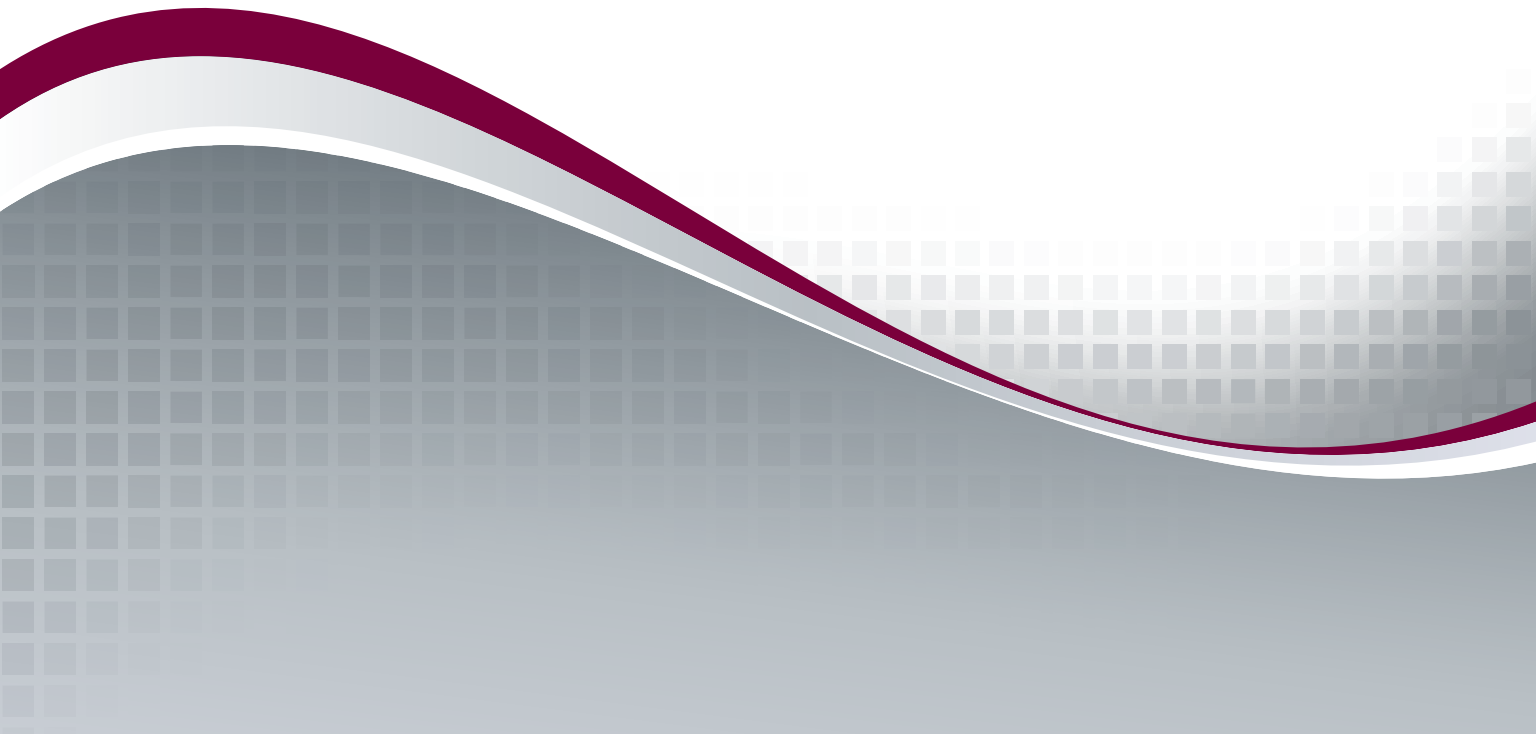


LAWYERS' INSURANCE

ASSOCIATION OF NOVA SCOTIA

ANNUAL REPORT 2022





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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LAWYERS' INSURANCE ASSOCIATION OF NOVA SCOTIA

ANNUAL REPORT 2022

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



**CHARLES
THOMPSON**

Chair

Charles Thompson
of Burchell
MacDougall
LLP-Truro is Chair
of the Board of
Directors and Chair
of the Investment
Committee.

Despite the ongoing uncertainty and tumult in the world, LIANS had a stable and positive year in 2022.

LIANS opened 291 new claim files in 2022 (compared with 239 in 2021, 246 in 2020, and 277 in 2019). This increase was not unexpected as business somewhat returned to normal and claims numbers returned to pre-pandemic levels. It is noteworthy that the rate of new claims (in terms of the number of new claims per hundred lawyers) has remained quite stable over the past 10 years, between 12 and 15 new claims per 100 lawyers per year. 252 claims were closed, a significant decrease from 280 closed claims in 2021. Of the claims that were closed, only 5% involved an indemnity payout, lower than the usual range of 8-12% of claims closed that result in indemnity payments.

The financial performance of LIANS' operations for the year was positive. We had lower than projected defence costs and the total indemnity payments were substantially less than expected. On the other hand, the performance of the investment portfolio was worse than budgeted. We were not immune to the negative performance of global equity and bond markets, and after several years of very good returns, the portfolio saw a loss of 4.76% in 2022. The silver lining in the investment results was that despite the decline, the portfolio outperformed its benchmark by close to 1.5%, our management approach of seeking reasonable growth but maintaining a focus on limiting downside risk mitigating the loss.

The levy for 2022-2023 was \$1,938 for full-practicing members, compared with \$1,944 in 2021/22, \$2,119 in 2020/21 and \$1,995 in 2019/20. Each year LIANS takes a portion of its excess surplus to fund a levy credit, which

the Board uses to attempt to maintain stability in the total levy from year to year. We have been fortunate to achieve this goal for the most part while still acting prudently and conservatively.

While 2022 was positive and fairly uneventful (in a good way), LIANS continues to face challenges, notably the increasing severity of claims and impact of inflation on defence and other costs.

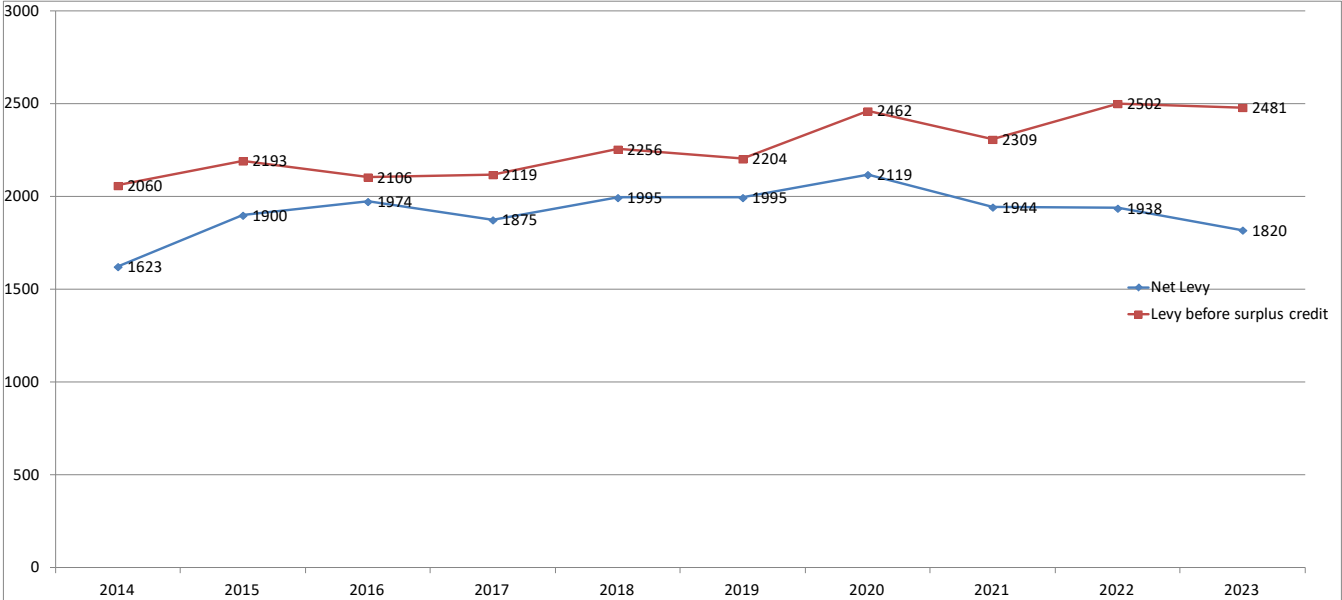
A reminder that along with managing the insurance program and claims handling, LIANS engages in many other activities and initiatives, including the Lawyers Assistance Program (LAP), fraud alerts, the LIANSers newsletter, and mentorship program, that assist LIANS in achieving its mandate and provide a valuable service to members.

Thanks to everyone who served on the Board or volunteered on Committees in 2022.

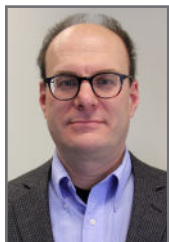
Finally, a huge thank you to our Director, Lawrence Rubin, who along with overseeing ensures that the Board remains focussed, organized and efficient, and to the rest of LIANS' staff for their work in continuing to make LIANS successful.

Charles Thompson
Chair

INSURANCE LEVY: 10-YEAR HISTORY



PROGRAM REPORT



LAWRENCE RUBIN,

Director of

Insurance

Though 2020 and 2021 presented challenges that carried into 2022, some of which linger, overall, we are pleased with how 2022 ended and 2023 is looking.

To start our discussion of the year that was and what we think the year that is will look like, a major positive is our sense that the profession is beginning to move on from the effects of the pandemic, both from a work perspective and a personal health perspective.

Other positives from 2022 and the first few months of 2023 – the investment portfolio has been steadily recovering its rather significant 2022 downturn, LIANS had numerous successes in the Courts on a variety of matters and member count is increasing.

In 2021, defence costs paid in the year were 6% below our January projection and indemnity payments were 17% below. 2022 was very different, defence costs being 14% below our projection despite being in the courts quite often. But indemnity payments were 53% below. Though we consider our January estimates to be accurate predictors of what we expect for the year, despite our best efforts, files we expected to resolve last year with an indemnity payment did not.

The usual challenges that affect our ability to resolve matters played their part, challenges that often lead to increased defence spending toward particular files. One of these challenges is unreasonable expectations. Our consistent response is that we will not compromise our assessment of a claim just to save defence costs, assessments we believe to be fair and reasonable and are usually borne out. We have no issue making an indemnity payment when appropriate provided it is for the proper and proven amount. When it comes to resolving matters, we stay within our mandate to conduct the mandatory professional liability program for the benefit of practicing lawyers. Another challenge last year was that few were talking to us so given the number of matters carrying over into this year, we will not be surprised if 2023 sees a significant jump in indemnity payments.

So, financially, how did 2022 compare to prior years? From 2017 through 2021, the fiscal year average ratio of what

LIANS paid in claims and expenses relative to levy revenue was 103 meaning that for every dollar of levy revenue received, we spent \$1.03. This is the result of the surplus credit, specifically the levy revenue deficiency that results from it. But when we factor in the unrealized investment gains to calculate the total operating ratio, the five-year average is below 100 meaning that when you include all our revenue including the unrealized investment gain, for every dollar earned we spend something less. This difference gets added to the surplus which is why it typically grows each year. But 2022 was not a usual year. The investments did not perform as expected. Though the ratio of claims and expenses to levy revenue of \$0.88 was significantly below both the average and our target (primarily the result of the reduction in indemnity payments), when factoring in the investment decline, the operating ratio increased to 118, well above the average meaning that for 2022, the program suffered an operating loss. Which means a year-over-year reduction in surplus.

To the investment portfolio, as bad as 2022 was, our individual holdings and the portfolio as a whole outperformed their respective benchmarks. And since last Fall and continuing so far this year, investment returns have improved, growth we expect to continue – unless a new geopolitical event upsets everything again.

As important as this information is for us, we know that ultimately, what matters to you is how all this translates into the levy you see on your invoice. As always, we strive to provide your primary professional liability insurance coverage at the lowest possible cost to you and the starting point to that determination is what the actuary determines the program requires to operate for the upcoming policy year. This amount increased by 5% from last year.

We previously mentioned the positive that is the increasing member count and this year it increased at a rate higher than the 5% increase in the expected cost to operate the program. Yes, increasing member count is an indication of the health of the profession, but from the cost of insurance aspect, it means that the cost to operate the program is divided among more people. Which means that when treating all insured lawyers equally, the cost of the program per lawyer decreased slightly from last year.

PROGRAM REPORT

But the per lawyer cost is not the levy. The levy is calculated by an algorithm that considers the three levy paying categories (practicing, legal aid and government, the latter two being significantly discounted) and then a credit from excess surplus is provided to the full practicing category. The credit is a percentage of the excess surplus held by the program as confirmed by the actuary.

In some years, excess surplus increases over the prior year making more available for a credit. In other years – and 2022 is an example of this – it decreases making less available. But the decline could have been larger than it was, help for the investment decline coming from odd quarters. The reduction in indemnity payments last year meant we retained cash and with an increase in our CLIA recoverable, much of the investment decline was offset, reducing its overall impact. And we are expecting a further decrease in excess surplus next year but for a different reason as we anticipate having to increase the minimum retained surplus, that being the surplus we have to maintain and are unable to distribute. But that is for next year.

Despite the modest decline in excess surplus, the credit agreed by the Board for the 2023 – 2024 policy year is one of the largest the program has provided taking the full practicing levy for the current policy year, the levy that most of our insureds pay, down from the actuarially required \$2,481 to \$1,820, to 6% below last year. But the credit comes with a cost to the program for once we provide it, there is the immediate potential for a levy deficiency. This can be made up to a degree if, for example, member count continues to climb, but it is unlikely to be fully made up. The result is that by issuing the credit, we expect levy revenue to be lower than what the actuary determines the program requires, the cost of this shortfall indicated as a levy deficiency on our financial statements.

In this report last year, I said that as I looked at what is observable and quantifiable, though I was hopeful, I was not sure if 2022 will be interesting in the best of ways for all our metrics. With the decline in claim payments and the

investments, that proved to be correct.

But this brings me back to where I started this report, which is to say it appears that we have turned a corner, finally leaving the events of the last couple of years behind, and are returning to operating within our usual and expected parameters. There remains a lot of 2023 to get through but right now, we expect 2023 to be a more normal year for the program thus a more positive year than what we have recently been experiencing.

The big caveat – there is always a caveat – has less to do with issues in Nova Scotia. Rather it is getting through the year without being adversely impacted by geopolitical events beyond our control.

Claims

The number of claims reported in 2022 increased significantly from 2021 but this is more of a correction as during the pandemic, there was a decline in reported matters and the open file count trended below the usual range. But even as a correction, the increase has an impact resulting in an increase in the ten-year average to 260 files opened in the year from 254. If we remove years more than one standard deviation from the mean to account for anomalies, the average new file count is 253, higher by ten than last year. And though 2022 went a long way to compensating for the lower claim frequency during the pandemic, 18 of 2022's new files were attributable to one insured. Aggregation events such as this happen every few years and have a significant effect on our frequency.

YEAR	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FILES OPENED	291	239	246	277	237	285	245	258	283	234

PROGRAM REPORT

Early in the pandemic we were concerned that the number of lawyers leaving the profession might exceed those entering. In the end, the pandemic member count was quite stable such that the risk did not materialize. And though membership has increased, the increase is not enough to offset 2022's increase in claims and the number of new files per hundred lawyers increased though this metric remains in the program's usual range.

Claims Reported Per 100 Lawyers (2013-2022)

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
14	12	13	14	12	14	13	13	15	13

With increases in both frequency and severity, risk management becomes increasingly important. Risk management is the process of minimizing risk by identifying potential loss exposures and taking steps to minimize their financial impact. Because the financial impact of covered claims is borne, at first instance by LIANS and then by the Membership through the levy, risk management by any lawyer, or the lack thereof, is felt by the profession as a whole. As we often say, lawyers insured by this program are both their own risk managers and ours.

So what do we mean by risk management for lawyers? It is the things you do, or should do, as you work on any file - making complete and contemporaneous notes of client conversations, advice and instructions, confirming instructions and scope of retainers. It includes not assuming what the law is and proper staff training and supervision. It includes being aware of cyber, social engineering and old-fashioned cheque frauds and not becoming vulnerable to those frauds. In the case of cheques, it means waiting for cheques you deposit to your trust account to clear before sending funds out, especially if you did not know the client before the retainer or either party is out of province. These are things only you can do that are very important for your practice, especially if what happens causes you to incur a loss but the matter is not something LIANS can help you with. LIANS' insurance policy, like any insurance policy, contains terms and conditions that set out what we do and do not respond to. It is incumbent on all lawyers to know what the policy covers and what it does not. And for the things that LIANS does not cover, there may be a solution in the commercial market.

To the practice areas that generate claims and what percentage of our claim costs are spent on those areas, 2022 had some deviations from prior years.

PROGRAM REPORT

Cost of Claims by Area of Law: 2013 – 2022 (indemnity and defence costs combined but excluding internal administration costs)

Area of Law	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative/Boards/Tribunals				<1%	<1%	<1%	<1%	2%	2%	3%
Arbitration										
Bankruptcy/Insolvency/Receivership	<1%			<1%	<1%	1%	<1%		<1%	
Civil Litigation	24.5%	42%	16%	20%	21%	19%	33%	26%	31%	43%
Commercial	14.5%	11%	2%	7%	18%	6%	6%	4%	1%	1%
Corporate	11.5%	3%	4%	4%	1%	6%	5%	<1%	2%	<1%
Criminal	<1%		<1%	3%	2%	7%	6%	4%	7%	7%
Employment/Labour	1.5%			<1%	3%	2%	2%	10%	<1%	1%
Estate Planning & Administration	5%	2%	4%	7%	11%		18%	1%	6%	1%
Environmental	<1%	2%	<1%	<1%		2%	<1%	1%	4%	<1%
Immigration	<1%		<1%	2%			<1%			<1%
Intellectual Property	<1%			<1%						
Matrimonial & Family	9%	3%	9%	8%	5%	3%	2%	1%	6%	8%
Real Estate	32%	37%	61%	44%	37%	52%	25%	37%	23%	27%
Tax	<1%		<1%	2%	<1%	<1%		14%	15%	5%
All other				<1%					<1%	<1%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

By practice area, for the most part, 2022's claim costs were within historic ranges. Some areas worth noting are Civil Litigation which saw a significant jump from 2021, Criminal which in our opinion remains high, Estates which saw a decline though we continue to believe this and Family will see increasing severity, and Tax which saw a significant decline which ties to the fact that tax claims are of low frequency but high severity. It is easy to see the years where we have significant Tax activity.

Consistent with prior years, the usual suspects – Real Estate and Civil Litigation combine for over half of all claims and claim costs.

The allegation of ineffective assistance of counsel in the conduct of a criminal defence remains worthy of comment. We continue to see high frequency with related costs and these matters are impacting the levy. And other provincial programs are starting to see increases in this area though not to Nova Scotia's level where we average around 30 open matters at any one time. In the majority of these matters, the allegation lacks substantiation as demonstrated by the high withdrawal rate and for those that actually do go to a hearing, the high dismissal rate of this ground of appeal. But we are involved in them all. As has been said in prior reports, and often in other venues, nothing here should be taken to suggest, and we do not in any way mean to suggest, that lawyers should not pursue these matters if the allegation has merit. In fact, if there is merit, the matter should be taken on. But lawyers must, in our opinion, do a full merit assessment before pursuing the allegation. Every lawyer who pursues one of these matters must know the legal test if they are going to raise it. A person's disappointment with the outcome of their trial or sentencing on its own is not a basis for an allegation of ineffective assistance of counsel. Over the past five years, the NS Court of Appeal has issued numerous decisions discussing this ground of appeal and counsel practicing in this area should review them.

PROGRAM REPORT

Percentage of Claims by Area of Law: 2014-2022

Area of Law	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative/Boards/Tribunals	1%	3%	2%	2%	<1%	2%	1%	<1%	1%
Arbitration								<1%	<1%
Bankruptcy/Insolvency/Receivership				<1%		<1%		<1%	<1%
Civil Litigation	21%	20%	15%	19%	22%	31%	23%	25%	25%
Commercial	3%	6%	6%	7%	6%	4%	3%	4%	2%
Corporate	3%	2%	4%	2%	2%	2%	3%	1%	3%
Criminal	5%	7%	6%	9%	9%	8%	11%	9%	9%
Employment/Labour		<1%	<1%	<1%	<1%	1%	1%	1%	1%
Estate Planning and Administration	5%	7%	7%	8%	8%	7%	4%	8%	11%
Environmental									
Immigration	<1%	<1%	1%	<1%	1%	<1%			
Intellectual Property		<1%				<1%	<1%	<1%	1%
Matrimonial and Family	10%	9%	14%	11%	8%	10%	7%	12%	8%
Real Estate	51%	43%	44%	39%	37%	33%	40%	33%	35%
Tax	<1%	<1%		<1%	3%	<1%	1%	1%	
All other	<1%	<1%		<1%	2%	1%	5%	2%	2%
	100%	100%	100%	100%	100%	100%	100%	100%	100%

Claims based on missed limitations, both in specific subject statutes and general limitations as set out in the Limitation of Actions Act, continue. A lingering effect of the pandemic may be an increase in limitation claims given uncertainty as to whether certain limitations continued to apply during this time. If your matter has a limitation, diarize it to a date in advance of the expiration date. If you wait to the last day, what do you do if your document is not accepted or the court or, in the case of a property matter, the registry office is closed due to weather or property online is having system issues?

Claims arising from lawyers providing legal services in other provinces continue to arise. As good as mobility is for the profession generally, if it increases the likelihood of claims due to lack of knowledge of local law or practice, this is not a positive – not for us or your client. Nova Scotia lawyers must not assume that the laws and civil procedure rules of other Canadian jurisdictions are the same as those here.

We should also mention the increase we are seeing in Organized Pseudolegal Commercial Argument (“OPCA”) litigants, sovereign citizens or freemen on the land by other names. We have written about this thrice previously. We are seeing lawyers notarizing and commissioning documents for individuals who are not their clients who argue these positions. OPCA litigants use your notary seal and commission to give their arguments and documents legitimacy and enable them to file affidavits and documents in proceedings that then cause significant costs to be incurred by others, including LIANS.

Of course we cannot tell you whose affidavit you should commission or whose documents you should notarize and we do not mean to. But what we can do is ask that you read what you are putting your name to and consider what at least one court has said, being that lawyers are officers of the Court and as such have certain duties, not only to the client, but also to the justice system as a whole, and one of those duties is not to participate in, or facilitate, OPCA schemes.

LIANS closed 252 files in 2022 (down from 280 in 2021), the reduction attributed in part to reduced frequency during the pandemic. Of the 252, 95% did not have an indemnity payment, up from 92% in 2021. Our usual range is that 8-12% of files will have an indemnity payment making 2022's 5% rate an anomaly. Claims that incurred both an indemnity payment and defence costs outnumbered those with indemnity only by a 3:1 ratio. Seventy percent of claims closed in 2022 did not incur defence costs (though some of those did incur an indemnity payment), the same rate as 2021 and consistent with prior years.

PROGRAM REPORT

LIANS compares favourably on these measures to other jurisdictions. For example, the publicly reported 2022 closed file data from Ontario's LawPRO indicates 13% of files closed in the year had an indemnity payment (LIANS 5%), 50% incurred defence costs only (LIANS 26%) and 37% closed with no payments of any kind (LIANS 69%). This last measure reflects the amount of work we do in house.

We received 71 responses to our 2022 closed file survey for a 36% response rate. One hundred per cent of respondents indicated they were satisfied or very satisfied with the handling and the outcome of their matters, results in line with prior years. But satisfaction rates like this, though admittedly nice to receive, are also problematic because I believe there is always something that can be improved upon. This is why it is important for those completing the survey to provide comments, even if satisfied with our work. Many respondents do and we consider all comments we receive. We do not take our responsibilities lightly or your satisfaction with our work for granted. We strive to maintain the quality of our work and your satisfaction.

LIANS also oversees a mentorship program that matches young lawyers with experienced practitioners. Mentoring facilitates professional and personal development. In addition to providing camaraderie and helping address issues of stress and isolation, mentorship enhances professionalism and lawyering skills by providing support, contacts and encouragement. Please contact us if you would like to become a mentor or mentee.

Though it appears that we are moving on from the pandemic, one particular lingering effect has not gone unnoticed by us. Though there was a general increase in the isolation and stress lawyers experienced, this was particularly so for young lawyers who as a group were, and continue to be, significantly impacted. We encourage all firms to regularly reach out to their lawyers, younger lawyers in particular, to see how they are doing and we encourage all to reach out to the Lawyers' Assistance Program if appropriate.

Lawyers should review the practice standards when appropriate. The Standards Committees put a lot of work into drafting and updating standards to respond to changing law and new issues.

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 standing 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.

All of which brings me, as always, to those who get the credit for LIANS' successes and who I want to personally thank. I am just the manager, the team being our employees, the volunteers who sit on the Board of Directors and committees (their names are at the back of this annual report), those who act as LAP peer volunteers and mentors, our defence counsel and last, but certainly not least, you, the Membership, for your trust in us and understanding of our purpose and mandate. LIANS' success is the result of a group effort and without everyone's contributions, we could not operate or achieve the outcomes we do.

At the end of this year, four members of the Board will be leaving due to reaching the term limit – Greg Barro, Sean Foreman, Oliver Janson and Josh Martin. I want to thank them for their contributions. These four are the first to leave whose entire time on the Board has been during my tenure and their contributions will be missed.

I also want to thank Natalie Woodbury who will be stepping down as Chair of the LAP Committee this year. But there is more to it. Natalie has been involved with LIANS for 12 years having joined the Board of Directors in 2012. Though she stepped down from that position in 2018 when she reached the term limit, she continued to serve on several committees, most recently as Chair of the LAP Committee.

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

I would first like to thank committee members, Jennifer Anderson, Krista Smith, Marc Njoh and Sean Foreman for their continued dedication to the NSLAP this past year. I would also like to thank Lawrence Rubin for his passion for, and involvement with, the NSLAP.

Homewood Health Inc. (“Homewood”) has been the long-standing service provider for the NSLAP, continuing to grow their counselling services and wellness programs through different platforms. Services and programs are offered in numerous areas including 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. We have seen continued growth in online and remote service offerings.

Overall usage trended down in the late quarters of the year from the pandemic highs. Homewood keeps track of usage in three gender categories – female, male and additional gender identities. The majority of users identified as female although the number of females seeking help was significantly less than the prior two years. There was an increase in usage in the number of users who identified with other gender identities. Other than that, the usage statistics were in usual ranges.

The pandemic also saw an increase in the number of young lawyers using Homewood’s services. We conducted a survey among firms who had lawyers with less than 5 years of practice to gauge what they were doing for this demographic and to determine possible programming needs. Unfortunately, there were few responses so we are considering other ways of exploring the challenges and needs of this demographic with a goal of providing resources to increase job satisfaction so that young lawyers stay in the profession.

The first comprehensive national study on wellness in the Canadian legal profession was published this past year through a partnership with the Université de Sherbrooke,

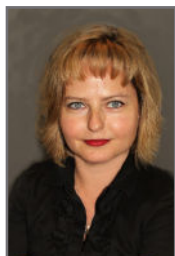
the Federation of Law Societies of Canada and the Canadian Bar Association. Unfortunately, but probably not surprisingly, the study reported that legal professionals suffer from significantly high levels of psychological distress, depression, anxiety, burnout and suicidal ideation. I encourage you to take some time to review The National Study on the Psychological Health Determinants of Legal Professionals in Canada and reflect on what we as a profession can do to improve the work life in a law firm.

The first comprehensive national study on wellness in the Canadian legal profession was published this past year through a partnership with the Université de Sherbrooke, the Federation of Law Societies of Canada and the Canadian Bar Association.

My term as a member and Chair of the NSLAP committee has now come to an end. It was a pleasure to work with the other committee members over the past several years, and of course with our fearless leader, Lawrence Rubin (Director of Insurance). Thanks for allowing me to be part of this organization that I value so much.

Best regards,
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. The articles and information are to assist lawyers with the running of their practice, provide tips and guidance that could serve to avoid or mitigate a malpractice claim and to provide information on interesting cases 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 edition, and maintained another high readership rate of 35% this year, averaging 777 readers.

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 279.

Fraud Alerts

Lawyers continue to be popular targets as recipients of suspicious email and fraud attempts, particularly during the pandemic, when scammers are targeting distracted staff and impermanent workplaces in the hope that these vulnerabilities will delay detection of scams. LIANS' monitors these 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 14th Annual (Virtual) Conference

As a result of the continued precautions related to the global pandemic, we held our third fully virtual annual conference on November 24th, 2022 using the Zoom video conferencing program. It was another great success, with 240 individual registrants for the conference who virtually attended the morning session, or the afternoon, or both.

PROGRAM REPORT

This was the fourth 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 80% of attendees gave an overall rating of either “Very Good” or “Excellent”.

The sessions included:

Morning - 9am-12pm

- **Greetings from Melanie Petrunia, NSBS President**
- **Nova Scotia Family Law Practice: Challenges & Solutions** with Sinead Russell, Stacey Merrigan, and Kate Seaman
- **LRA 20 Years On: Practicing Property Law in a Mostly LRA Environment, Pitfalls and Achievements** with Ian MacLean KC
- **Achieving Workplace Gender Equity and Inclusion and Working Towards Eliminating Sexual Harassment** with Michelle Kelly KC, Co-Chair of the NSBS Gender Equity Committee
- **Current Issues in Professional Responsibility** with Elaine Cumming, NSBS Director of Professional Responsibility
- **What Belongs in Your Trust Account and What Doesn't** with NSBS' Kate Shewan and Jocelyn Glynn MacNeill

Afternoon 1pm-4pm

- **Remarks from NSBS Chief Executive Officer, Cheryl Hodder KC**
- **Technology Competence in Practice** with Paul Saunders, Chief Innovation Officer and Partner with Stewart McKelvey
- **Emerging Legal Tech in the Near Future** with Anna Manley, Principal Lawyer with Manley Law Inc.
- **LIANS' Update on the Program**, with Claims and Wellness Trends with Lawrence Rubin, LIANS' Director of Insurance
- **Eve of Destruction: The New Approach to File Retention & Destruction** with Rob McCleave, NSBS and Bob Carter KC
- **Updates to the Powers of Attorney Act** with Tanya Butler and Madeleine Coats

The latest in our series of wellness sessions was hosted on March 30th, 2022, entitled “Break the Cycle of Stress and Poor Sleep” with Marlee Boyle, RRT, CCSH and Leah Corkum, LPN, ST. We received 222 registrants for this session, and according to our follow-up survey, 97% of attendees gave an overall rating of either “Very Good” or “Excellent”.

PROGRAM REPORT

Mentorship Program

LIANS' Mentorship Program continues to grow and we will 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 230 participants, although we continue to note a significant drop in applicants looking to become a Mentor since the beginning of the pandemic, due no doubt to the time constraints of individuals maintaining their practice during uncertain times. 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.

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 at the end of 2022 remained stable.

As in prior years, LIANS' surplus again allowed for a subsidy to the gross levy charged to full practicing lawyers for the mandatory insurance policy. The gross levy (being the actuarially determined required levy before applying a surplus credit) required for the 2023-2024 policy year, despite an increase in the total cost to operate the program, declined slightly from the prior year due to increasing membership numbers. In determining the credit that reduces the gross practicing 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, available surplus, claim experience and investment trending. As a result of its analysis, for the 2023-2024 policy year, the Board approved a surplus credit larger than the prior year with the result that the net full practicing levy payable will be lower this policy year as compared to last year.

Total paid claims in 2022 (indemnity plus defence costs) was significantly lower than the amount paid in 2021 with indemnity payments in particular being lower than expected. The cost of administration of the program has increased year over year as expected though the increase this year was moderate.

The reduction in the 2022 year-end reserve as compared to 2021 was due to the investment loss on the year though the full extent of that decline loss was offset by increased cash (due primarily to the reduction in indemnity payments) and an increase in the unpaid claim recoverable. In this summary in our 2021 annual report, we stated that 2021's 13% year-over-year increase in the investment portfolio as compared to 2020 was not expected to be repeated in 2022 due to the geo-political and economic effects that were then adversely affecting markets. This proved to be the case.

Statement of financial position as at December 31

	2022 \$	2021 \$
Assets		
Current		
Cash	3,321,143	2,845,426
Accounts receivable	425,837	416,987
Government remittances receivable	15,189	12,776
Levy receivable	653,106	621,982
Prepaid expenses	176,856	88,981
Recoverable unpaid claims and expenses	804,857	435,358
Investments	22,599,034	23,727,445
Property and equipment, net	2,359	6,245
Total assets	27,998,381	28,155,199
Liabilities		
Current		
Accounts payable and accrued liabilities	435,313	649,507
Unearned levy	1,731,069	1,591,372
Total current liabilities	2,166,382	2,240,879
Provision for levy deficiency	384,616	310,571
Provision for unpaid claims and expenses	11,058,478	10,937,928
Total liabilities	13,609,476	13,489,378
Net assets		
Professional liability insurance reserve	14,388,905	14,665,821

Statement of revenue and expenditure for the year ended December 31

	2022 \$	2021 \$
Revenue	2,330,990	5,537,426
Insurance premiums	(264,500)	(322,433)
Net revenue	2,066,490	5,214,993
Claims and expenses		
Payments	1,507,513	1,951,730
Group deductible reimbursement	(108,336)	(111,920)
	1,399,177	1,839,810
Current period expense	(174,904)	1,335,158
Total claims and expenses	1,224,273	3,174,968
Administration		
Total administration	1,119,133	1,104,669
Total expenditures	2,343,406	4,279,637
Excess (Deficiency) of revenue over expenditure before undernoted	(276,916)	935,356
Return of CLIA surplus subscriber's equity	—	941,414
Excess (deficiency) of revenue over expenditure	(276,916)	1,876,770
Professional liability insurance reserve, beginning of year	14,665,821	12,789,051
Excess of revenue over expenditures	(276,916)	1,876,770
Professional liability insurance reserve, end of year	14,388,905	14,665,821

2022-2023 BOARD, COMMITTEES & STAFF

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LAP Peer Volunteers

LIANS and the NSBS present

The 15th Annual Solo & Small Firm Virtual Conference

Wednesday, November 15th, 2023

Sessions may be eligible as CPD hours

Stay tuned to LIANS.ca and NSBS.org for upcoming registration details

