



Lawyers Indemnity Fund

2023 Annual Report

EXPERTISE • SERVICE • RESULTS

2023 In Review



Who We Are



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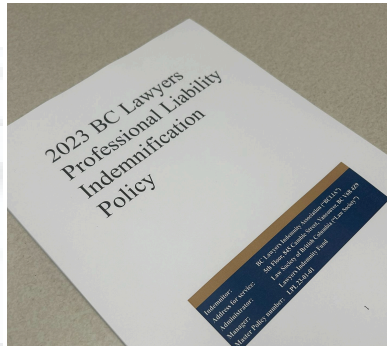
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What We Do

Claims Management

80% of our work! Our goal is to resolve claims and potential claims against lawyers as effectively as possible.



Risk Management & Fraud Prevention

We help lawyers prevent claims, informing lawyers about new scams and providing lawyers with tips to avoid becoming the victim of a fraudster.



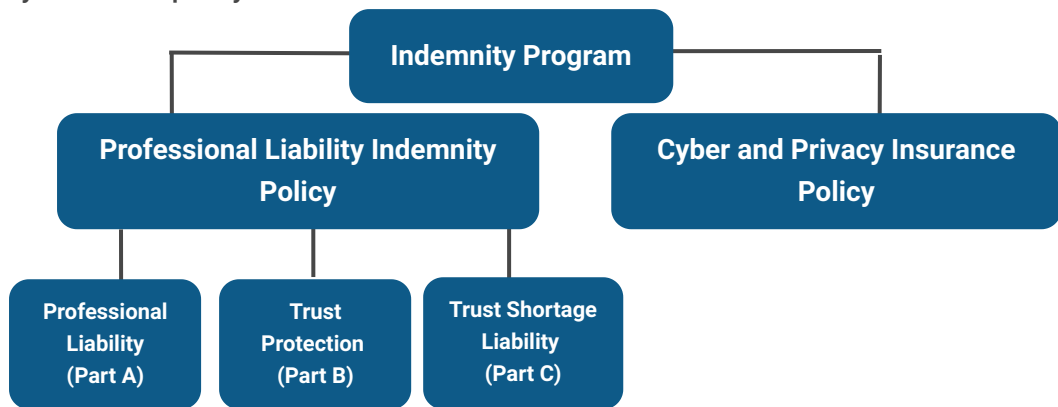
Underwriting & Coverage

We handle about 2-300 policy inquiries each year and give prospective and binding rulings on coverage we call "advance rulings".



Your 2023 Policies

The Indemnity Program is made up of your individual indemnity policy and your firm's cyber privacy insurance policy



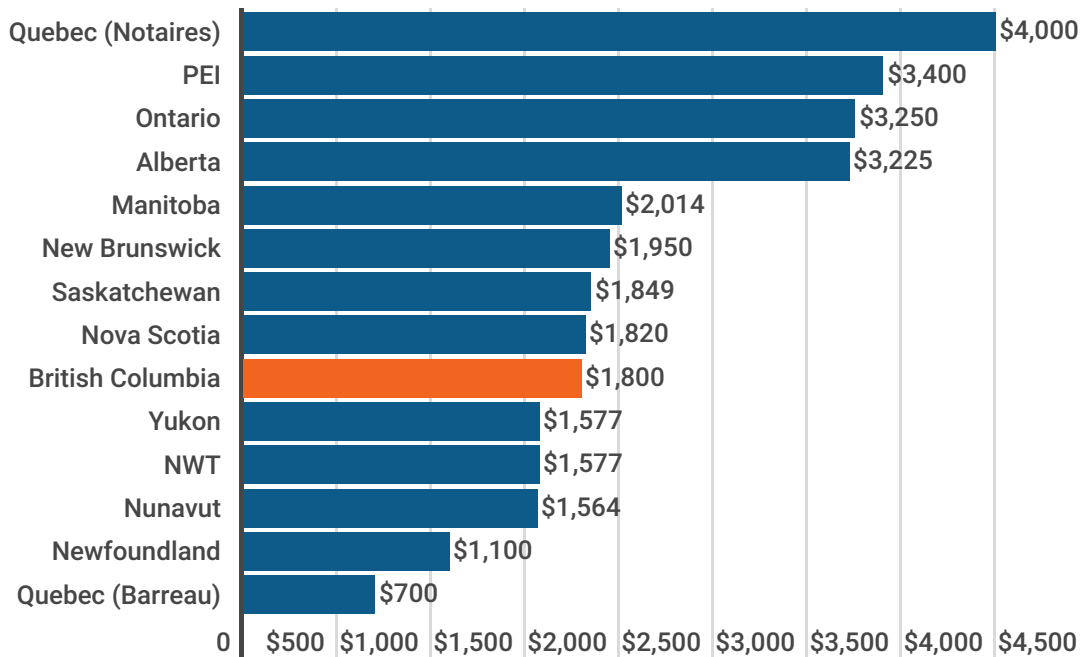
Professional Liability - coverage for your negligence while providing professional services to others.

Trust Protection - coverage for funds dishonestly appropriated by you.

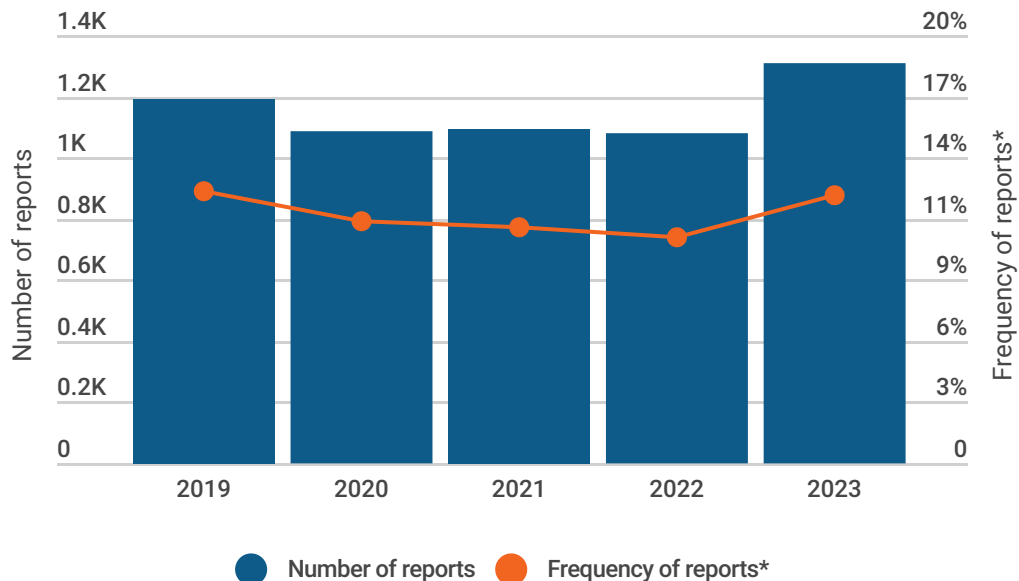
Trust Shortage Liability - coverage for trust funds transferred by you to a third party as a result of a social engineering fraud, or reliance on a fraudulent certified cheque.

Cyber and Privacy Insurance Policy - coverage underwritten by Coalition Inc. for common cybercrimes like hacking, data breaches, and ransomware, plus privacy liability.

2023 Indemnity Fees



Number and Frequency of Reports



* Reports per hundred lawyers

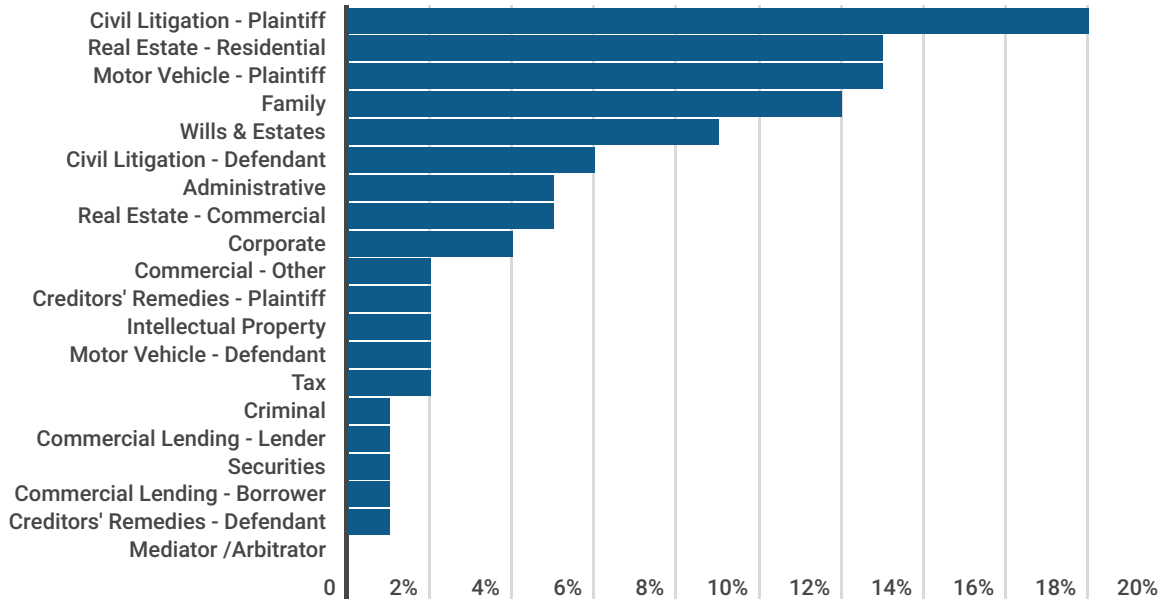
Frequency of Reports by Area of Law

vs.

Severity of Reports by Area of Law

Frequency of Reports by Area of Law - 2023*

Severity of Reports by Area of Law - 2023**



*Frequency reflects the number of reports.

**Severity reflects the dollar amount of claims.

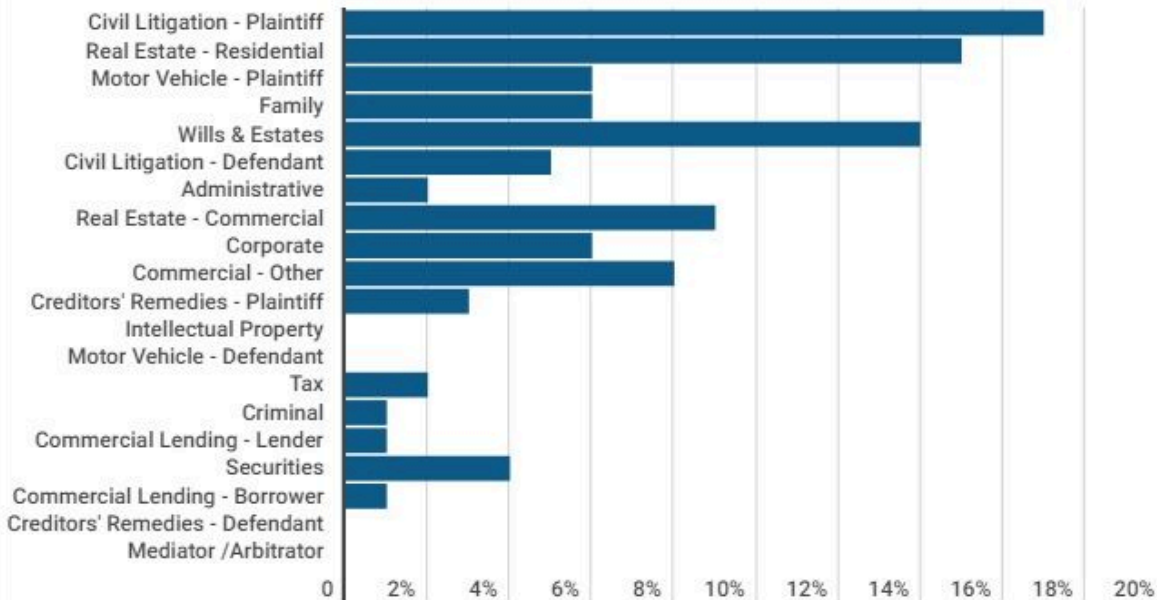
Frequency of Reports by Area of Law

vs.

Severity of Reports by Area of Law

Frequency of Reports by Area of Law - 2023*

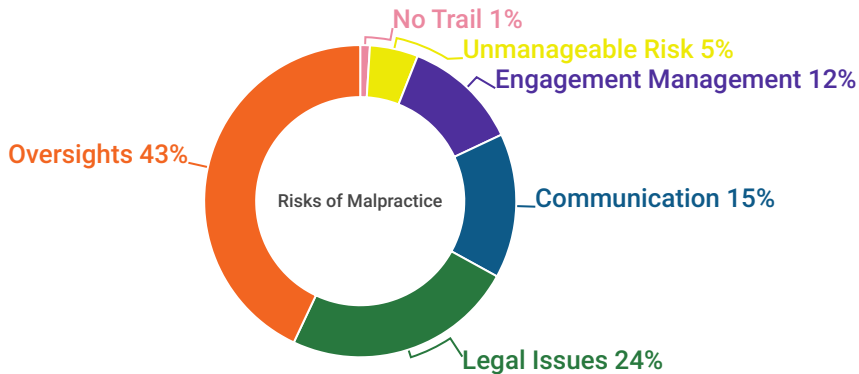
Severity of Reports by Area of Law - 2023**



*Frequency reflects the number of reports.

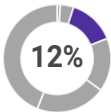
**Severity reflects the dollar amount of claims.

Causes of Claims



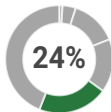
Simple Oversights

Always the leading cause, because "I forgot" is the most human of errors - and the most preventable.



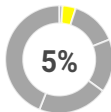
Engagement Management

Not properly managing the engagement aspects of the file: client selection, retainer letters, client expectations, fee billing, and disengagement letters.



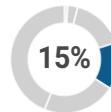
Legal Issues

Failures in legal analysis and strategy to achieve the client's goals.



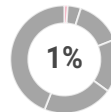
Unmanageable Risk

An unavoidable claim. For example, when a matrimonial lawyer gets sued by the opposing party, that's pretty hard to avoid.



Communication Issues

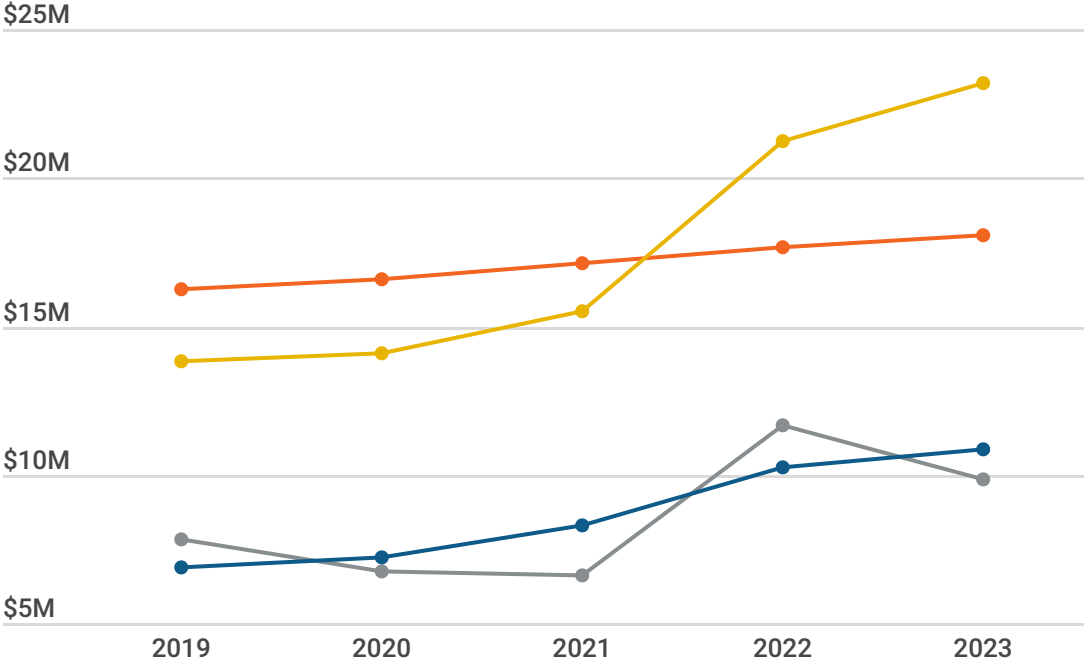
Failures in listening, asking, and explaining.



No Trail

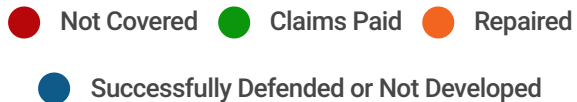
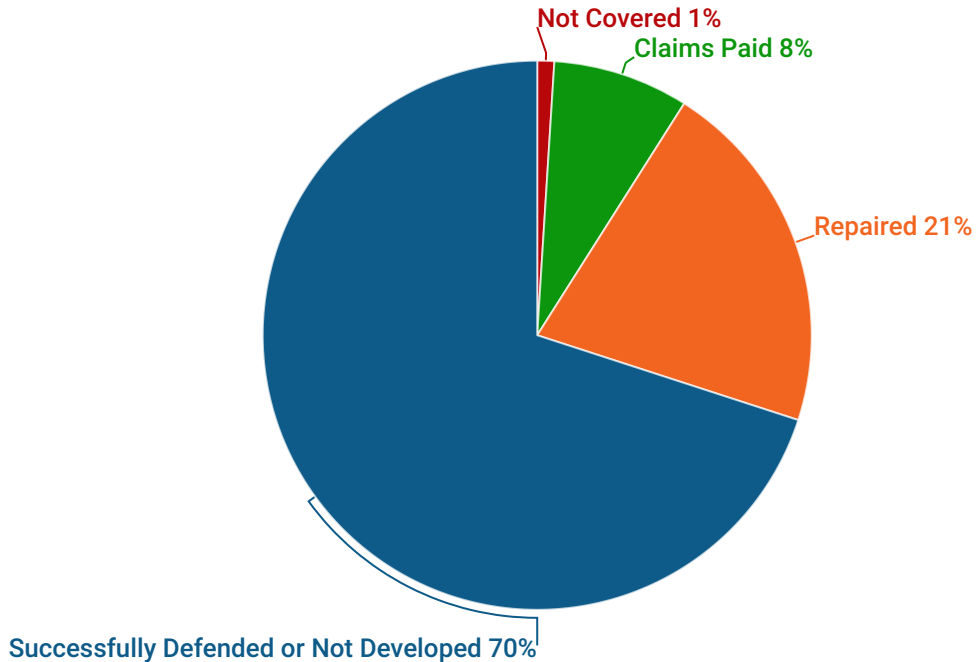
A failure to confirm and document the advice you gave.

Financial Highlights

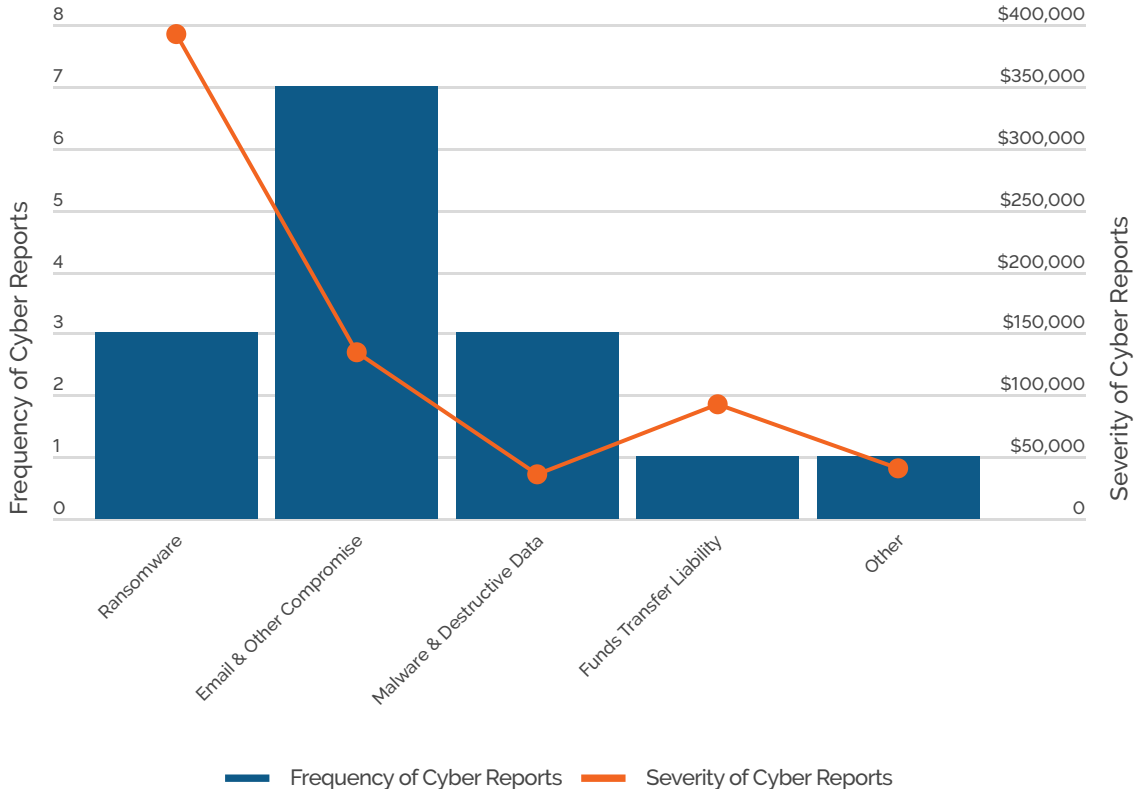


Fee Revenue Investment Income Claim Exposures Operating Expenses

Claims Resolution



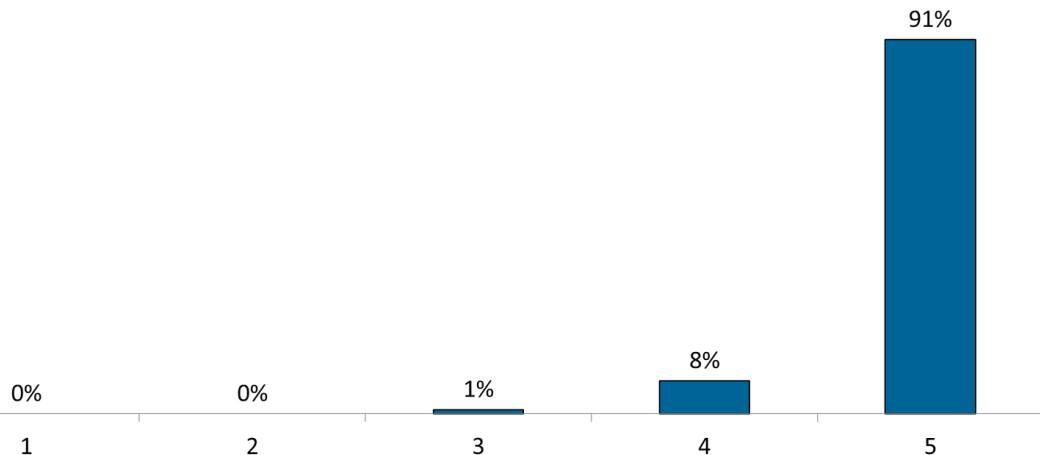
Cyber Claims 2023



Data provided by Coalition Inc.

Lawyer Feedback

How satisfied overall were you with the handling of your claim?



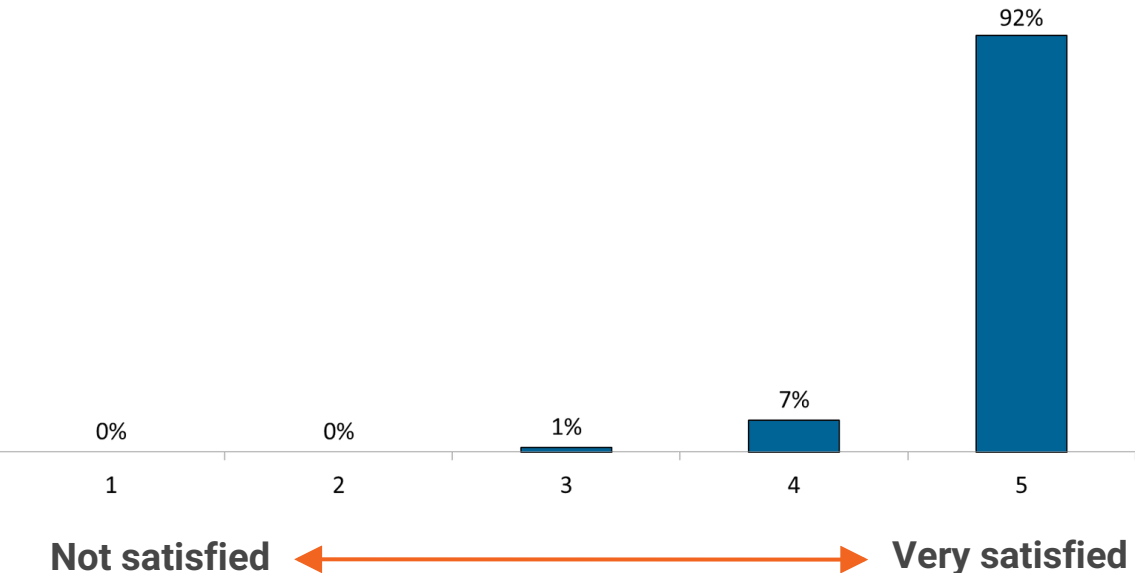
Not satisfied



Very satisfied

Lawyer Feedback

How satisfied overall were you with the services provided by LIF Claims Counsel?



Risk Management in Review



LAWYERS INDEMNITY FUND

2023 Risk Management in Review

For More Information

Download full PDF for more information.

2024; No. 1 • SPRING

INDEMNITY ISSUES: Program Report



What's in this issue?

- A steady \$1,800 indemnity fee
- Indemnification program overview
- What's new for 2024?
- A look at 2023 claims
- Cyber and privacy insurance update
- Risk management in review

Since 1986, the Lawyers Indemnity Fund (LIF) has managed the Law Society's Indemnification Program that protects lawyers and their clients from the risk of financial loss in the practice of law.

2024 Indemnity Fee

For the 7th consecutive year, the indemnity fee remains at \$1,800 per full-time lawyer. The fee has increased only once since 2011, and then only by \$50. As shown in the accompanying graph, the fee compares favourably with other provinces and territories, especially considering that BC has the broadest professional liability coverage in the country and all other programs charge additional fees that are not shown on the graph for the same risks. LIF's consistently low fee is no accident and is a product of several factors, including:

- We regularly alert you to important risk management issues, helping you avoid errors;
- You report claims promptly, which enables us to "repair" errors where possible and avoid loss;
- We have a highly effective and experienced claims management team

dedicated to providing you with excellent and efficient services; and

- We invest the funds wisely.

Indemnification Program Overview

The indemnification Program has two parts:

1. The BC Lawyers Compulsory Professional Liability Indemnification Policy that is composed of:
 - Part A: Professional Liability Indemnity – if you make a mistake that results in financial loss for a third party;
 - Part B: Trust Protection Coverage – if you dishonestly take money or property entrusted to you when providing legal services;
 - Part C: Trust Shortage Liability Indemnity – if you incur a loss from depositing a fraudulent certified

cheque or you are tricked into sending trust funds to a fraudster; and

2. The privacy/cyber insurance policy that applies to common network security and privacy liability risks. This policy, which is arranged and paid for by LIF, is underwritten by Coalition, Inc. and insures most BC law firms.

Every covered lawyer can download a copy of their professional liability Certificate of Indemnity from their Member Portal profile on the Law Society's website. Policy wordings for current and previous years are available on LIF's website. Each firm with Coalition's coverage can obtain a cyber policy insurance certificate. This is also available on the Member Portal and can be accessed by the firm's Designated Representative.

What's New for 2024?

We have enhanced your coverage for 2024, specifically:

- Indemnity Agreement 211 has been



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