

Law Society
of British Columbia

AMENDMENT PAGES

2025: No. 2 December

Highlights

Law Society Rules 2015:* The Trust Administration Fee (TAF) is now only payable where a lawyer receives trust funds in an aggregate amount per client matter greater than $10,000 (Rule 2-110(1): p. 98). Fees are updated for 2026 (Schedules 1, 2 and 3: pp. 217-221).

**Historical notes are published only in the website version of the Rules.*

Indemnification Policy: Indemnification Policy No. LPL 26-01-01 replaces Policy No. LPL 25-01-01.

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	97 – 98 217 – 222	97 – 98 217 – 222
Indemnification Policies	Policy No. LPL 25-01-01 (1 – 32)	Policy No. LPL 26-01-01 (1 – 31)

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

This amendment package updates the *Member's Manual* to **December 31, 2025**. The previous amendment package was 2025: No. 1 May.

To check that your copy of the Manual is up to date, consult the contents checklist on the next page. To print replacement pages, download the PDFs at Member's Manual on the Law Society website.

The Law Society Rules and *Code of Professional Conduct for British Columbia* can be accessed in the For Lawyers section of the Law Society website at **www.lawsociety.bc.ca**. Refer to the website for the most current versions of the Rules and Code.

MEMBER'S MANUAL CONTENTS CHECKLIST

2025: No. 2 December

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

Section of Manual	Pages	Dated
Divider tab: LEGAL PROFESSION ACT		
Title page	—	—
Table of Contents	1 – 4	[08/2024]
	5 – 6	[03/2018]
	7 – 8	[06/2016]
	9 – 12	[12/2012]
	13 – 16, 16.1 – 16.2	[08/2024]
	17 – 18	[12/2019]
	19 – 20	[03/2018]
	21 – 22	[06/2016]
	23 – 26, 26.1 – 26.2	[12/2019]
	27 – 28	[06/2019]
	29 – 34	[03/2018]
	34.1 – 34.2	[12/2012]
	34.3 – 34.4	[03/2018]
	34.5 – 34.6	[12/2012]
	35 – 36	[06/2019]
	36.1 – 36.2	[07/07]
	37 – 40	[06/2019]
	41 – 42	[03/2018]
	43 – 44	[03/2013]
	45 – 46	[07/2010]
	47 – 48	[06/2016]
	49 – 50	[12/98]
	51 – 52	[08/2024]
	53 – 54	[12/2012]
	55 – 58	[03/2018]
	59 – 60	[09/2014]
Divider tab: LAW SOCIETY RULES		
Title page	—	—
Table of Contents	1 – 10, 10.1 – 10.2	[01/2024]
Text	11 – 12	[01/2023]
	13 – 16	[05/2025]
	17 – 18	[01/2024]
	19 – 20	[07/2021]
	21 – 22	[07/2022]
	23 – 24	[07/2021]
	25 – 26	[07/2022]
	26.1 – 26.2	[07/2021]
	27 – 34	[08/2024]
	35 – 36	[10/2020]
	37 – 38	[03/2024]
	39 – 40	[07/2021]
	41 – 42	[01/2024]
	43 – 44	[12/2020]
	44.1 – 44.2, 45 – 50	[07/2021]
	51 – 56	[11/2022]
	57 – 58	[12/2020]
	59 – 60	[07/2021]
	61 – 62	[12/2020]
	63 – 64	[01/2023]
	65 – 66	[08/2024]
	67 – 68	[03/2021]
	69 – 72	[01/2023]
Text *(continued)*	73 – 74	[07/2022]
	75 – 80	[01/2023]
	81 – 82	[01/2024]
	83 – 86	[03/2024]
	87 – 88	[08/2024]
	89 – 90	[01/2024]
	91 – 92	[01/2022]
	93 – 94	deleted
	95 – 96	[12/2020]
	97 – 98	[12/2025]
	99 – 100	[07/2021]
	101 – 106, 106.1 – 106.8	[04/2022]
	107 – 108, 108.1 – 108.4	[01/2022]
	109 – 112	[06/2018]
	113 – 114	[10/2020]
	115 – 116, 116.1 – 116.2	[03/2022]
	117 – 118	[03/2017]
	119 – 120	[08/2024]
	121 – 122	[12/2020]
	123 – 124	[01/2024]
	125 – 126	[07/2021]
	127 – 130	[09/2019]
	131 – 136, 136.1 – 136.4	[07/2021]
	137 – 138	[09/2019]
	139 – 140	[07/2021]
	141 – 142	[07/2022]
	143 – 146	[03/2022]
	147 – 148	[07/2021]
	149 – 150	[12/2020]
	151 – 152	[07/2021]
	153 – 156	[03/2024]
	157 – 158	[07/2021]
	159 – 160	[04/2022]
	161 – 162	[12/2020]
	163 – 164	[07/2021]
	165 – 166	[05/2023]
	167 – 168	[01/2022]
	169 – 172	[12/2024]
	173 – 174, 174.1 – 174.2	[04/2022]
	175 – 176	[12/2024]
	177 – 178	[05/2023]
	179 – 180	[08/2023]
	181 – 184	[07/2022]
	185 – 186	[01/2022]
	187 – 188	[05/2023]
	189 – 190	[01/2022]
	191 – 192	[05/2023]
	193 – 198	[01/2022]
	199 – 200	deleted
	201 – 204	[06/2015]
	205 – 210	[03/2022]
	211 – 212	[07/2021]
	213 – 216	[05/2025]
	217 – 222	[12/2025]
	223 – 224	[01/2022]

[continued over]

Section of Manual	Pages	Dated
Divider tab: CODE OF PROFESSIONAL CONDUCT		
Title page	—	—
Table of Contents	i – vi	[12/2024]
Introduction	vii – viii	[12/2024]
Text	1 – 138	[12/2024]

Section of Manual	Pages	Dated
Divider tab: INDEMNIFICATION POLICIES		
Policy No. LPL 26-01-01	1 – 31	[12/2025]

(3) A lawyer, other than a retired or non-practising member, who has failed to pay an instalment of fees in accordance with Rule 2-105 (2) or (3) *[Annual practising and indemnity fee instalments]*, is required to pay the late payment fee for practising lawyers specified in Schedule 1.

(4) A retired member who has failed to pay the annual fee for retired members in accordance with Rule 2-105.1 *[Annual non-practising and retired member fees]* is required to pay the late payment fee for retired members specified in Schedule 1.

(5) A non-practising member who has failed to pay the annual fee for non-practising members in accordance with Rule 2-105.1 is required to pay the late payment fee for non-practising members specified in Schedule 1.

(6) A lawyer who does not pay a special assessment by the date specified under Rule 2-106 (2) *[Assessments]* or extended under subrule (2) must pay a late payment fee of 20 per cent of the amount of the assessment.

(7) When there are special circumstances, the Executive Director may, in the Executive Director's discretion, waive or reduce a late payment fee payable under this rule.

Failure to pay fees

2-108.1 (1) If a lawyer fails to pay the first instalment of the annual practising fee by December 31 of the year preceding the year for which it is payable, together with the late payment fee if required, the lawyer ceases to be a member of the Society.

(2) If a lawyer fails to pay the second instalment of the annual practising fee by June 30 of the year for which it is payable, together with the late payment fee if required, the lawyer is suspended.

(3) If a lawyer who is not exempt under Rule 3-43 *[Exemption from professional liability indemnification]* fails to pay the second instalment of the indemnity fee by June 30 of the year for which it is payable, together with the late payment fee if required, the lawyer must immediately cease the practice of law in accordance with section 30 (7) *[Indemnification]* and surrender to the Executive Director the lawyer's practising certificate and any proof of professional liability indemnity coverage issued by the Society.

Definition and application

2-109 (1) In Rules 2-109 to 2-113, **"client matter"** means any distinct matter on which a lawyer is retained to represent or advise a client, including but not limited to the following:

(a) a transaction of any kind;

(b) a claim or potential claim by or against the lawyer's client;

(c) a proceeding.

(2) Rules 2-109 to 2-113 apply to client matters in connection with which a lawyer receives trust funds on or after March 1, 2005.

Trust administration fee

2-110 (1) A lawyer must pay to the Society the trust administration fee specified in Schedule 1 for each client matter undertaken by the lawyer in connection with which the lawyer receives in trust funds in aggregate amount greater than $10,000.

(2) Only one trust administration fee is payable in respect of a single client matter in which

(a) a lawyer represents joint clients, or

(b) more than one lawyer in a law firm acts.

(3) For each quarter year ending on the last day of March, June, September or December, a lawyer must remit the following to the Society within 30 days of the end of the quarter year to which they apply:

(a) trust administration fees that have become payable under subrule (1) during the quarter year;

(b) a completed trust administration report in the prescribed form.

Late payment of trust administration fee

2-111 A lawyer who fails to remit the trust administration fee and report by the time required under this rule must pay a late payment fee of 5 per cent of the amount due for each month or part of a month from the date the lawyer is required to remit the fee and report under Rule 2-110 (3) *[Trust administration fee]* until the fee, including the late payment fee, and the report are received by the Society.

Executive Director's discretion

2-112 The Executive Director may

(a) decide what constitutes a client matter under Rule 2-109 *[Definition and application]*, in individual cases, and

(b) extend or vary the time for remitting the trust administration fee and report under Rule 2-110 (3) *[Trust administration fee]*.

Referral to Executive Committee

2-113 (1) The Executive Director may refer any matter for decision under Rule 2-112 *[Executive Director's discretion]* to the Executive Committee, and the Committee may make any decision open to the Executive Director under that rule.

(2) At the written request of a lawyer affected by a decision made by the Executive Director under Rule 2-112 *[Executive Director's discretion]* the Executive Director must refer the matter to the Executive Committee, and the Committee may

(a) confirm the decision of the Executive Director, or

(b) substitute its decision for that of the Executive Director

SCHEDULE 1 – 2026 LAW SOCIETY FEES AND ASSESSMENTS

A. Annual fee	**$**
1. Practice fee (Rule 2-105 *[Annual practising and indemnity fee instalments]*) ..	2,536.00
2. Indemnity fee base assessment (which may be increased or decreased in individual cases in accordance with Rule 3-40 (1) *[Annual indemnity fee]*):	
(a) full-time practice	1,800.00
(b) part-time practice	900.00
3. Indemnity surcharge (Rule 3-44 (2) *[Deductible, surcharge and reimbursement]*)	2,000.00
4. Late payment fee for practising lawyers (Rule 2-108 (3) *[Late payment]*)	150.00
5. Retired member fee (Rule 2-105.1 (1) *[Annual non-practising and retired member fees]*)	125.00
6. Late payment fee for retired members (Rule 2-108 (4))	nil
7. Non-practising member fee (Rule 2-105.1 (1))	325.00
8. Late payment fee for non-practising members (Rule 2-108 (5))	40.00
9. Administration fee (R. 2-116 (3) *[Refund on exemption during practice year]*)	70.00
B. Trust administration fee	
1. Each client matter subject to fee (Rule 2-110 (1) *[Trust administration fee]*) ..	20.00
C. Special assessments	
D. Articled student and training course fees	
1. Application fee for enrolment in admission program (Rules 2-54 (1) (e) *[Enrolment in the admission program]* and 2-62 (1) (b) *[Part-time articles]*) .	275.00
2. Application fee for temporary articles (R. 2-70 (1) (c) *[Temporary articles]*) ..	150.00
3. Application fee for temporary articles (legal clinic) (Rule 2-70 (1) (c))	50.00
4. Training course registration (Rule 2-72 (4) (a) *[Training course]*)	2,600.00
5. Remedial work (Rule 2-74 (8) *[Review of failed standing]*):	
(a) for each piece of work	100.00
(b) for repeating the training course	4,000.00
E. Transfer fees	
1. Application fee for transfer from another Canadian province or territory – investigation fee (Rule 2-79 (1) (f) *[Transfer from another Canadian jurisdiction]*)	1,150.00
2. Transfer or qualification examination (Rules 2-79 (6) and 2-90 (5) *[Conditions on returning to practice]*)	325.00

F. Call and admission fees	$
1. After enrolment in admission program (Rule 2-77 (1) (c) *[First call and admission]*)	250.00
1.1 Without enrolment in admission program (Rule 2-77 (1) (c))	525.00
2. After transfer from another Canadian province or territory (Rule 2-79 (1) (f) *[Transfer from another Canadian jurisdiction]*)	250.00

G. Reinstatement fees	
1. Application fee following disbarment, resignation or other cessation of membership as a result of disciplinary proceedings (Rule 2-85 (1)(b) *[Reinstatement of former lawyer]*)	700.00
2 Application fee following 3 years or more as a former member (Rule 2-85 (1) (b))	550.00
3. Application fee in all other cases (Rule 2-85 (1) (b))	450.00

H. Change of status fees	
1. Application fee to become retired member (Rule 2-4 (2) (b) *[Retired members]*)	35.00
2. Application fee to become non-practising member (Rule 2-3 (1) (b) *[Non-practising members]*)	70.00
3. Application fee for non-practising or retired member applying for practising certificate (Rule 2-5 (1) (b)) *[Release from undertaking]*	70.00

I. Inter-jurisdictional practice fees	
1. Application fee (Rule 2-19 (3) (b) *[Inter-jurisdictional practice permit]*)	500.00
2. Renewal of permit (Rule 2-19 (3) (b))	100.00

J. Corporation and limited liability partnership fees	
1. Permit fee for law corporation (Rule 9-4 (c) *[Law corporation permit]*)	400.00
2. New permit on change of name fee (Rule 9-6 (4) (c) *[Change of corporate name]*)	100.00
3. LLP registration fee (Rule 9-15 (1) *[Notice of application for registration]*	400.00

K. Practitioners of foreign law	
1. Application fee for practitioners of foreign law (Rule 2-29 (1) (b) *[Practitioners of foreign law]*)	700.00
2. Permit renewal fee for practitioners of foreign law (Rules 2-29 (1) (b) and 2-34 (2) (c) *[Renewal of permit]*)	150.00
3. Late payment fee (Rule 2-34 (6))	100.00

L. Late fees	$
1. Trust report late filing fee (Rule 3-80 (2) (b) *[Late filing of trust report]*)	200.00
2. Professional development late completion fee (Rule 3-31 (1) (c) *[Late completion of professional development]*)	500.00
3. Professional development late reporting fee (Rule 3-31 (3) (b))	200.00
4. Late registration delivery fee (Rule 2-12.4)	200.00
5. Late self-assessment delivery fee (Rule 2-12.4)	500.00
6. Indigenous intercultural course late completion fee (Rule 3-28.11 (1) (c) *[Late completion of Indigenous intercultural course]*)	500.00
7. Indigenous intercultural course late reporting fee (Rule 3-28.11 (2) (b))	200.00

M. Multi-disciplinary practice fees	
1. Application fee (Rule 2-40 (1) (b) *[Application to practise law in MDP]*).....	300.00
2. Application fee per proposed non-lawyer member of MDP (Rules 2-40 (1) (c) and 2-42 (2) *[Changes in MDP]*).....	1,125.00

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

SCHEDULE 2 – 2026 PRORATED FEES AND ASSESSMENTS FOR PRACTISING LAWYERS

[Rules 2-77 (1) *[First call and admission]*, 2-79 (1) *[Transfer from another Canadian jurisdiction]*, 2-85 (4) *[Reinstatement of former lawyer]*, and 3-45 (1) and (2) *[Application for indemnity coverage]*]

	Practice fee		Indemnity fee assessment	
	Payable prior to call	**Payable by May 31**	**Payable prior to call**	**Payable by May 31**
Full-time indemnification				
January	1,268.00	1,268.00	900.00	900.00
February	1,056.67	1,268.00	750.00	900.00
March	845.33	1,268.00	600.00	900.00
April	634.00	1,268.00	450.00	900.00
May	422.67	1,268.00	300.00	900.00
June	211.33	1,268.00	150.00	900.00
July	1,268.00	0.00	900.00	0.00
August	1,056.67	0.00	750.00	0.00
September	845.33	0.00	600.00	0.00
October	634.00	0.00	450.00	0.00
November	422.67	0.00	300.00	0.00
December	211.33	0.00	150.00	0.00
Part-time indemnification				
January	1,268.00	1,268.00	450.00	450.00
February	1,056.67	1,268.00	375.00	450.00
March	845.33	1,268.00	300.00	450.00
April	634.00	1,268.00	225.00	450.00
May	422.67	1,268.00	150.00	450.00
June	211.33	1,268.00	100.00	450.00
July	1,268.00	0.00	450.00	0.00
August	1,056.67	0.00	375.00	0.00
September	845.33	0.00	300.00	0.00
October	634.00	0.00	225.00	0.00
November	422.67	0.00	150.00	0.00
December	211.33	0.00	100.00	0.00

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

SCHEDULE 3 – 2026 PRORATED FEES FOR NON-PRACTISING AND RETIRED MEMBERS

[Rules 2-3 (1) *[Non-practising members]*, 2-4 (2) *[Retired members]* and 2-85 (5) *[Reinstatement of former lawyer]*]

	Non-practising members fee	**Retired members fee**
January	325.00	125.00
February	297.92	114.58
March	270.83	104.17
April	243.75	93.75
May	216.67	83.33
June	189.58	72.92
July	162.50	62.50
August	135.42	52.08
September	108.33	41.67
October	81.25	31.25
November	54.17	20.83
December	27.08	10.42

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

SCHEDULE 4 – TARIFF FOR HEARING AND REVIEW COSTS

[Rule 5-11 *[Costs of hearings]*]

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 *[Suspension during investigation]*, 26.02 *[Medical examination]* or 39 *[Suspension]* and any application to rescind or vary an order under the Rules, for each day of hearing	30
3.	Disclosure under Rule 5-4.6 *[Demand for disclosure of evidence]*	Minimum 5 Maximum 20
4.	Application for particulars/preparation of particulars under Rule 5-4.7 *[Application for details of the circumstances]*	Minimum 1 Maximum 5
5.	Application to adjourn under Rule 5-5.2 *[Adjournment]* • 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
9.	Preparation of Notice to Admit	Minimum 5 Maximum 20
10.	Preparation of response to Notice to Admit	Minimum 5 Maximum 20
11.	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
12.	All process and communication associated with contacting, interviewing and issuing summons to all witnesses	Minimum 2 Maximum 10
13.	Interlocutory or preliminary motion for which provision is not made elsewhere, for each day of hearing	10
14.	Preparation for interlocutory or preliminary motion, per day of hearing	20

2026 BC Lawyers Professional Liability Indemnification Policy

Indemnitor:	**BC Lawyers Indemnity Association ("BCLIA")**
Address for service:	**5th Floor, 845 Cambie Street, Vancouver, BC V6B 4Z9**
Administrator:	**Law Society of British Columbia ("Law Society")**
Manager:	**Lawyers Indemnity Fund**
Master Policy number:	**LPL 26-01-01**

TABLE OF CONTENTS

DECLARATIONS 3
DEFINITIONS 4
PART A: PROFESSIONAL LIABILITY INDEMNITY AGREEMENTS (ERRORS & OMISSIONS) ... 12
1. Primary Indemnity Agreement 12
2. Defence, Expenses and Settlement 12
3. Claims First Made and Reported 15
4. Reciprocal Jurisdictions 15
PART B: TRUST PROTECTION COVERAGE INDEMNITY AGREEMENTS (DISHONEST APPROPRIATION) 17
1. Primary Indemnity Agreement 17
2. Defence and Settlement 17
3. Claims First Made and Reported 17
PART C: TRUST SHORTAGE LIABILITY INDEMNITY AGREEMENTS 19
1. Primary Indemnity Agreement 19
2. Defence, Expenses and Settlement 19
3. Claims First Made and Reported 19
EXCLUSIONS 20
CONDITIONS 23
1. Limits of Liability 23
2. Deductibles 26
3. Reimbursement 27
4. Notice of Claim or Suit 27
5. Assistance and Cooperation 28
6. Conflicts 28
7. Arbitration or Mediation 29
8. Other Coverage or Recourse 29
9. Proceedings Against Us 30
10. Insolvency, Bankruptcy, Incapacity, or Death 30
11. Subrogation 30
12. Changes 30
13. Assignment 30
14. Release of Coverage 30
15. Indemnity Fee Adjustment 30
16. Cancellation of Policy 31
17. Applicable Law 31
18. Payment Into Court 31
19. Currency 31
20. Territory 31

DECLARATIONS

This Declarations page is part of the policy, but no coverage is provided by the Declarations page, nor does it replace any provisions of the policy. The policy governs **claims** and potential **claims** first made and reported in 2026. Please read the policy carefully.

1. **Individual Covered Party:** As defined in this policy

2. **Policy Period:** January 1, 2026 12:01 a.m. to January 1, 2027 12:01 a.m. (PST)

3. **Individual Coverage Period:** As defined in this policy

4. **Indemnity Fee:** As set by the Law Society

5. **Policy Territory:** Worldwide

6. **Limits of Liability and Deductibles:**

Coverage	**Per Error Limit of Liability**	**Annual Aggregate Limit of Liability**	**Per Error Deductible**	**Profession-wide Limit of Liability**
Part A: Professional Liability Indemnity (Errors & Omissions)	$1,000,000 per **error** for **damages**, **claims expenses**, and deductible	$2,000,000 per **individual Covered Party,** including all **additional Covered Parties**	$5,000 per **error** resulting in the payment of **damages**, or $10,000 for any **error** reported within 3 years of the report of a Part A **error** also resulting in a payment of **damages**	Unlimited
Part B: Trust Protection Coverage (Dishonest Appropriation)	$300,000 per **claimant** and **error** for **damages** and **claims expenses**; except $250,000 for inter-jurisdictional practice	Not applicable	Nil	$17,500,000 profession-wide for all **claims** for **damages** and **claims expenses**; except $2,000,000 for inter-jurisdictional practice
Part C: Trust Shortage Liability Indemnity (**funds transfer fraud** or reliance on fraudulent certified cheques)	$500,000 per **error** for **damages**, **claims expenses**, and **deductible**	$500,000 per **individual Covered Party**, including all **additional Covered Parties** $500,000 **law firm** annual aggregate limit for all **claims** for **damages**, **claims expenses** and deductibles	30% of the total amount of **damages** and **claims expenses** paid per **error** relating to a **funds transfer fraud**, or 15% of the total amount of **damages** and **claims expenses** paid **per error** relating to a **deposited fraudulent cheque**	Unlimited

DEFINITIONS

For convenience, all defined words are in bold print. We, us, or our refers to BCLIA. You, your, or the **Covered Party** refers in Parts A and C to the **individual Covered Party** or **additional Covered Party**, and in Part B to the **individual Covered Party** or **innocent Covered Party**. Unless otherwise indicated, all specific statutory references are to statutes of British Columbia. In this policy:

Additional Covered Party means:

(a) each **law firm** in which the **individual Covered Party** is or was a partner, shareholder, employee or associate counsel or that is or was liable for the **individual Covered Party**;

(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 Covered Party** or their **spouse** or former **spouse**, and each present or former officer, director, shareholder or limited partner thereof;

(c) each present or former **licensee** who, at the time of the **error**, was insured or indemnified by us and was the **individual Covered Party's** partner personally or through a **law corporation**, or liable for the **individual Covered Party**;

(d) each present or former employee of the **individual Covered Party**, or of any **law firm**, **law corporation**, law office management corporation or law office management limited partnership described in (a) or (b) above, provided such employee was acting within the scope of their duties and acting under the supervision of, in a supporting role to and not independent of the **individual Covered Party**; and

(e) each present or former **MDP partner** who, at the time of the **error**, was insured or indemnified by us and was a partner in a **multi-disciplinary practice** in which all of the members were in compliance with Law Society Rules 2-38 through 2-49.

Apparent partnership means: an expense sharing or other arrangement in which two or more **licensees** 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 lawyer admitted as a Canadian legal advisor member by the Law Society.

Certificate means: a document issued by the Law Society to a **licensee** as proof of insurance or indemnity under any previous plan of professional liability insurance or indemnity for **licensees** of the Law Society.

Claim means: a demand for money, or the threat or institution of an action or other proceeding against you.

Claimant means:

(a) under Part A or C: a person or **organization** who has made or may make a **claim**; and

(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) (i) fees and disbursements charged by defence counsel appointed by us; and

(ii) 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 Part A 2, Part B 2 and Part C 2, and all fees, costs and expenses we incur in any recovery efforts, but does not include salaries of our officers, directors and employees, or those of the Law Society; or

(b) for the purposes of Part A 2.9 and 2.10 only, reasonable fees and disbursements charged by independent defence counsel and payable by you.

Compensation program means: those statutory compensation programs as provided for by any current or former legislative act, including but not limited to: funds established to compensate victims of lawyer defalcation; 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.

Costs means: costs payable to a party pursuant to the Supreme Court Civil Rules, or the civil rules of court of any other Canadian or US jurisdiction, by agreement or by Order, except for **special costs**.

Covered Party means:

(a) under Part A or Part C: an **individual Covered Party** or **additional Covered Party**; and

(b) under Part B: an **individual Covered Party** or **innocent Covered Party**.

Cybercrime means: criminal activity including, but not limited to, social engineering fraud, **funds transfer fraud**, business email compromise, identity theft, ransomware, spoofing, or phishing that either targets or uses a computer, a computer network, a digital network, or a networked device.

Damages means:

(a) under Part A: any compensatory damages award or settlement, including any related pre-judgment or post-judgment interest or **costs**, 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, fees for professional services including legal fees, or disbursements that you received, even if claimed as compensatory or general damages;

(ii) any order for punitive, exemplary or aggravated damages, even if claimed as compensatory or general damages;

(iii) any fine, sanction or penalty;

(iv) any order or indemnification for **costs** made against you in litigation in which you are or were counsel of record or counsel for any other party;

(v) any order for **special costs**; or

(vi) any order for declaratory, injunctive or other non-monetary relief.

(b) under Part B: the direct loss of no more than the money, or the actual cash value of other property, dishonestly appropriated by the **individual Covered Party**, and any related pre-judgment or post-judgment interest, or **costs**.

Damages does not include:

(i) any monetary award, settlement or sum for which the **claimant** or **Covered Party**:

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;

(ii) any order or indemnification for **costs** made against you in litigation in which you are or were counsel of record or counsel for any other party; or

(iii) any order for **special costs**.

(c) under Part C: any monetary award or settlement, including any related pre-judgment or post-judgment interest or **costs**, for the direct loss of no more than the amount by which the **trust account** is short, and any **repair costs** or compensatory damages directly related to covered allegations.

Damages does not include:

(i) any monetary award, settlement or sum for which the **claimant** or **Covered Party** is entitled to claim indemnification under any other policy or form of insurance that would cover such loss in whole or in part in the absence of this policy;

(ii) any order or indemnification for **costs** made against you in litigation in which you are or were counsel of record or counsel for any other party;

(iii) any order for **special costs**; or

(iv) any order for declaratory, injunctive or other non-monetary relief.

Data breach means: an incident wherein information in your care, custody or control is exposed or taken without your knowledge or consent.

Dependent contractor means: whether as an individual or through a law corporation, a **licensee** who is providing **professional services** to an **organization** in a manner that is effectively equivalent to an employer and employee relationship, as determined by us and considering factors such as:

(a) the **licensee** actively marketing or advertising their availability and services in connection with the **organization**;

(b) the **licensee's** ability to accept or refuse work offered by the **organization**;

(c) a requirement that the **licensee** personally do the work, or restrictions on the **licensee's** ability to assign or sub-contract to other professionals;

(d) primary or alternate contact information of the **licensee**, such as phone number, email, and mailing address that are similar to that of the **organization's** employees;

(e) communications to external parties that suggest that the **licensee** is an employee rather than working at arm's length under a retainer;

(f) whether work is done on the premises of the **organization** versus the **licensee's** own workspace;

(g) the **licensee's** direct access to the **organization's** computer network;

(h) the **licensee's** required compliance with the organization's policies and procedures;

(i) how the **licensee** is remunerated, or whether the **licensee** participates in benefit plans or profit-sharing schemes;

(j) withholding or payment of payroll taxes and other expenses by the **organization**; or

(k) the **licensee** benefits from a hold-harmless, waiver, or similar agreement with the **organization**.

Deposited fraudulent cheque means**:** a counterfeit, forged or materially altered cheque that purported to be, and the **individual Covered Party** believed to be, a genuine certified cheque, bank draft, credit union official cheque, **law firm** trust cheque, or money order and was deposited into a **trust account**.

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 error**. 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 **Covered Party(ies)** acting as an executor or personal representative of a deceased, an administrator, an escrow holder, an attorney appointed under a Power of Attorney, a guardian, a trustee or a 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 **Covered Party** or by **Covered Parties** 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 Covered Party** or a third party, that was entrusted to and received by the **individual Covered Party** in their capacity as a barrister and solicitor and in connection with the performance of **professional services** for others.

(c) under Part C: a payment to a third party that creates an unintended shortage in trust funds that are held in a **trust account** in connection with the performance of **professional services** for others, provided that such payment was either:

(i) the result of a **deposited fraudulent cheque**; or

(ii) the result of a **funds transfer fraud** and made only because the **individual Covered Party** believed the payment was legitimate and duly authorized, and did not relate in any way to the mistaken belief that funds had been deposited into the **trust account**.

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

Funds transfer fraud means: the misleading of a person into sending or paying money based on false information that is provided to that person.

Individual coverage period means:

(a) under Part A:

(i) any period prior to January 1, 1971 during which the **individual Covered Party** was a **licensee**;

(ii) any period between January 1, 1971 and January 1, 1998 during which the **individual Covered Party** was a **licensee** and held a **certificate**;

(iii) any period after January 1, 1998 during which the **individual Covered Party** paid the annual insurance or indemnity fee; or

(iv) any period after January 1, 2002 during which the **individual Covered Party** was a **licensee** and was performing **sanctioned *pro bono* services**.

(b) under Part B: any period during which the **individual Covered Party** was a **licensee**.

(c) under Part C: any period after January 1, 2012 during which the **individual Covered Party** paid the annual insurance or indemnity fee.

Individual Covered Party means: each **licensee** or former **licensee** who:

(a) made or allegedly made the **error**; or

(b) for the purposes of Part A 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 2-38 through 2-49 at the time of the **error**.

Ineligible portion means: the proportion of 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 Covered Party means: each present or former **licensee** who:

(a) is or may be liable for the **individual Covered Party**;

(b) did not personally commit, participate in committing, or acquiesce in the **error**; and

(c) was indemnified by us at the time of the **error**.

Law corporation means: an entity incorporated under the *Business Corporations Act* that is governed by, and a valid permit has been issued under, the *Legal Profession Act*.

Law firm means: a sole proprietorship through which a **licensee** provides **professional services**, a **law corporation**, a partnership of **licensees** or **law corporations** or a combination thereof, a **multi-disciplinary practice** or an **apparent partnership**.

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

MDP partner means: a non-lawyer partner in a **multi-disciplinary practice** to which permission to practise law was granted under Rule 2-41 of the Law Society Rules.

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

Network Security breach means:

(a) the electronic receipt or transmission of malicious software by, to, from, or within a computer or digital network or system; or

(b) the failure or violation of the security of a computer or a computer or digital network or system, including other equipment actually or intended to connect or communicate with the computer or network.

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 error means: malicious prosecution or defamation.

Policy period means: the period stated on the Declarations page.

Privacy breach means: any loss of, improper or unauthorized access to, or disclosure or production of confidential information or data, howsoever arising, or any violation of your privacy policy or a statute arising from the gathering, storage, or use of confidential information or data.

Professional services means:

(a) the practice of law as defined in the *Legal Profession Act*;

(b) *pro bono* legal services or **sanctioned *pro bono* services**;

(c) acting as a custodian under Part 6 of the *Legal Profession Act* or in a similar role, or as an arbitrator, mediator or parenting coordinator;

(d) performing any other activity deemed to be the practice of law by the Law Society;

(e) 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 **licensee**; or

(f) acting as:

(i) an executor or personal representative of a deceased, an administrator, an escrow holder, an attorney appointed under a Power of Attorney, a guardian, a trustee, a committee, or in any similar fiduciary capacity;

(ii) a patent or trademark agent; or

(iii) an agent for any record keeping or filing duty imposed by any provincial or federal statute

provided that such services, and the related appointment or retainer, are connected and incidental to the **individual Covered Party's** practice of law and, for the purposes of Part B of this policy only, the **individual Covered Party** is also providing legal services,

but does not include:

(g) (i) acting as a bailee, or

(ii) providing investment advice or investment services

unless such services, and the related appointment or retainer, are performed in consequence of and incidental to the **individual Covered Party's** practice of law;

(h) publishing or communicating on a website, blog or social media platform unless directly connected and incidental to the **individual Covered Party's** practice of law;

(i) acting as a conduit of funds, from trust or otherwise, unless such services and the related appointment or retainer are incidental to the individual Covered Party's provision of substantive legal services;

(j) the services or activities of a "mortgage broker" as defined in the *Mortgage Brokers Act*; or

(k) with respect to Part A and Part C only, any **unauthorized practice**.

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 3, November 1, 2006 as amended from time to time.

Reciprocal Jurisdiction means: a province or territory of Canada whose legal profession governing body is a signatory to the National Mobility Agreement, as amended from time to time.

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.

Related organization means: an **organization** that controls, is controlled by, or is under common control with another **organization**.

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 *pro bono* services means: *pro bono* legal services provided to an individual or organization 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.

Secondary verification means: action by a **Covered Party** or person acting under the supervision of the **Covered Party**, having received initial or amended payment instructions by means other than in person, to subsequently contact the person who purportedly gave such instructions, either in person, by telephone to a trusted number, or by videoconference, and confirm that the instructions are genuine and accurate. Videoconference verification must be in accordance with the procedures set out in the Law Society Rules of Part 3, Division 11 – Client Identification and Verification.

Seconded lawyer means: an **individual Covered Party** who is a member of a **law firm**, but who, at the request of the **law firm**, temporarily acts in the capacity of in-house counsel for an **organization.**

Special costs means: party and party costs ordered to be assessed as special costs (formerly called "solicitor and client costs") pursuant to Supreme Court Civil Rule 14-1(1), or another similar term in the civil rules of court of any other Canadian or US jurisdiction, or an equivalent type of punitive costs.

Spouse means: the person to whom a person is married or has been living with in a marriage-like relationship for a period of time of not less than one year.

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 Covered Party**:

(a) in breach of an undertaking given to the Law Society,

(b) in contravention of a condition or limitation of practice imposed or agreed to under the Law Society Rules; or

(c) in contravention of the rules of any other law society or bar.

This policy is a contract between each **Covered Party** and BCLIA.

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

PART A: PROFESSIONAL LIABILITY INDEMNITY AGREEMENTS (ERRORS & OMISSIONS)

1. PRIMARY INDEMNITY AGREEMENT

We will pay on your behalf **damages** that you become legally obligated to pay because of any **claim** first made against you and reported to us in writing during the **policy period** arising out of an **error** by the **individual Covered Party** in performing or failing to perform **professional services** for others.

2. DEFENCE, EXPENSES AND SETTLEMENT

2.1 With respect to any **claim** made or suit 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 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 Condition 2; or

(b) give you the right to negotiate or defend the **claim** or suit if you provide security for any **damages** for which you may be liable. The amount and form of security required will be determined by us, in our sole discretion. If we give you the right to negotiate or defend the **claim** or suit, 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** made or suit brought other 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 have the right, but not the duty, to investigate, settle, defend or pay **claims expenses** in accordance with Part 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 necessary and, if we deem prudent, you will settle such **claim** or suit. Subject to Part A 2.3, we will 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 will pay:

2.3.1 any settlement or **claims expenses** that are solely or substantially attributable to that part of a **claim**; 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 the part of the **claim** for which you are entitled to coverage under Part A.

2.4 The allocation of **claims expenses** under Part A 2.3 will be calculated following final determination of the **claim**.

2.5 Notwithstanding Part 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 Part A 2.3. Any such payment, demand or failure to make a demand by us is without prejudice to our respective rights under Part A 2.4.

2.6 Any allocation or advancement of **claims expenses** does not apply to or create any presumption with respect to the allocation between covered and uncovered loss.

2.7 Notwithstanding Exclusion 2, we have the right and the duty to defend, in accordance with Part A 2.1.2, any **claim** first made against you and reported to us during the **policy period** arising out of a **personal injury error** while you were performing or failing to perform **professional services** for others.

2.8 Notwithstanding our obligations pursuant to Part A 2.1, 2.2 and 2.7, we may decline, at any time, to defend, continue to defend, investigate or pay **claims expenses** where we determine on reasonable grounds that a **claim** does not arise out of an **error** by you in performing or failing to perform **professional services** for others, or that you are not entitled to coverage for a **claim** because of any exclusion, breach of a condition or any other term of this policy. If you disagree with our decision, you agree that, at the arbitration of the dispute, each of us may introduce evidence relating to the issues of coverage and your activities and that such evidence will be considered by the arbitrator in determining our respective obligations.

2.9 Notwithstanding (a)(iii) of the definition of **damages**, we will reimburse **claims expenses** up to a maximum sublimit of $100,000 to the per **error** limit on the Declarations page in the appeal of a penalty assessed against an **individual Covered Party** pursuant to section 163.2, section 237.3, or section 237.4 of the *Income Tax Act*, R.S.C. 1985, c.1 or section 285.1 of the *Excise Tax Act*, R.S.C. 1985, c. E-15, subject to:

2.9.1 the assessment or prosecution occurring in the course of, in consequence of and directly related to the **individual Covered Party's** practice of law;

2.9.2 our prior written consent to your choice of independent defence counsel; and

2.9.3 an acquittal, a withdrawal of the allegation, or a finding by the Court that the **individual Covered Party** did not commit the acts or omissions that gave rise to the assessment or prosecution.

2.10 Notwithstanding Exclusion 9, we will reimburse **claims expenses** up to a maximum sublimit of $100,000 to the per **error** limit on the Declarations page in the defence of the prosecution of an offence against an **individual Covered Party** under subsection 8(8), section 10.1, or subsection 10.3(1) of the *Personal Information Protection and Electronic Documents Act* (PIPEDA), S.C. 2000, c.5, or under section 6(1) of the *Prohibition on the Purchase of Residential Property by Non-Canadians Act*, S.C. 2022, c.10, s. 235, subject to:

2.10.1 the assessment or prosecution occurring in the course of, in consequence of and directly related to the **individual Covered Party's** practice of law;

2.10.2 our prior written consent to your choice of independent defence counsel; and

2.10.3 an acquittal, a withdrawal of the allegation, or a finding by the Court that the **individual Covered Party** did not commit the acts or omissions that gave rise to the assessment or prosecution.

2.11 Notwithstanding Exclusion 6.2, we will investigate, defend, and pay **claims expenses** and **damages**, except as otherwise excluded or limited, arising from a **claim** against an **additional Covered Party** if, as a precondition, it is determined solely by us exercising our discretion reasonably that the **additional Covered Party**:

2.11.1 had no knowledge of the circumstances giving rise to the application of Exclusion 6.2; and

2.11.2 exercised due diligence and made reasonable and regular enquiries, at least annually, that were intended to cause discovery of the circumstances giving rise to the application of Exclusion 6.2.

This Clause 2.11 shall not apply to any **claim**, **error**, or circumstances that occurred prior to January 1, 2024, unless the **additional Covered Party** purchased the Business Innocent Covered Party Endorsement from us, and then only for errors that occurred during the period the **additional Covered Party** was indemnified by a previously effective Business Innocent Covered Party Endorsement.

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

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

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

we will cover:

2.12.3 each present or former **licensee** or **MDP partner** who, at the time of the **error**, was indemnified by us and was the **individual Covered Party's** partner or liable for the **individual Covered Party's error**, and

2.12.4 each **law firm** in which, at the time of the **error**, the **individual Covered Party** is or was a partner, shareholder, employee or associate counsel or that is or was liable for the **individual Covered Party**;

who or which did not commit, participate in committing, acquiesce in or remain passive after having knowledge of the act or **error** which is the subject of the Exclusion or the breach of Part A 3 or Condition 4 ("qualifying **additional Covered Party**"), and provided that the **licensee**, **MDP partner**, or **law firm** has complied with all policy Conditions.

Coverage under this Indemnity Agreement shall be limited to the proportion of each qualifying **additional Covered Party** relative to the total number of **additional Covered Parties**.

This Indemnity Agreement 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.

Where Exclusion 6.2 applies to a **claim** and, 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**:

2.12.5 occurred after the **error** was made; and

2.12.6 was not related in any way to the **professional services** giving rise to the **error**;

then, pursuant to the terms of this policy, we will cover your partners who were **licensees** 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**.

2.13 Part A applies to **claims** made if the **error** occurred during the **individual coverage period**, even if, at the time the **claim** is made, the **individual Covered Party** is exempt from paying the indemnity fee or the indemnity fee is not applicable.

3. CLAIMS FIRST MADE AND REPORTED

3.1 Part A of this policy applies only to **claims** arising out of **errors** that occurred during the **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** or potential **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 professional liability policy issued previously by us, then a **claim** that 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**.

3.4 Except as provided in Part A 2.12, 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 the **claim** to any other **Covered Party**.

4. RECIPROCAL JURISDICTIONS

4.1 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 or indemnity policy (the "**Reciprocal Jurisdiction's** policy") is broader than that provided by Part A of this policy, we will provide the same scope of compulsory coverage as that of the **Reciprocal Jurisdiction's** policy. For clarity, however, all **claims** and potential **claims** reported under Part A of this policy remain subject to the limits of liability stated in Condition 1 and on the Declarations page of this policy.

4.2 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**:

4.2.1 you were practising the law of a **Reciprocal Jurisdiction**;

4.2.2 you were performing the **professional services** in a **Reciprocal Jurisdiction**;

4.2.3 your client was in a **Reciprocal Jurisdiction**; and

4.2.4 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.

4.3 Part A 4.1 and 4.2 apply only if, at the time the **individual Covered Party** was performing the **professional services** giving rise to a **claim**, the **individual Covered Party** was practising 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.

4.4 Part A 4.1 and 4.2 do not apply if coverage under Part A of this policy would be excluded or limited in any way by the application of Exclusion 7, 11, or 12 to a **claim** or potential **claim**.

PART B: TRUST PROTECTION COVERAGE INDEMNITY AGREEMENTS (DISHONEST APPROPRIATION)

1. PRIMARY INDEMNITY AGREEMENT

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

2. DEFENCE AND SETTLEMENT

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

2.1.2 if we elect to defend you, we 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 have the right to investigate any **claim** or potential **claim**;

2.1.4 we 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; and

2.1.5 if you fail to cooperate in the investigation or defence of a **claim,** or you prejudice our ability to investigate or argue potential defences, we have the right to deny coverage for the **claim**.

3. CLAIMS FIRST MADE AND REPORTED

3.1 Part B of this policy applies only to:

3.1.1 **claims** arising out of **errors** that occurred while the **individual Covered Party** was a **licensee**, 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**:

(a) an **innocent Covered Party** becomes aware of an **error** or any circumstance that could reasonably be expected to be the basis of a **claim**, however unmeritorious, or a **claim** is made against an **innocent Covered Party** seeking **damages** that are covered under Part B of this policy;

(b) a **claim** is made against an **individual Covered Party** 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 Covered Party**; or

(c) the Law Society gives notice of a **claim** or potential **claim** against an **individual Covered Party**, and we deem such notice to be notice given by the **individual Covered Party**; or

3.1.2 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:

(a) 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

(b) in any event, no more than ten (10) years of the date of the **error**.

3.2 We may, in our sole discretion, agree to extend the time limits set out in Part B 3.1.

PART C: TRUST SHORTAGE LIABILITY INDEMNITY AGREEMENTS

1. PRIMARY INDEMNITY AGREEMENT

We will pay on your behalf **damages** that you become legally obligated to pay because of any **claim** first made against you and reported to us during the **policy period** arising out of an **error** by the **individual Covered Party**.

2. DEFENCE, EXPENSES AND SETTLEMENT

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

2.1.2 if we elect to defend you, we have the right to select and instruct defence counsel;

2.1.3 we have the right, but not the duty, to investigate any **claim** or potential **claim**; and

2.1.4 we 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 Condition 2; or

(b) give you the right to negotiate or 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. CLAIMS FIRST MADE AND REPORTED

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** or potential **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 that 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** that 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**.

3.4 Except as provided in Part A 2.12, 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 the **claim** to any other **Covered Party**.

EXCLUSIONS

This policy does not apply to:

1. a **claim** arising out of or in any way connected to your actual or alleged criminal act;

2. a **claim** arising out of or in any way connected to your actual or alleged dishonest, fraudulent or malicious act;

3. a **claim** arising out of or in any way connected to:

   3.1 any injury to, physical contact with, sickness, disease or death of any person, except for emotional distress or humiliation of a **claimant** directly resulting from an **error**; or

   3.2 injury to or destruction of any tangible property, including the loss of use thereof unless arising out of the performance of **professional services** for others;

4. a **claim** arising out of or in any way connected to your activity as a fiduciary with respect to an employee benefit plan or pension plan;

5. a **claim** arising out of or in any way connected to your activities as an officer or director except your activities as an officer or director of a l**aw corporation** or law office management corporation;

6. a **claim**:

   6.1 arising out of an **error** of an **individual Covered Party**, the payment of which would benefit, in whole or in part, directly or indirectly, the **individual Covered Party** or their **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 any way connected to any **organization** in which:

      6.2.1 the **individual Covered Party**;

      6.2.2 the **individual Covered Party's family**; or

      6.2.3 the partners, associates or associate counsel of the **individual Covered Party** or their **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.

7. a **claim** made against you by:

   7.1 an **organization** or its **related organization** at which, at the time the error was made, you were an employee, **dependent contractor**, or **seconded lawyer**; or

   7.2 a **law firm** at which, at the time the **error** was made, you were a partner.

8. a **claim** against you where the **individual Covered Party** is a member of any other jurisdiction's law society or bar, except a law society of another province or territory of Canada, and arising out of or in any way connected to that **individual Covered Party'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 Indemnity only, the following additional exclusions apply.

Part A does not apply to:

9. a **claim** arising out of or in any way connected to a **privacy breach** or **data breach**, however this exclusion shall not apply to a **privacy breach** arising from a communication made by an **individual Covered Party** that results in an actual or alleged breach of privilege or confidentiality and was not caused or induced by **cybercrime**;

10. a **claim** arising out of or in any way connected to a **network security breach** or **cybercrime**;

11. a **claim** arising out of or in any way connected to the dishonest appropriation of money or other property by a **Covered Party**, including but not limited to an **error** under Part B of this policy;

12. a **claim** arising out of or in any way connected to any shortage of trust funds held in a **trust account** if that shortage is caused by or in any way connected to a dishonest or fraudulent act by any person including but not limited to an **error** under Part C of this policy; or

13. a **claim** arising out of or in any way connected to any contractual liability (express or implied, including an indemnity) unless there would be tort liability in the absence of the contract and only to the extent **damages** arise solely from that tort liability.

With respect to Part B: Trust Protection Coverage only, the following additional exclusions apply.

Part B does not apply to:

14. a **claim** arising out of or in any way connected to the wrongful or unlawful conduct, fault or neglect of the **claimant** or the **claimant's spouse**. For purposes of this exclusion, **spouse** shall include a former **spouse**;

15. a **claim** by an **organization** arising out of or in any way connected to 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 **organizatio**n 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 Covered Party**; 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** arising out of or in any way connected to an actual or purported investment.

With respect to Part C: Trust Shortage Liability only, the following additional exclusions apply.

Part C does not apply to:

19. a **claim** arising out of or in any way connected to the wrongful or unlawful conduct of a present employee of the **law firm** or contractor for the **law firm**;

20. a **claim** arising out of 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 PART A — PER **ERROR**

1.1.1 The limit of liability stated on the Declarations page 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 **Covered Party** 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.

1.1.3 Notwithstanding the limit of liability stated on the Declarations page, the maximum amount payable for all **damages** and **claims expenses** for **claims** arising out of **sanctioned *pro bono* services** to a charity or not-for-profit organization is $250,000.

1.2 PART A — ANNUAL AGGREGATE

1.2.1 The limit of liability stated on the Declarations page is the maximum amount payable under Part A of this policy on behalf of each **individual Covered Party**, including all **additional Covered Parties**, 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 under Part A or Part C reduce the limits of our liability stated on the Declarations page.

1.3 PART A — MULTIPLE **COVERED PARTIES**, **CLAIMS** OR **CLAIMANTS**

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 **Covered Party** or by **Covered Party(ies)** acting in more than one capacity and regardless of whether the **claims** are made against more than one **Covered Party** or made by more than one **claimant**.

1.4 PART B — PER **CLAIMANT** AND **ERROR**

1.4.1 The limit of liability stated on the Declarations page 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** and **claims expenses** 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 **Covered Party** 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 on the Declarations page 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 on the Declarations page shall be $250,000, and Conditions 1.4.1, 1.4.2 and 1.5 shall be read as if the amount on the Declarations page was $250,000.

1.5 PART B — MULTIPLE **COVERED PARTIES**, **CLAIMS**, **CLAIMANTS** OR **ERRORS**

One or more **claims**, resulting from an **error** or **related errors** made by one or more **Covered Parties**, made against one or more **Covered Parties** by a **claimant** or by related claimants, shall be subject to the one limit of liability stated on the Declarations page or, if Condition 1.4.3 applies, then as stated there. **Claimants** are related if the money or other property dishonestly appropriated was jointly provided or jointly owned by the **claimants** or if the **claimants** are members of one **family**. For purposes of this Condition, **family** shall include a former **spouse**. In no case will the limit of coverage for an **error** or **related errors** exceed the limit set out on the Declarations page.

1.6 PART B — INTER-JURISDICTIONAL PRACTICE ANNUAL AGGREGATE

The limit of liability that is the maximum amount payable under Part B of this policy on behalf of all **individual Covered Parties**, including all related **additional Covered Parties**, 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 a sublimit to the Profession-Wide Annual Aggregate Limit set out on the Declarations page and Condition 1.7.

1.7 PART B — PROFESSION-WIDE ANNUAL AGGREGATE

1.7.1 The limit of liability stated on the Declarations page is the maximum amount payable under this policy for the **policy period** on an aggregate basis for all **Covered Parties** covered by Part B of this policy. For clarity, all **Covered Parties** covered by Part B of this policy means all present and former **licensees** of the Law Society. All payments by us of **damages** and **claims expense**s 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 Covered Parties** and **innocent Covered Parties** 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 i**ndividual Covered Parties** or **innocent Covered Parties** for the **policy period**.

1.8 PART C — PER **ERROR**

1.8.1 The limit of liability stated on the Declarations page 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 **Covered Party** 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 PART C — ANNUAL AGGREGATE

1.9.1 The limit of liability stated on the Declarations page is the maximum amount payable under Part C of this policy on behalf of each **individual Covered Party**, including all related **additional Covered Parties**, 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 on the Declarations page.

1.10 PART C — **LAW FIRM** ANNUAL AGGREGATE

The limit of liability stated on the Declarations page is the maximum amount payable under this Part C of this policy for the **policy period** on an aggregate basis for all **Covered Parties** 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 PART C — MULTIPLE **COVERED PARTIES**, **CLAIMS** OR **CLAIMANTS**

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 **Covered Party** or by **Covered Party(ies)** acting in more than one capacity and regardless of whether the **claims** are made against more than one **Covered Party** or made by more than one **claimant**.

1.12 PARTS A, B AND C – CLAIMS EXPENSES WITHIN LIMITS

All **claims expenses** are within, not in addition to, the applicable limit of liability set out on the Declarations page. **Claims expenses** will be subtracted first from the applicable limit of our liability, with the remainder being the amount available to pay **damages**, subject to deductibles.

1.13 PARTS A, B AND C - EXHAUSTION OF LIMITS

We will not pay any **damages** or **claims expenses**, or 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 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 on the Declarations page on our request. The **Individual Covered Party** and all **additional Covered Parties** in paragraphs a) and c) of the definition of **additional Covered Party** are jointly liable for the deductible.

2.2 If **damages** or **claims expenses** are paid pursuant to Part B of this policy, no deductible will be paid by you.

2.3 If **damages** or **claims expenses** are payable pursuant to Part C of this policy, you will pay the deductible stated on the Declarations page, applicable as follows:

(a) 30% of the total amount of **damages** and **claims expenses** paid per **error** for a **claim** arising from a **funds transfer fraud**; or

(b) 15% of the total amount of **damages** and **claims expenses** paid **per error** for a **claim** arising from a **deposited fraudulent cheque**, or 15% per error for a **claim** arising from a **funds transfer fraud** if **secondary verification** is made and is proven by you. **Secondary verification** is not required for payment instructions that have been previously verified by a successful transaction.

The deductible will be 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**.

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

2.5 When one or more **claims** arising out of an **error** are or may be made jointly or severally against two or more:

2.5.1 **individual Covered Parties** at the same **law firm** as at the time of the **error**, we shall have the sole discretion to determine how the deductible applies to each **individual Covered Party**, based on our assessment of each **individual Covered Party's** responsibility for the **error**; or

2.5.2 **law firms**, or **individual Covered Parties** at separate **law firms**, the deductible applies separately to each **law firm**.

2.6 All of the terms and conditions of this policy apply even if the amount of the **claim**, potential **claim** or **damages** may be less than the deductible stated on the Declarations page.

2.7 On our request, you will make direct payments for **claims** or potential **claims** within the deductible to the Law Society or to other parties.

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 reimburse the Law Society for all such amounts 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 we settle the **claim** on an *ex gratia* basis or pay any **repair costs**, **claims expenses**, settlement, or judgment, you will reimburse the Law Society for all such amounts on demand.

3.3 If **damages** or **claims expenses** are paid on behalf of you or any other **Covered Party** pursuant to Part B of this policy:

3.3.1 the **individual Covered Party** will reimburse the Law Society for all such amounts on demand; and

3.3.2 if any other **Covered Party** received a benefit from the **error**, that **Covered Party** will reimburse the Law Society on demand for the portion of the **damages** paid that is commensurate with the amount of the benefit.

3.4 In relation to Conditions 3.1, 3.2, and 3.3:

3.4.1 if payments are made on behalf of two or more **Covered Parties**, your liability to us will be joint and several; and

3.4.2 the timing of any demand made is in our sole discretion.

4. NOTICE OF CLAIM OR SUIT

4.1 If you become aware of an **error** or any circumstance that 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 Indemnity Fund
5th Floor, 845 Cambie Street
Vancouver, BC V6B 4Z9
Attention: Director of Claims

or

Email: LIFclaims@lif.ca

Such notice and the information collected in the notice is necessary to settle or defend any **claim** or anticipated **claim** against you, and you are providing it to us for the dominant purpose of litigation.

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**, and in efforts to repair **errors**, establish defences, make settlements, and in the defence of claims, including:

5.1.1 giving written statements, information and documents to and meeting with us or any counsel we retain for the purpose of determining or reviewing coverage;

5.1.2 submitting to examination and interview by us or any counsel we retain, under oath if we request it;

5.1.3 making all reasonable efforts to obtain the consent of your client or another party to effect a repair;

5.1.4 providing information and documents as necessary to investigate and defend any **claim** or potential **claim**;

5.1.5 attending hearings, examinations for discovery and trial;

5.1.6 assisting in securing and giving evidence, including making all reasonable efforts to obtain the attendance of witnesses in the conduct of suits; and

5.1.7 assisting in effecting all rights of indemnity, contribution or apportionment available to you or us, including as against your current and former partners;

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 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 strictly confidential in accordance with the Law Society's Confidentiality Protocol for the preservation of confidentiality of professional liability insurance or indemnification claims information, as amended from time to time. 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. CONFLICTS

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

6.1 a dispute arising out of or in connection with this policy or the breach thereof; or

6.2 any other actual or potential conflict between us.

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

7. ARBITRATION OR MEDIATION

We are 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.

8. OTHER COVERAGE OR RECOURSE

8.1 With respect to Part A, this indemnification policy is excess and we will not pay any **claim**, **damages** or **claims expenses** until any other valid and collectible insurance or right of indemnity, whether primary, excess, contributing, contingent or otherwise, except for insurance or indemnity that is specifically arranged to pay amounts in excess of the limits of liability provided by this policy, is exhausted.

8.2 With respect to Part B, and to further clarify the intent and effect of the definition of **damages** under Part B, if a **Covered Party**, **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 will 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 will cover such loss, subject to its 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.

8.3 With respect to Part C, and to further clarify the intent and effect of the definition of **damages** under Part C, if other valid insurance, collectible bond, right of indemnity or recourse to any other source of recovery exists and protects the **individual Covered Party** or any other **Covered Party**, other than insurance or indemnity specifically arranged to pay amounts in excess of the limits of liability provided by this policy, this policy will be null and void in respect of such hazards that are otherwise covered by the other valid coverage, whether the **Covered Party** is specifically named in that coverage or not. However, if the loss exceeds the collective limits of all other valid coverage, whether primary, contributing, excess, contingent or on any other basis at law or in equity, then this policy shall apply as excess, subject to its terms including limits and deductibles, and we will not pay any **claim**, **damage**s or **claims expense**s until such other valid coverage is exhausted.

8.4 If any **Covered Party** has lawyers professional liability insurance or indemnification coverage (other than insurance specifically arranged to pay amounts in excess of the limits of liability 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 or indemnity 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 will respond, or as to any allocation between (or amongst) the policies, will be made by us together with the other Canadian jurisdiction(s), and you agree to be bound by the decision. For clarity, a **Reciprocal Jurisdiction** is also a Canadian jurisdiction.

9. PROCEEDINGS AGAINST US

9.1 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 will have any right to join us in any proceeding against you.

9.2 All disputes arising out of or in connection with this policy or the breach thereof shall proceed pursuant to the Arbitration Act, S.B.C. 2020, and will be determined by arbitration in Vancouver, British Columbia, before a single arbitrator agreed to by both parties and according to procedural rules set by the arbitrator. Each party shall have the right to appeal on questions of law, fact, or mixed law and fact. 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.

10. 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.

11. SUBROGATION

In the event of any payment under this policy, we will 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 you have notice of a **claim** or potential **claim** to prejudice such rights, and will reasonably cooperate with us.

12. 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.

13. ASSIGNMENT

Your interest in this policy is not assignable.

14. 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 will release us from all such responsibilities and obligations.

15. INDEMNITY FEE ADJUSTMENT

15.1 If you become indemnified during the **policy period**, the indemnity fee payable will be determined by the Law Society and us on a *pro rata* basis.

15.2 If, during the **policy period**, you cease to be a **licensee** or you are exempted from the compulsory professional liability indemnification program, the indemnity fee will be adjusted by the Law Society and us on a *pro rata* basis.

15.3 If you are suspended or disbarred, the indemnity fee will be deemed to be fully earned and will not be adjusted.

16. CANCELLATION OF POLICY

16.1 This policy may be cancelled by the Law Society on your behalf at any time.

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

16.3 If we cancel this policy, earned indemnity fee**s** will be computed on a *pro rata* basis.

17. 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 9.2 of this policy, it will be submitted and subject to the exclusive jurisdiction of the Courts of British Columbia in Vancouver, British Columbia.

18. PAYMENT INTO COURT

If we cannot obtain a sufficient discharge for money for which we admit liability, we may apply to the court without notice to any person for an order for the payment of it into court, and the court may order the payment into court to be made on terms as to costs and otherwise the court directs, and may provide to what fund or name the amount must be credited.

The receipt of the registrar or other proper officer of the court is a sufficient discharge to us for the money paid into court, and the money must be dealt with according to the orders of the court.

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.

BC Lawyers Indemnity Association



Susan I. Forbes, KC, Director