or you or your estate of any of our respective obligations under this policy.

12. SUBROGATION

In the event of any payment under this policy, we shall be subrogated to all your rights of recovery against any person or **organization** and you will do whatever is necessary to secure such rights. You will do nothing after loss to prejudice such rights, and shall reasonably cooperate with us.

13. CHANGES

Nothing will effect a waiver or a change in any part of this policy or estop us from asserting any right under this policy, nor will the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by our authorized officer.

14. ASSIGNMENT

Your interest in this policy is not assignable.

15. RELEASE OF COVERAGE

We may, in our sole discretion, agree to allow you to assume all of our responsibilities and obligations under this policy and in so doing you shall release us from all such responsibilities and obligations.

16. INSURANCE FEE ADJUSTMENT

- 16.1 If you become insured during the **policy period**, the insurance fee payable will be determined by the **Law Society** and us on a *pro rata* basis.

INSURANCE POLICIES

16.2 If, during the **policy period**, you cease to be a **member** or you are exempted from this compulsory professional liability insurance plan, the insurance fee will be adjusted by the **Law Society** and us on a short-rate basis.

16.3 If you are suspended or disbarred, the insurance fee will be deemed to be fully earned and will not be the subject of adjustment.

17. CANCELLATION OF POLICY

17.1 This policy may be cancelled by the **Law Society** on your behalf by giving us written notice stating when after the notice the cancellation shall be effective.

17.2 This policy may be cancelled by us by giving the **Law Society** not less than 30 days written notice of such cancellation.

17.3 If we cancel this policy, earned insurance fees will be computed on a *pro rata* basis.

18. APPLICABLE LAW

This policy, and any dispute arising out of or in connection with it or the breach thereof, will be exclusively governed by and interpreted in accordance with the laws of British Columbia and any applicable federal laws of Canada and, in the event any dispute is not governed by Condition 10.2 of this policy, it shall be submitted to and be subject to the exclusive jurisdiction of the Courts of British Columbia in Vancouver, British Columbia.

19. CURRENCY

The deductibles and limits are expressed in Canadian currency.

20. TERRITORY

This policy applies to **errors** occurring anywhere in the world.

IN WITNESS WHEREOF, we have caused this policy to be executed.

LSBC Captive Insurance Company Ltd.



Susan I. Forbes, QC, Secretary