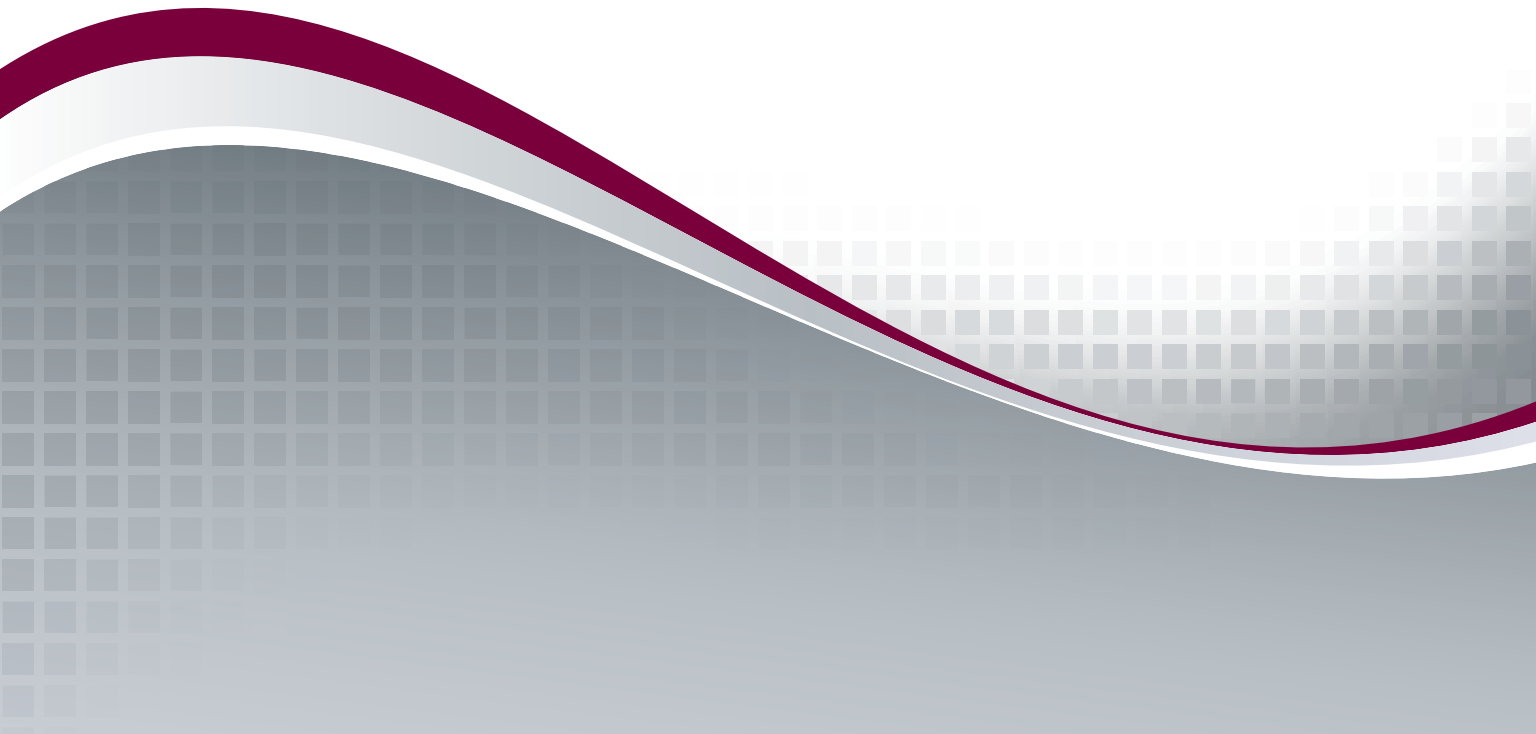


LAWYERS' INSURANCE

ASSOCIATION OF NOVA SCOTIA

ANNUAL REPORT 2020





Nova Scotia
Lawyers Assistance Program

Confidential Referral and Short Term Counselling Program

Available to members of Nova Scotia's legal profession, as well as their staff and families.

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1 888 384 1152 (TTY)

Or log on to our website to access online wellness resources. Remember that your company name is **NSLAP: www.nslap.ca**

LAWYERS' INSURANCE ASSOCIATION OF NOVA SCOTIA

ANNUAL REPORT 2020

Mission Statement

The Lawyers' Insurance Association of Nova Scotia (LIANS), as established by the *Legal Profession Act*, conducts the mandatory professional liability insurance program for the benefit of the Members, which program includes providing risk and practice management (RPM) resources and administering the Society's Lawyer Assistance Program (LAP).

Vision

To be recognized by the Members and similar insurance programs in Canada for the superior quality and management of its professional liability and RPM programs and to continually meet its goals and objectives.

To achieve its vision, LIANS is guided by four strategic directions:

- (1) Maintain financial stability and strength
- (2) Oversee the Lawyers Assistance Program and assist Legal Services Support (LSS) through RPM initiatives
- (3) Ensure member satisfaction with LIANS, both organizationally and with its claim handling
- (4) Develop appropriate governance policies, procedures and controls

REPORT FROM THE CHAIR OF THE BOARD



*ROBYN L. ELLIOTT, QC
Chair*

Robyn L. Elliott QC
of Elliott Law Inc. is
Chair of the Board
of Directors
and a member of
the Investment
Committee

2020 brought a great deal of tumult to us all. I am pleased to report LIANS weathered 2020 reasonably well.

As insured lawyers and LIANS staff adapted to remote working, LIANS opened 246 new claims (versus 277 in 2019 and 237 in 2018). 259 matters were resolved and at 2020 year-end, LIANS had 352 open claim files. Claim payments significantly increased year over year (\$2,304,117 in 2020 versus \$1,805,838 in 2019), attributed to a significant increase in indemnity payments though paid defence costs also increased year over year. No 2020 claims exceeded our per claim retention of \$500,000.00. Claims continue to grow in complexity and severity — producing increased defence costs.

LIANS' investments withstood the waves of COVID-19. The Board and Investment Committee continued to manage the investment portfolio with a view to promoting reasonable growth and limiting risk. By 2020 year-end, the portfolio earned an overall return of 5.08% for the year. This is a good result in all the circumstances. Thank you to the volunteer lawyers helping to monitor and manage our resources during a dramatic year.

The insurance levy for 2020-2021 full practicing lawyers was set at \$2,119.00 (compared to \$1,995.00 for the 2019-2020 and 2018-2019 policy years). Although the Board would have preferred to avoid implementing a levy increase as COVID-19 was raging, as a result of the significant 11.7% increase in the gross levy year over year, an increase was the financially prudent and necessary course in all the circumstances. The Board was able to manage (lower) the quantum of the increase by distributing a portion of excess surplus to members by way of a levy credit which resulted in the net full practicing levy, the amount actually charged, only increasing 6% year over

year. In addition, later in the year, LIANS' Board approved a levy reduction for insured members disproportionately negatively impacted by the pandemic. Fifty-seven impacted lawyers were ultimately assisted through this levy reduction program.

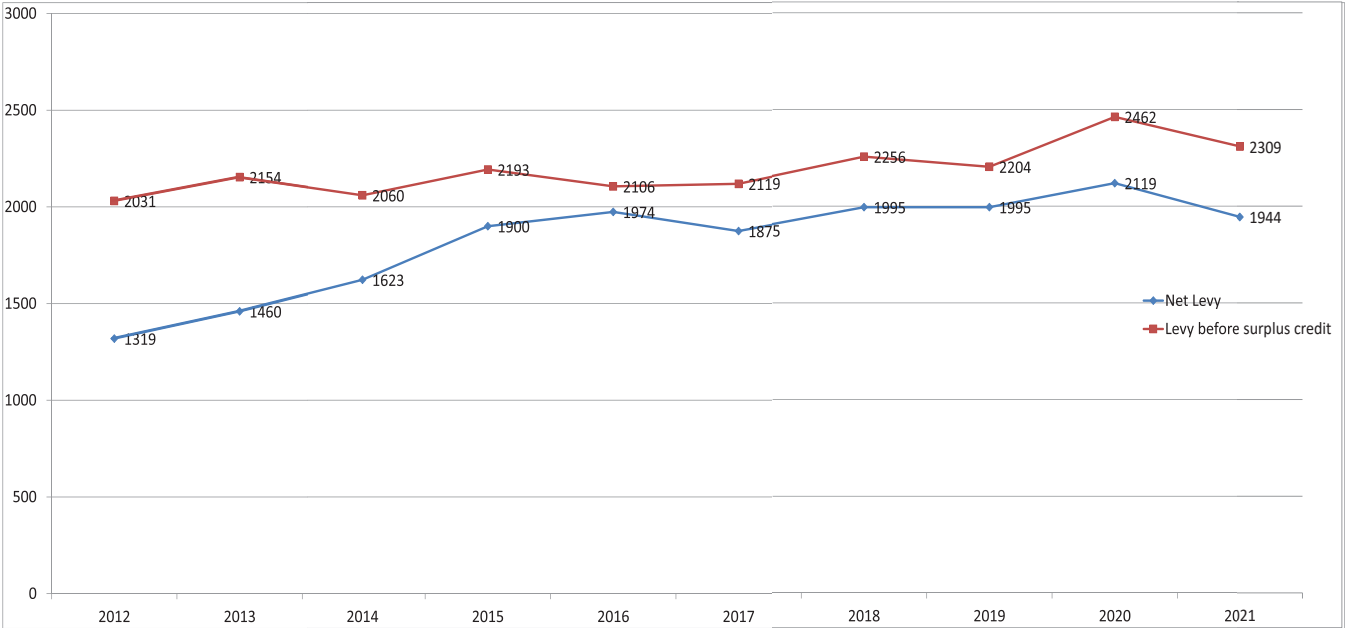
In total, 2020 produced a better than budget excess of revenues over expenditures. But for the reversal of a reserve set up five years ago, the 2020 excess of revenue over expenses would be significantly less — though it would still be positive. The reserve was taken down on auditors advice it was prudent to do so — because the triggering issue had resolved. Our Director of Insurance, Lawrence Rubin, and administration staff continued to manage day-to-day operations skilfully. Thank you Lawrence, Cynthia Nield and Emma Pink. Also thank you to staff devoted to claim handling — Patricia Neild, Lisa Wight and Alex Greencorn.

Governance work continued though the LIANS Board and its Committees — Audit, Claims, Governance, Investment and Lawyers Assistance Program. Thank you to all 2020 Board and Committee volunteers for your continued dedication and contribution to LIANS.

Finally, LIANS continued to collaborate with the Nova Scotia Barristers Society on various matters in 2020. Thank you to NSBS Executive, Council and staff for working with us to advance those interests we share.

***Robyn L. Elliott QC
Chair***

INSURANCE LEVY: 10-YEAR HISTORY



PROGRAM REPORT



LAWRENCE RUBIN,
*Director of
Insurance*

Claims Management

2020 was, to put it mildly, an interesting year. I have been in-house with insurers since 1996, have worked through several financial collapses, natural disasters and epidemics and seen their effects on both society and the insurance sector. COVID-19 took the worst of those events and all their various impacts – and combined them into one global event.

Looking at 2020, the positive is that the profession and LIANS persevered. Last May we were tracking seven metrics, all of which at that time were trending negative, some significantly so. By the end of 2020, two remained negative (both were claim measures), four were trending positive, and one was undetermined but is now positive. This means we can focus this report on claims – our core business – instead of non-claim risks.

Each January we prepare a budget that includes claim projections for the next 12 months. To summarize 2020, defence costs paid in the year were 1% below our January projection. Not a bad estimate. Indemnity payments on the other hand exceeded the January projection by 40%. The fact is that what we pay in indemnity is driven by the claims we resolve and 2020 presented some challenges including one rarely-seen outcome early in the year involving a large loss paid within two months of the claim being received.

Twenty percent of 2020's paid claims accounted for 2/3 of our total indemnity payments (including the outcome mentioned above). Claims reported and paid so contemporaneously, particularly large ones, are rare for this program. Without taking that claim into account, the year would have ended 2% over the January projection. All insurance programs will at some point experience the so called "once-in-10 years" event, and rather than basing 2020 on where we ended it relative to the January projection, we would suggest that the better measure of how we did over the year is to ask whether the program can manage severity like this without it having an adverse effect overall. The answer is yes, and while that is the important measure, we would not want to see events like this become a regular occurrence.

At the time of this report last year, the pandemic was in full force. At that time, we were cautiously optimistic that as 2020 progressed, there would be a calming, a return to some normality and a reversal of at least some of the negative factors we were seeing. We ultimately saw that calming, and by year's end, LIANS' total overall performance was in line with expectations, a result that is apparent in the 2021-2022 levy being significantly lower than last year.

But one conclusion we cannot avoid, as it is borne out in our data, is that claim costs and severity are increasing. It would be wrong to conclude that last year's increase in indemnity payments was an anomaly and not a trend, despite the above-mentioned rare claim.

Claims

Though the number of claims reported in 2020 decreased from 2019, the ten-year average increased slightly to 255 from 251. But if we remove years that are more than one standard deviation from the mean to account for anomalies, the average is 246, which is the same as the last two years. This demonstrates that moderate fluctuation in new claims has little impact on the average experience. Moreover, the spike in new claims in 2019 resulted from an anomaly with two firms accounting for 32 or 11.5% of the new matters demonstrating the impact lapses in practice management can have on claim frequency.

YEAR	2020	2019	2018	2017	2016	2015	2014	2013	2012
FILES OPENED	246	277	237	285	245	258	283	234	239

PROGRAM REPORT

Another pandemic-related concern noted in our report last year was that lawyers leaving the profession might exceed those entering. That risk did not materialize and the number of new claims per 100 lawyers, though dropping from 2019, remains in the usual range. Had that risk materialized, this measure would have increased.

Claims Reported Per 100 Lawyers (2011-2020)

2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
13	14	12	14	13	13	15	13	14	12

We regularly comment on who is reporting claims, and when the error that led to the claim arose (this being relevant to succession planning and document retention). By now, lawyers and firms should have in place appropriate succession and retention policies relevant to their particular practices. We know it often takes several years for a claim to materialize, which is why the mandatory policy coverage includes tail coverage for work a lawyer did while insured. But the quid pro quo for LIANS is that files are maintained for an appropriate period of time and are not just accessible but are properly organized and documented. These steps help reduce the time and cost to defend a claim and are risk management issues for each lawyer to undertake. As we have said, lawyers are both their own risk managers and ours.

Two common inquiries we receive involve which practice areas generate claims; and what percentage of our claim costs are spent on those areas. 2020 demonstrated some deviations from prior years that are continuing into the current year, which indicates that they may no longer be deviations.

Indemnity payments in 2020 increased significantly over 2019, and although there were some large resolutions, no individual matter exceeded our per claim retention of \$500,000. The result of such a high retention (relative to the policy limit), and the claims experience in this province, is that we retain most of the risk we assume. We warned in last

year’s report that based on Q1 2020, the year would likely see a significant increase in indemnity payments as compared to 2019. The question we could not answer at that time was whether we would see both frequency (i.e., a significant increase in new matters) as well as severity issues. We now know that frequency dropped as compared to 2019 making severity the major issue in 2020.

The year-over-year increase in defence spending, though modest, is attributed not just to increased complexity, severity, and inflation, but also to unreasonable expectations. We do control, to a certain degree, for the first three factors. In the case of the fourth factor however, it feels at times that we are passengers in someone else’s bus. Although we know where we will end up, the route is unknown and is beyond our control. Our response to this factor is the same as it has always been – we will not compromise our assessment of a claim just to save on defence costs. Unreasonable expectations are potentially opportunistic, especially if entitlement to the damages being sought cannot be established. We do our utmost to be reasonable and fair, while staying within our mandate to conduct the mandatory professional liability program for the benefit of practicing lawyers. In exercising that mandate, we are sometimes compelled to take matters to trial.

PROGRAM REPORT

Cost of Claims by Area of Law: 2012 – 2020 (indemnity and defence costs combined but excluding internal administration costs)

Area of Law	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administrative/Boards/ Tribunals					<1%	<1%	<1%	<1%	2%
Arbitration									
Bankruptcy/Insolvency/ Receivership		<1%			<1%	<1%	1%	<1%	
Civil Litigation	27%	24.5%	42%	16%	20%	21%	19%	33%	26%
Commercial	6%	14.5%	11%	2%	7%	18%	6%	6%	4%
Corporate	13%	11.5%	3%	4%	4%	1%	6%	5%	<1%
Criminal	12%	<1%		<1%	3%	2%	7%	6%	4%
Employment/Labour		1.5%			<1%	3%	2%	2%	10%
Estate Planning & Administration		5%	2%	4%	7%	11%		18%	1%
Environmental		<1%	2%	<1%	<1%		2%	<1%	1%
Immigration		<1%		<1%	2%			<1%	
Intellectual Property	1%	<1%			<1%				
Matrimonial & Family	5%	9%	3%	9%	8%	5%	3%	2%	1%
Real Estate	36%	32%	37%	61%	44%	37%	52%	25%	37%
Tax		<1%		<1%	2%	<1%	<1%		14%
All other					<1%				
	100%	100%	100%	100%	100%	100%	100%	100%	100%

For the most part, 2020's claim costs were within the usual ranges by practice area as a percentage of total costs, with two notable exceptions: tax and employment. Though by area of law these remain two of the lowest in frequency, last year they accounted for 24% of our total claim costs (14% from tax; 10% from employment). In the case of tax, the increase primarily resulted from the above-mentioned rare large loss. And we have already paid another large tax claim this current year so this percentage will be similar, and perhaps higher, for 2021. That said, we continue to be of the opinion that claims growth – both frequency and costs – will come from estates and wills, despite the drop in this category last year. Consistent with prior years, the usual suspects of real estate and civil litigation combine for over half of all claim costs. We continue to await the reduction in real estate claims that was to materialize once the LRA was ushered in. But other practice areas where we do not usually see claims are presenting challenges.

In criminal matters that manifest as allegations of ineffective assistance of counsel, the frequency of these matters as a percentage of our total claims increased, resulting in increased real dollar costs to respond to them (despite these costs as a percentage of total claim costs declining from 2019). And we are seeing two not unexpected trends: first, the number of these claims against legal aid staff and certificate lawyers with the appeal on a certificate as well; and second, private practitioners who have been the subject of these claims (the vast majority of which are dismissed) pursuing matters with similar allegations against others. It is of utmost importance to note that we fully encourage and expect lawyers to take these matters on whenever the allegations have merit. Every lawyer who has been the subject of an ineffective assistance of counsel claim knows the legal test to substantiate the allegation, and that many of the claims we see lack merit and could be resolved with a letter to trial counsel to respond to the allegation prior to filing a Notice of Appeal. To this point, we acknowledge that legal aid conducts a merit assessment prior to issuing an appeal certificate, a process that we highly encourage among all members of the practicing bar.

PROGRAM REPORT

Percentage of Claims by Area of Law: 2014-2020

Area of Law	2014	2015	2016	2017	2018	2019	2020
Administrative/Boards/Tribunals	1%	3%	2%	2%	<1%	2%	1%
Arbitration							
Bankruptcy/Insolvency/Receivership				<1%		<1%	
Civil Litigation	21%	20%	15%	19%	22%	31%	23%
Commercial	3%	6%	6%	7%	6%	4%	3%
Corporate	3%	2%	4%	2%	2%	2%	3%
Criminal	5%	7%	6%	9%	9%	8%	11%
Employment/Labour		<1%	<1%	<1%	<1%	1%	1%
Estate Planning and Administration	5%	7%	7%	8%	8%	7%	4%
Environmental							
Immigration	<1%	<1%	1%	<1%	1%	<1%	
Intellectual Property		<1%				<1%	<1%
Matrimonial and Family	10%	9%	14%	11%	8%	10%	7%
Real Estate	51%	43%	44%	39%	37%	33%	40%
Tax	<1%	<1%		<1%	3%	<1%	1%
All other	<1%	<1%		<1%	2%	1%	5%

There were 11 ineffective assistance matters completed last year (down from 27 completed in 2019, though the open file count remains at the same level). Of those claims, 73% incurred defence costs, which represents an increase compared to 60% in 2019. Four matters went to a hearing, with one resulting in a new trial (not attributed to the lawyer), with the appeals in the other three matters being dismissed. The allegation in the remaining seven matters was withdrawn or discontinued.

Of great assistance in responding to all claims is complete and contemporaneous documenting of client conversations, meetings, and advice given by counsel. And for criminal matters in particular, the documentation of client conversations – particularly advice to and instructions from clients – is crucial, given common allegations that matters were not properly explained to the client; disclosure was not reviewed; witnesses the client wanted were not called; the client does not give evidence, etc. Though a lack of notes alone does not make any claim indefensible, notes certainly assist in our response.

Although claims related to general limitations set out in the Limitation of Actions Act are not uncommon, issues arising from missed limitations in specific subject statutes continue to result in claims, and we expect to see an increase in the future given some uncertainty as to whether certain limitations continued to apply during the pandemic. In addition, claims arising from lawyers providing legal services in other provinces continue to be an issue and we would expect to see missed limitation issues in these matters as each province took their own approach during the pandemic. As a general statement, lawyers should not assume that the laws and civil procedure rules of New Brunswick, PEI, or other jurisdictions, are the same as those in Nova Scotia.

When we see a missed limitation claim and the issue is that the lawyer knew it was coming up but just missed it, a regular question we ask is: if you know the limitation expires on a certain date, why wait until that exact date or the day before to file? If your documentation is not accepted, how can you fix it in time? What if the courthouse is closed due to weather? Or a pandemic? You should know what the proper limitation is for a particular matter, and give yourself sufficient buffer time to act before that limitation expires. This is especially important if you cannot file on the intended date, or if you are required to correct an error before your filing is accepted.

PROGRAM REPORT

LIANS closed 259 files in 2020, 92% of which did not have an indemnity payment (compared to 88% in 2019 and 92% in 2018, so, very consistent). Most, but not all, of the claims that had an indemnity payment also incurred defence costs. Sixty-six percent of claims that were closed in 2020 did not incur external defence costs (as compared to 62% in 2019 and 72% in 2018) so this measure is also consistent despite the total paid increasing year-over-year.

Each year, LIANS conducts a closed file satisfaction survey. This year we received 75 responses for a 43% response rate, up from 71 responses (33% response rate) in 2019. For the 2020 survey, 98% of respondents indicated they were either satisfied or very satisfied with the handling of their claim and 93% were either satisfied or very satisfied with the outcome, results that compare favourably with prior years. One respondent this year replied very dissatisfied to every question on the survey, but also commented that their issue was in fact with the individual leading the settlement conference – and not with our handling. The remaining responses were either undecided or not applicable. Most important from the survey are the comments you provide. We review them all, and appreciate and thank you for your positive comments about our staff and organization. Your satisfaction with our work, all of which is on your behalf, is important to us. We do not take our responsibilities lightly, nor your satisfaction with our work for granted. To the contrary, we strive to maintain the quality of our work, our outcomes and, thus, your satisfaction.

LIANS also oversees a mentorship program that matches young lawyers with experienced practitioners. Mentoring facilitates professional and personal development. For young lawyers, in addition to improving camaraderie and helping address issues of stress and isolation they may experience, something more prevalent in these times, mentorship can enhance professionalism and lawyering skills by providing encouragement, support and contacts. At this time, we have several mentees looking for mentors and would encourage anyone interested in assisting a young lawyer to contact us.

Lawyers should review the Real Estate, Family, Criminal and Law Office Management practice Standards when appropriate. You will also soon see Standards from the new 'Wills, Powers of Attorney and Personal Directives' Standards committee. The Standards committees put a lot of work into drafting and updating Standards to respond to changing law and new issues. There is also information

within the Real Estate Standards that would be of assistance to other commercial matters such as PPSA and name searching.

LIANS, established by the Legal Profession Act, is managed by a Board of Directors assisted by the Director of Insurance (who it appoints) and five committees. The Audit, Investment and Governance committees have responsibilities not unlike similar corporate committees. The Large Loss committee meets regularly to review active claims that come within its mandate and the Lawyers Assistance Program committee oversees the LAP program. As Board and committee vacancies occur, we post notices soliciting expressions of interest to join and we invite all interested members to apply.

All of which brings me to those who get the credit for LIANS' successes and who I want to personally thank – our staff, the volunteers who sit on the Board of Directors and committees (their names are at the back of this annual report), and those who act as LAP peer volunteers and mentors for their time and effort, the Membership for your trust in us and understanding of our purpose and mandate and, last but certainly not least, our defence counsel. LIANS' success is the result of a group effort. Without everyone's contributions, LIANS could not operate as it does.

We are available to answer any questions you may have about the program and welcome the opportunity to speak on topics within our purview.

Lawrence Rubin, Director of Insurance

PROGRAM REPORT



NATALIE J. WOODBURY

Chair

NSLAP Committee

Natalie J. Woodbury is Chair of the Nova Scotia Lawyers Assistance Program, and member of the Claims Review Committee. She is a partner with BOYNECLARKE LLP.

Nova Scotia Lawyers Assistance Program

Homewood Health™ (“Homewood”) continues to be the service provider for the NSLAP providing a full range of counselling services covering such topics as financial concerns, family, child and eldercare issues, communication problems, career development, health and fitness, wellness, psychological and emotional disorders, addiction, stress, depression, anxiety and trauma. With the pandemic, as with other things, there has been a significant reduction in personal services. Their online and phone capacity has met the increased demand for the or services. In addition, there are also their self-directed online tools and programs.

Since adding them to our program, there has been use of Homewood’s Depression Care and Trauma Care services. Depression Care provides mid to longer term treatment for members with moderate to severe anxiety and/or depressive symptoms and Trauma Care provides treatment for members struggling with acute, or long-term, trauma symptoms.

Like everything else these days, a comment on COVID-19 is warranted. Our profession, like all others, has been significantly challenged by the pandemic. It has impacted both the practice of law and our law practices and home lives. We have had to adapt very quickly to providing our services in a changing environment. Many members found themselves working from home, servicing clients and caring for children and sometimes parents at the same time. In response to these new realities, Homewood continues to update their services to provide offerings and information to assist the well-being of users who are faced with challenges.

Overall, usage of Homewood’s services over the past year was the highest it has ever been for our program as was the number of new users. As is consistent with prior years, counselling services are the most used and its usage as well as that for life smart coaching and online services were consistent with prior years. Six percent of those contacting Homewood did so for Depression or Trauma Care. Last year also saw a significant increase in

usage from law students.

The majority of users continue to identify as female at approximately 80% of total users as compared to 75% last year. In terms of types of counselling services used, psychological services continue to be the highest proportion with anxiety, stress and depression continuing as the top presenting issues. For Life Smart Services, career coaching and relationship issues are the top issues.

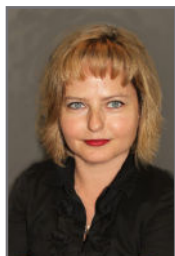
Many members found themselves working from home, servicing clients and caring for children and sometimes parents at the same time. In response to these new realities, Homewood continues to update their services to provide offerings and information to assist the well-being of users who are faced with challenges.

Though the Bar Admission course has changed, the Committee continues to present to students. In addition, we are discussing, with LIANS and the Society, on how to present Homewood programming to the Membership throughout the year. As always, the Committee is prepared to present information about the NSLAP and encourages anyone interested in a presentation to contact us or Lawrence Rubin at LIANS.

Best regards and please take care.

***Natalie J. Woodbury
Chair, NSLAP Committee***

PROGRAM REPORT



CYNTHIA NIELD,

*Database and
Information Officer*

Cynthia Nield
oversees LIANS'
software
and systems
technologies,
and coordinates
resources and
events of the RPM
program

Risk and Practice Management

The Risk and Practice Management (RPM) program had another successful year providing the membership with resources and tools related to practice risks and offering support to minimize their claims exposure.

Publications and Presentations

We continue to distribute LIANSwers, our bimonthly electronic newsletter. Our goal for the articles and information is to assist lawyers with running their practice by providing tips and guidance that could serve to avoid or mitigate a malpractice claim. We also like to provide information on interesting cases and decisions that we come across. However, you should remember that this advice does not, nor is it intended to, replace your own exercise of professional judgment on a particular file. We monitor the number of visits per issue and saw a whopping 45% increase in readers in 2020 as compared to 2019. LIANSwers averages 841 readers for each publication, approximately 41% of the membership.

LIANS' website contains a wide variety of RPM resource material. According to our website analytics, the most-often used resources are our sample retainer agreements and engagement letters, mortgage discharge escalation lists, limited scope retainer materials, table of limitation periods, information on succession planning and opening a law office, numerous sample letters / precedents / checklists / templates for notes to file; as well as the five Professional Standards Committees (Real Estate, Criminal, Family, Law Office Management, and Wills, Powers of Attorney and Personal Directives).

We continue to submit articles to InForum, the Nova Scotia Barristers' Society's online newsletter. These include fraud alerts, pertinent LIANS operational matters, and Lawyers Assistance Program articles and resources from Homewood Health™, our health and

wellness assistance program provider. In addition to ongoing specialized programs such as Depression Care, Trauma Care, and Online Cognitive Behavioural Therapy, Homewood continues to offer a wealth of resources and tools, including those specific to supporting its clients in response to the global pandemic.

LIANS Forums

LIANS' online forums for Real Estate, Family Law, and Solo and Small Firm practitioners and their staff continue to be a resource for those looking to review professional information, and connect or consult with other practitioners. Membership among the three forums totals 275.

Fraud Alerts

Lawyers continue to be popular targets as recipients of suspicious email and fraud attempts. These attempts increased during the pandemic and are not abating as scammers are targeting distracted staff and impermanent workplaces in the hope that these vulnerabilities will delay detection. LIANS' monitors these incidents and will periodically notify the membership of new frauds and scams as we become aware of them. If you receive something that looks suspicious and you question its legitimacy, please contact us. We can advise if we are familiar with it or if it is a new scam worthy of a note to the profession. We maintain a list of the schemes we are aware of on our website as a reference tool for you.

LIANS/NSBS 12th Annual (Virtual) Conference

In response to the restrictions required by the global pandemic in 2020, we held our first fully virtual annual conference using the Zoom video conferencing program. In spite of the unique challenges involved in

PROGRAM REPORT

a complete overhaul of our traditional in-person event, it was a great success, with 233 individual registrants for the conference who virtually attended the morning session, or the afternoon, or both. This was a significant increase of attendance compared to the 96 in-person attendees at the 2019 event. The 2020 sessions included:

- Matters Before the (Virtual) Courts: Today and Tomorrow
- Zoom for Lawyers
- LIANS Update: Claims Processes, Office Management, and the New Cyber Insurance Coverage
- Current Equity Issues
- Taxation of the Work-In-Progress of a Professional
- LRO Appeals Process and Other Developments
- Trust Accounts: Managing Risk with Old Balances
- Managing Your Time and Energy
- Current Regulations and Virtual Best Practices with Cash Transactions, Client Identification/Verification, and Trust Accounts

This was the second joint effort event to be hosted by both LIANS and the NSBS Legal Services Support team. The feedback received from the conference attendees was very positive, where 85% of attendees gave an overall rating of either “Very Good” or “Excellent”.

Mentorship Program

LIANS’ Mentorship Program continues to grow and we always accept new applicants. The program provides the membership with opportunities to network, gain knowledge about practice management issues, and receive support

from the Risk and Practice Management Program.

The program currently has 206 participants. To qualify as a Mentor, you must have at least nine years at the Bar. There are no requirements to qualify as a Mentee. This program is ongoing and LIANS reaches out to the members on a regular basis to encourage those interested to participate, especially in the recruit of applicants for a Mentor role. If you are interested in becoming a Mentor, please contact us.

Member Inquiries

The program continues to provide one-on-one practice advice and assistance to members on topics such as insurance coverage matters, risk reduction, fraud, closing a practice, file retention, Client ID Regulations, the Lawyers Assistance Program and succession planning.

RPM and Legal Services Support

LIANS continues to coordinate its RPM information and resources with the Society’s Legal Services Support (LSS) initiative. As always, however, LIANS maintains the confidentiality of all claim-specific information it receives from a member.

Cynthia Nield
Database and Information Officer

SUMMARY OF FINANCIAL HIGHLIGHTS

Notes to the Summary of Financial Highlights

LIANS' financial position remained stable at the end of 2020.

As in prior years, LIANS' surplus enabled a subsidy to the gross levy charged for the mandatory insurance policy. The gross levy (being the actuarially determined levy before applying a surplus credit) required for the 2020 – 2021 policy year was significantly higher than the prior policy year, in fact, it was the highest it has ever been. In determining the credit that reduces the gross levy, the Board of Directors, in accordance with its mandate to exercise prudent fiscal management of LIANS' assets, considered a variety of factors including the retention, surplus for the year, claims experience and the additional factor of the pandemic as it was affecting our business and investment portfolio in April when the levy is determined. As a result of its analysis, the Board approved a surplus credit that, though larger in amount than that provided in prior years, still resulted in an increase in the net full practicing levy payable over 2019.

Total paid claims in 2020 (indemnity plus defence costs) exceeded the amount paid in 2019 with indemnity payments increasing significantly. The cost of administration of the program was on par with 2019 though administrative costs were offset by a reserve reversal that results in this item appearing as a positive amount rather than a cost.

The significant increase in the 2020 year-end reserve as compared to 2019 is due primarily to that reserve reversal. The 5% year-over-year increase in the investment portfolio, though lower than prior year-over-year increases is a positive outcome given the pandemic's significant adverse effect on investment markets.

Statement of financial position as at December 31

	2020 \$	2019 \$
Assets		
Current		
Cash	2,313,349	2,443,753
Accounts receivable	249,658	247,104
Government remittances receivable	-----	6,068
Levy receivable	698,550	648,375
Prepaid expenses	238,115	87,585
Recoverable unpaid claims and expenses	473,696	833,343
Investments	21,011,251	19,993,492
Property and equipment, net	8,649	4,651
Total assets	24,993,268	24,264,371
Liabilities		
Current		
Accounts payable and accrued liabilities	451,180	1,579,473
Unearned levy	1,591,810	1,631,827
Total current liabilities	2,252,538	3,211,300
Provision for levy deficiency	374,317	188,267
Provision for unpaid claims and expenses	9,577,362	9,837,337
Total liabilities	12,204,217	13,236,904
Net assets		
Professional liability insurance reserve	12,789,051	11,027,353

Statement of revenue and expenditure for the year ended December 31

	2020 \$	2019 \$
Revenue	4,442,617	5,625,507
Insurance premiums	(320,915)	(239,691)
Net revenue	4,121,702	5,385,816
Claims and expenses		
Payments	2,304,117	1,805,838
Group deductible reimbursement	(73,640)	(9,294)
	2,230,477	1,796,544
Current period expense	285,722	531,194
Total claims and expenses	2,516,199	2,327,738
Administration		
Total administration	(156,175)	1,005,647
Total expenditures	2,360,024	3,333,385
Excess (Deficiency) of revenue over expenditure before undenoted	1,761,678	2,052,431
Return of CLIA surplus subscriber's equity	-----	398,885
Excess (deficiency) of revenue over expenditure	1,761,678	2,451,316
Professional liability insurance reserve, beginning of year	11,027,373	8,576,037
Excess of revenue over expenditures	1,761,678	2,451,316
Professional liability insurance reserve, end of year	12,789,051	11,027,353

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Fall Solo & Small Firm Conference coming soon ...

Sessions may be eligible as CPD hours

This online event will be held solely in a
virtual webinar format

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