



AUDIT COMMITTEE MEETING

Gordon Goodman

Carol Lyons

Michael Swartz

Audit Committee members not in attendance in person may dial in:

Toronto: 416-933-8665

Canada/US: 1-888-402-9166

Conf. ID #: 2675844#

Thursday, February 15, 2018 – 8:30 a.m.

Offices of Cassels Brock & Blackwell LLP

Scotia Plaza, 40 King Street West, 21st Floor, Toronto, ON

AGENDA

		<u>Responsibility</u>	<u>Tab</u>
1.	Constitution of Meeting	Gordon Goodman	
2.	Appointment of Secretary	Gordon Goodman	
3.	Approval of November 8, 2017 Meeting Minutes Proposed Motion: To approve the minutes.	Gordon Goodman	A1
4.	Report by the Actuary <ul style="list-style-type: none">• Actuarial Valuation Report• Presentation of the Actuary• Actuarial Valuation Peer Review Report	Julie-Linda Laforce	B1 B2 B3
5.	Report by the General Manager <ul style="list-style-type: none">• Draft Audited Financial Statements• P&C1 Regulatory Filing• Alberta Minimum Reserve and Guarantee Fund	Patrick Mahoney	C1 C2
6.	Report by the Auditors <ul style="list-style-type: none">• Audit Findings Report Proposed Motion: To recommend to the Board that the financial statements be approved.	Elaine Hultzer	D1
7.	Other Business <ul style="list-style-type: none">• Delivery of final Audited Statements for Board Distribution• Signature on Management Representation Letter (<i>included under Tab D1</i>)	Patrick Mahoney	

(In-camera session with Auditor and Audit Committee to follow formal part of meeting)

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
(CLLAS)**

Minutes of the meeting of the Audit Committee held at the offices of Axxima, 36 Toronto Street, Suite 510, Toronto, Ontario on November 8, 2017, 10:00 a.m. Toronto time.

Present:

Gordon Goodman (Chair)
Michael R. Swartz (by phone)
Carol Lyons (by phone)
Ken Crofoot

Cassels Brock & Blackwell LLP
WeirFoulds LLP
McMillan LLP
Goodmans LLP

Also Present:

Elaine Hultzer
Laurie Markus
Patrick Mahoney
Cecilia Jeganathan

Deloitte
Deloitte
Office of the General Manager
Office of the General Manager

1. Constitution of Meeting

The Chair called the meeting to order.

2. Secretary of the Meeting

Cecilia Jeganathan acted as Secretary.

It was moved by Carol Lyons and seconded by Michael Swartz that the minutes of the February 16, 2017 meeting of the Audit Committee be approved. The motion was carried unanimously.

3. 2017 Audit Plan

Elaine Hultzer and Laurie Markus reviewed the 2017 Audit Service Plan including the scope of the audit and the key areas of audit focus, which are actuarial/claims estimates, investments, reinsurance receivables, internal control environment and accounting/financial reporting.

As required by the professional standards, the Audit Committee members were asked for their input on the risk of fraud, knowledge of any fraud or suspected fraud and any changes in the role the committee exercises in the oversight of assessment of the risk of fraud and program and controls established to mitigate these risks.

The preliminary estimate of materiality for the year ending December 31, 2017 has been set at \$1,480,000 up \$80,000 from the prior year.

Based on the initial risk assessment, the following are areas of significant audit risk for CLLAS:

- Provision for unpaid claims and adjustment expenses (valuation)
- Recognition and disclosure of subscriber withdrawals
- Management override of controls
- Revenue Recognition

An audit fee of \$88,903 was proposed. The current year fees include approximately 3% inflationary increase from the 2016 base audit fees.

4. IFRS 9 – Deferral of Implementation

It was noted the IFRS 9, which deals with the classification and measurement of financial assets, will take effect on January 1, 2018. An entity which meets a test focused on ensuring that its predominant activity is the issuance of insurance contracts has the option to defer the implementation of IFRS 9 until January 1, 2021, when IFRS 17 (which focuses on insurance contracts) takes effect. Management presented an exhibit that showed CLLAS meets the test and is therefore eligible to defer implementation. A deferral was recommended, and the Audit Committee was asked to make the necessary recommendation at the meeting of the CLLAS Board. The Audit Committee agreed.

5. Peer Review of 2017 Actuarial Valuation

The regulator requires that regulated entities conduct an external peer review of the year-end actuarial valuation once every three years. CLLAS conducted its first peer review of the 2014 actuarial valuation. The regulatory requirement is to do such a review on a three-year cycle, so CLLAS is due to conduct a review of the 2017 valuation. The audit committee agreed to have a peer review done and recommended PwC to carry out the review.

6. 2016 Annual Review Letter and Response

The annual review letter on the 2016 Annual Return issued by the Alberta Superintendent of Insurance (ASOI) in accordance with section 756 of the Insurance Act (“Act”) was reviewed. No material issues were noted. The management’s response letter to the findings was also presented.

(Deloitte left the meeting)

6. Colchester Management Financials at June 30, 2017

Patrick Mahoney provided a high-level overview of Colchester’s management financial statements as of June 30, 2017. No concerns were noted.

7. Reinsurance Security Schedule

Ryan Durrell presented the Report on Reinsurance Security. He highlighted the key items on the report. The results of level 1 tests were reviewed. It was noted AWAC, Arch and Axis have negative rating agency watches following acquisition and worse than expected performance,

however, all three have strong current ratings which would still meet CLLAS' criteria even if a downgrade occurred, and therefore there is no immediate concern.

In the participation tests there were no material concerns. Argo's participation was lowered to 20% this year, at Argo's request, as a result of the reduced rates. Pioneer has become a significant market for CLLAS under these tests. While Pioneer is currently an MGA with capacity mostly provided by Liberty (which also reinsures CLLAS directly through its Liberty and Pembroke syndicates), Pioneer expects to be providing its own capacity by next renewal. The committee agreed that no action was required.

Level 2 monitoring was discussed at a high level. No material concerns.

The disparity between reinsurance rates and actuarially determined loss costs was discussed. CLLAS has consciously decided to cede most of its risk in light of the soft reinsurance marketplace. The Committee acknowledged that this approach is unlikely to be sustainable over the long term, but continues to make sense for the time being.

There being no other business, the meeting was terminated.

Chair

Secretary

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Report on the Valuation of Policy Liabilities as at December 31, 2017

Draft Report
February 2, 2018

Prepared by Julie-Linda Laforce, FCIA FCAS MAAA

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PART 1—EXECUTIVE SUMMARY

The purpose of this section is to summarize the key findings of our actuarial valuation of the Canadian Lawyers Liability Assurance Society (“CLLAS”) policy liabilities as at December 31, 2017. This valuation includes all policy liabilities, namely:

- Claim liabilities;
- Liabilities in connection with unearned premium; and
- Other policy liabilities.

This valuation has been prepared in accordance with the standards of practice of the Canadian Actuarial Standards Board. CLLAS’s policy liabilities were valued both on a gross and net of reinsurance basis.

We have performed a reconciliation of the premium and claims data received from CLLAS and are satisfied that no material data was omitted.

Valuation of Claim Liabilities

Undiscounted Claim Liabilities

The Bornhuetter-Ferguson method was used to estimate gross ultimate losses and loss adjustment expenses by policy period and loss layer. The Incurred but Not Reported (“IBNR”) provisions were determined as the difference between estimated ultimate losses and losses reported to date.

CLLAS cedes paid losses, case reserves and provisions for IBNR in three ways:

1. **Proportional reinsurance:** The amounts ceded to proportional reinsurance in each layer vary according to the reinsurance arrangements effective in each policy period.
2. **Aggregate reinsurance:** CLLAS’s aggregate reinsurance with Colchester Reinsurance Limited (“Colchester”) is applicable to its retention after reflection of proportional reinsurance. The amounts ceded to aggregate reinsurance vary according to the reinsurance arrangements effective in each policy period.
3. **Loss portfolio transfer:** At June 30, 2012, CLLAS entered into a loss portfolio transfer agreement with Colchester which covers all outstanding claim obligations on policies written between July 1, 1987 and June 30, 2012.

CLLAS’s net obligations for losses and loss adjustment expenses are therefore limited to those on policy periods after June 30, 2012.

The provision for unallocated loss adjustment expenses (“ULAE”) represents the estimated cost of CLLAS’s future claims management expenses expected to arise on claims incurred as of December 31, 2017. The provision was derived using an aggregate approach based on the estimated internal claim management expenses for 2018, the annual indexing of such expenses by 2% and the portion of such future annual expenses related to the outstanding claim liabilities. The provision for ULAE is entirely retained by CLLAS.

Based on the above, the undiscounted claim liabilities were estimated at \$104,547,000 on a gross basis and \$4,632,000 on a net basis. Claim liabilities include the provision for IBNR, the provision for ULAE and the case reserves recorded by CLLAS.

Discounting and Provision for Adverse Deviation

Accepted actuarial practice requires the valuation of policy liabilities on a discounted basis (i.e. reflecting the time value of money) and the addition of a Provision for Adverse Deviation (“PFAD”) to these discounted liabilities. Liabilities were discounted using a 2.15% rate of return assumption.

The following table is a summary of the claim liabilities on a gross and net basis as determined per accepted actuarial practice:

	Gross Basis	Net Basis
Undiscounted Claim Liabilities		
Case Reserves	\$ 56,705,000	\$ 694,000
Provision for IBNR	45,192,000	1,288,000
Provision for ULAE	2,650,000	2,650,000
Total	\$ 104,547,000	\$ 4,632,000
Discounted Claim Liabilities	95,756,000	4,215,000
Provision for Adverse Deviation (“PFAD”)	8,743,000	3,716,000
Discounted Claim Liabilities plus PFAD	\$ 104,499,000	\$ 7,931,000
Carried in Financial Statements	\$ 104,499,000	\$ 7,931,000

Comparison of Actual and Expected Experience

The net claim development on prior policy years during 2017 was unfavorable by \$105,000. There was no development on policy periods prior to June 30, 2012 due to the loss portfolio transfer with Colchester, except for claim recoveries of \$230,000 on policy year 2007/2008.

Valuation of Liabilities in Connection with Unearned Premium

CLLAS’s net liabilities in connection with unearned premiums at December 31, 2017 were estimated per accepted actuarial practice at \$743,000 (i.e. on a discounted basis including PFAD). As CLLAS has



net unearned premiums of \$999,000, the maximum deferrable policy acquisition expense is estimated at \$255,000 and there is no premium deficiency. CLLAS's recorded deferrable policy acquisition expense is \$103,000.

Valuation of Other Policy Liabilities

CLLAS has no other policy liabilities at December 31, 2017.

PART 2—INTRODUCTION AND SCOPE

Introduction

Company:	Canadian Lawyers Liability Assurance Society (also referred to as “CLLAS” in this report)
Date of Valuation:	December 31, 2017
Purpose:	Actuarial opinion and valuation report as required under section 407 of the Alberta Insurance Act
Author:	Julie-Linda Laforce, FCIA FCAS MAAA Axxima Inc. 192 St-Jean, Suite 202 Longueuil, Quebec J4H 2X5 Phone : 450.646.2500 ext. 200 Fax : 1.855.529.9462 Email : julielindalaforce@axxima.ca
Authority:	Actuary to CLLAS
Distribution:	This report is strictly for the use of CLLAS, its external auditors and its advisors in the context of their work in connection with the financial statements and the Annual Return. Any other use or disclosure should be discussed first with Axxima Inc. If this report is distributed further, it must be distributed in its entirety. All recipients of this report should be aware that the person signing it is available to answer questions about it.

This report was prepared and filed with the regulatory authorities in accordance with the relevant legislation and accepted actuarial practice based on the appropriate Standards of Practice of the Canadian Actuarial Standards Board.

Scope

Actuarial valuation of all policy liabilities, including:

- Claim liabilities,
- Liabilities in connection with unearned premium, and
- Other policy liabilities.

Operations

General

CLLAS was formed in 1986 and licensed in Ontario as an insurer in 1987 with the first policies issued with an effective date of July 1, 1987. Effective July 1, 2012, CLLAS's lead regulator was changed from Ontario to Alberta. CLLAS is licensed in Alberta, British Columbia and Ontario, and since March 4, 2015, it is also licensed in Nova Scotia.

CLLAS provides professional liability insurance to subscribing law firms in excess of the compulsory coverage provided by the various law societies. Since inception, coverage provided by CLLAS has been on a claims-made basis. For the first policy term (i.e., July 1, 1987 to June 30, 1988), coverage was in excess of \$600,000. Coverage in subsequent policy terms is in excess of \$1,000,000.

A summary of the coverage provided by CLLAS is set out below:

CLLAS HISTORICAL COVERAGE SUMMARY	
Coverage Period	Coverage Provided (in million \$)
July 1, 1987 to June 30, 1988	\$24.4 excess of \$0.6
July 1, 1988 to June 30, 1989 to July 1, 1989 to June 30, 1990	\$24.0 excess of \$1.0
July 1, 1990 to June 30, 1991	\$24.0 excess of \$1.0* plus \$25.0 excess of \$50.0
July 1, 1991 to June 30, 1992 to July 1, 1996 to June 30, 1997	\$34.0 excess of \$1.0* plus \$25.0 excess of a minimum of \$50.0
July 1, 1997 to June 30, 1998	\$34.0 excess of \$1.0* plus \$25.0 excess of a minimum of \$50.0 \$15.0 excess of \$120.0 (optional layer)
July 1, 1998 to June 30, 1999	\$34.0 excess of \$1.0* plus \$30.0 excess of a minimum of \$50.0 \$20.0 excess of \$130.0 (optional layer)
July 1, 1999 to June 30, 2000 **	\$34.0 excess of \$1.0* plus \$30.0 excess of a minimum of \$50.0 \$20.0 excess of \$130.0 (optional layer)
July 1, 2000 to June 30, 2001 to July 1, 2002 to June 30, 2003 **	\$34.0 excess of \$1.0* plus \$30.0 excess of a minimum of \$50.0 \$20.0 excess of \$140.0 (optional layer)
July 1, 2003 to June 30, 2004 to July 1, 2005 to June 30, 2006 ***	\$34.0 excess of \$1.0* plus \$30.0 excess of a minimum of \$50.0 \$20.0 excess of \$140.0 (optional layer)

CLLAS HISTORICAL COVERAGE SUMMARY	
Coverage Period	Coverage Provided (in million \$)
July 1, 2006 to June 30, 2007 to July 1, 2007 to June 30, 2008 ***	\$34.0 excess of \$1.0* plus \$30.0 excess of a minimum of \$50.0 \$20.0 excess of \$140.0 (optional layer 1) \$20.0 excess of \$160.0 (optional layer 2)
July 1, 2008 to June 30, 2009 to July 1, 2009 to June 30, 2010 ***	\$34.0 excess of \$1.0* plus \$30.0 excess of a minimum of \$50.0 \$20.0 excess of \$140.0 (optional layer 1) \$10.0/20.0/30.0 excess of \$160.0 (optional layer 2)
July 1, 2010 to June 30, 2011 ***	\$34.0 excess of \$1.0* plus \$30.0 excess of a minimum of \$50.0 \$20.0 excess of \$140.0 (optional layer 1) \$20.0/30.0/40.0 excess of \$160.0 (optional layer 2)
July 1, 2011 to June 30, 2012 to July 1, 2015 to June 30, 2016 ****	\$49.0 excess of \$1.0* plus \$30.0 excess of a minimum of \$65.0 \$10.0/20.0/30.0/40.0/50.0/60.0 excess of \$160.0 (optional layer)
July 1, 2017 to June 30, 2017 ****	\$49.0 excess of \$1.0* plus \$30.0 excess of a minimum of \$65.0 \$10.0/20.0/30.0/40.0/50.0/60.0 excess of \$160.0 (optional layer) 5% of \$30.0 excess of \$50.0 or \$110.0 excess of \$50.0

* The excess policies are endorsed to drop down to excess of \$250,000 (\$25,000 starting in 2008/2009) in certain instances

** For Quebec, all CLLAS coverage is provided in excess of a \$5 million retention up to and including policy year 2002/2003

*** For Quebec, for policy years 2003/2004 and after, CLLAS coverage is provided \$30million in excess of a \$10 million retention

**** For Quebec, for policy year 2011/2012 and after, CLLAS coverage is provided \$40 million in excess of a \$10 million retention

The policy limits presented above are also firm aggregate limits. As of July 1, 2002, the firm aggregate limit on the first \$5 million of coverage, inclusive of underlying, was set at \$25 million. This was reduced as of July 1, 2007 to \$12 million and further reduced to \$5 million as of July 1, 2008. Starting on July 1, 2011, there is no longer a firm aggregate specific aggregate limit.

The umbrella layer of coverage (\$30 million excess of a minimum of \$65 million) is subject to an annual aggregate of \$60 million for all law firms combined. Coverage between the basic coverage described above (\$49 million excess of \$1 million) and the minimum attachment point of \$65 million of the umbrella layer is not provided by CLLAS, but left to individual subscribers to arrange, except for a small retention starting on July 1, 2017.

As of July 1, 2008, CLLAS began offering an option of \$10 million excess of \$160 million, \$20 million excess of \$160 million or \$30 million excess of \$160 million in optional layer 2. As of July 1, 2010, CLLAS began offering an option of \$20 million excess of \$160 million, \$30 million excess of \$160 million or \$40 million excess of \$160 million in optional layer 2. As of July 1, 2011, CLLAS replaced its two optional

layers with a single layer excess of \$160 million (increased from previous years' \$140 million attachment point) with options ranging from \$10 million to \$60 million in \$10 million increments.

Reinsurance

CLLAS cedes paid losses, case reserves and provisions for IBNR in three ways:

1. **Proportional reinsurance:** The amounts ceded to proportional reinsurance in each layer vary according to the reinsurance arrangements effective in each policy period. The size and number of layers have varied over time.
2. **Aggregate reinsurance:** CLLAS's aggregate reinsurance with Colchester Reinsurance Limited ("Colchester") is applicable to its retention after reflection of proportional reinsurance. The amounts ceded to aggregate reinsurance vary according to the reinsurance arrangements effective in each policy period.
3. **Loss portfolio transfer:** At June 30, 2012, CLLAS entered into a loss portfolio transfer agreement with Colchester which covers all outstanding claim obligations on policies written between July 1, 1987 and June 30, 2012. CLLAS's remaining net claim liabilities attributable to the business written prior to June 30, 2012 are provisions for unallocated loss adjustment expenses.

The current and historical reinsurance arrangements are summarized in Schedule 1.

Membership and Management Changes

The number of insured lawyers increased from approximately 1,450 to 3,750 (including 35 patent and trademark agents) from 1987 to 2017. Included in the 3,750 lawyers are 154 lawyers practicing in the US or the UK which are covered by the optional layers and the shared umbrella layer. The firm Blake, Cassels & Graydon LLP withdrew from CLLAS at June 30, 2012 and the firm Dentons withdrew from CLLAS at June 30, 2017. Prior Heenan Blaikie lawyers joined various CLLAS firms in 2014. Their exposure was reflected in the tail reported coverage purchased.

CLLAS has been managed by The Wyatt Company from its inception in 1987 until late 1995, by Dion, Durrell + Associates Inc. until September 2013, and by Axxima Insurance Services, a division of 3303128 Canada Inc. ("Axxima Insurance Services") thereafter.

There have not been any major changes in management policies and philosophy in recent years. There have been no management changes in 2017.

Claims Administration and Reserving

Based on discussions with CLLAS management, claims administration and reserving practices are generally consistent with prior years. CLLAS establishes its own claims reserves with consideration for the reserves set by the Law Society of Ontario and other law societies which offer the underlying compulsory program, as well as the circumstances of individual claims. CLLAS reserves are monitored on an ongoing basis and are reviewed and modified on a quarterly basis by CLLAS Claims Committee as deemed appropriate. A new claims system was implemented in 2017.

Standard of Materiality

The standard of materiality encompasses both approximation errors and errors due to inaccurate information. The standard has been communicated to the auditor. The standard of materiality selected by the auditor is \$1,480,000. I have selected a standard of materiality of \$250,000, deemed appropriate under the circumstances with due consideration given to:

- The surplus position of CLLAS (\$250,000 represents 2.2% of the surplus),
- The value of the unpaid liabilities (\$250,000 represents 3.2% of the net claims liabilities), and
- The potential users of CLLAS's financial statements, which include regulators, auditors, management and subscribers.

Limitations

In carrying out this valuation, I have relied on CLLAS's financial records and I have verified the consistency of the valuation data with the CLLAS financial records. I have asked Deloitte, CLLAS's external auditor, to report to me on the following:

1. To employ appropriate tests and sampling of CLLAS's individual records to ensure accurate and proper recording of premium, claim and asset information;
2. To employ appropriate tests and sampling to ascertain that proper management controls are in place to ensure the completeness of premium, claim and asset data;
3. To employ appropriate tests to ensure that our premium and claim data sets correspond in aggregate to internal CLLAS reports; and
4. Subsequent events which could have a significant effect on the valuation.

I have received a satisfactory report from the auditors for the year ended December 31, 2017.

I am satisfied that the data utilized are reliable and sufficient for the valuation of these liabilities.

Policy liabilities are estimates. The ultimate liabilities will depend upon future contingent, and by definition, uncertain events. Examples of such events include unanticipated changes in inflation, changes to the legal system and judgements establishing precedents.

It must be recognized that the future emergence of loss and loss adjustment expenses may deviate from our estimates by a significant margin. In estimating these liabilities, I have used models, procedures and assumptions which, in my opinion, are reasonable and appropriate and I believe the resulting estimates are reasonable given the information available.

Specific Disclosure Requirements

Reporting Relationships and Annual Required Reporting to the Board or Audit Committee

This report has been provided to Mr. Patrick Mahoney, General Manager of CLLAS. Further, I will meet with CLLAS's audit committee on February 15, 2018 to present the results of this valuation.

I met with CLLAS's audit committee on February 16, 2017, February 18, 2016, February 19, 2015, February 19, 2014 and February 20, 2013 to present the results of the 2016, 2015, 2014, 2013 and 2012 valuations respectively.

Continuing Professional Development Requirements

I am in compliance with the Continuing Professional Development requirements of the Canadian Institute of Actuaries.

Dynamic Capital Adequacy Testing

No Dynamic Capital Adequacy Testing analysis was requested by the regulator in 2017.

External Peer Review

A full external peer review was requested by the regulator in 2014 for the valuation report. This review was conducted on a pre-release basis by Ms. Lisa Yeung of PwC. The report is dated February 18, 2015. The external peer reviewer concluded that the assumptions and methodologies used in the report were reasonable and that the work had been completed in accordance with accepted actuarial practice.

The peer reviewer had two recommendations:

1. Provide descriptive details regarding methodology for selecting industry development factors;

2. The provision for ULAE is reasonable, but the actuary should consider other assumptions for the length of time period and rate of decrease applied to the estimated 2015 claims management expenses.

As a result of these recommendations, additional commentary can be found in Part 5 of this report.

Another full external peer review was requested by the regulator in 2017 for the valuation report. This review was conducted on a pre-release basis by M. Pierre Bourassa of PwC. The report is dated February x, 2018. The external peer reviewer concluded that the assumptions and methodologies used in the report were reasonable and that the work had been completed in accordance with accepted actuarial practice.

The peer reviewer had the following recommendations:

1. In the Expression of Opinion, line 9 shows only “Unearned Commissions” in the table of premium liabilities. According to the OSFI Memorandum for the Appointed Actuary, line 9 also includes “Ceded Deferred Premium Taxes” and “Ceded Deferred Insurance Operations Expenses”. Please change the line name and add those amounts to line 9, if any.
2. In the section of Discounting and Provision for Adverse Deviation (page 16), the discount rate is reduced by the investment expenses of 0.17%. I would recommend adding a comment on how you derive the investment expenses.
3. I would recommend adding some comments on the explicit margin for expected credit-related events in the discount rate section.
4. I would consider adding more uncertainty to MfAD for premium liability or comment on your reasoning to select the same level of margins.
5. I recommend adding commentary on the differences between page 60.40 and AAR’s runoff exhibit.
6. OSFI requires that the AAR contain the references to the report sections, exhibits and/or appendices on how to derive the Appointed Actuary’s figures. I would consider including the supplementary information supporting the Opinions.

As a result of these recommendations, additional commentary and Part 10 can be found in this report.



Disclosure of Compensation

I attest that all my direct and indirect compensation is derived using the following methodology:

Axxima operates on a fee for service basis and hence the compensation that we receive from CLLAS is a function of the time and personnel involved in the engagement.

I confirm that I have performed my duties without regard to any personal considerations or to any influence, interest or relationship in respect of the affairs of my client or employer that might impair my professional judgement or objectivity. I confirm that my ability to act fairly is unimpaired, that there has been full disclosure of the methodology used to derive my compensation to all known direct users of my services.

PART 3—EXPRESSION OF OPINION

I have valued the policy liabilities and reinsurance recoverables of the Canadian Lawyers Liability Assurance Society for its statement of financial position at December 31, 2017 and their changes in the statement of comprehensive income for the year then ended in accordance with accepted actuarial practice in Canada, including selection of appropriate assumptions and methods.

The results of my valuation together with amounts carried in the Annual Return are the following:

Claim Liabilities	Carried in Annual Return	Actuary's Estimate
(1) Direct unpaid claims and adjustment expenses	\$ 104,499,000	\$ 104,499,000
(2) Assumed unpaid claims and adjustment expenses	0	0
(3) Gross unpaid claims and adjustment expenses	104,499,000	104,499,000
(4) Ceded unpaid claims and adjustment expenses	96,568,000	96,568,000
(5) Other amounts to recover	0	0
(6) Other net liabilities	0	0
(7) Net unpaid claims and adjustment expenses [(3)-(4)-(5)+(6)]	\$ 7,931,000	\$ 7,931,000

Premium Liabilities	Carried in Annual Return	Actuary's Estimate
(1) Gross policy liabilities in connection with unearned premiums		\$ 6,839,000
(2) Net policy liabilities in connection with unearned premiums		743,000
(3) Gross unearned premiums	\$ 3,540,000	
(4) Net unearned premiums	999,000	
(5) Premium deficiency	0	\$ 0
(6) Other net liabilities	0	0
(7) Deferred policy acquisition expenses	103,000	
(8) Maximum policy acquisition expenses deferrable [(4)+(5)+(9)-(2)]		\$ 255,000
(9) Unearned Commissions + Ceded Deferred Premium Taxes + Ceded Deferred insurance Operation Expenses	\$ 0	

In my opinion, the amount of policy liabilities net of reinsurance recoverables makes appropriate provision for all policy obligations and the financial statements fairly present the results of the valuation.

Julie-Linda Laforce
Fellow, Canadian Institute of Actuaries

Longueuil, Quebec
February 2, 2018

PART 4—COMPARISON OF ACTUAL AND EXPECTED EXPERIENCE

The expected experience represents the net ultimate loss projections as of December 31, 2008, through December 31, 2016, and the actual experience represents the net ultimate loss projections as of December 31, 2017. Exhibit 13.2 shows both actual and expected experience net of proportional reinsurance, stop loss reinsurance and loss portfolio transfer with Colchester.

The net claim development on prior policy years during 2017 was unfavorable by \$105,000. There was no development on policy periods prior to June 30, 2012 due to the loss portfolio transfer with Colchester, except for claim recoveries of \$230,000 on policy year 2007/2008.

The net development presented in our report excludes ULAE. Please note that ULAE development is included in the Annual Report page 60.40 (of the P&C-1).

PART 5—CLAIM LIABILITIES

General

The claim liabilities consist of both case reserves and incurred but not reported (“IBNR”) reserves. IBNR reserves are established as a bulk provision to supplement the case reserves. IBNR is broadly defined to include a provision for development of known claims as well as a provision for claims reported after the valuation date.

Considerations

Homogeneity/Credibility:	The same coverage is offered to all subscribers. The risk exposures of the CLLAS subscribers are considered to be homogeneous for estimating claim liabilities. Given the excess nature of the coverage provided by CLLAS, claims experience is very limited. For that reason, provisions for IBNR were estimated based upon anticipated future development of expected losses.
Mix of Business:	There have been no material changes in the mix of business since CLLAS’s inception.
Case Reserving Practices:	CLLAS utilizes case reserves set by the law societies and reviews large claims. However it may, if deemed appropriate, set reserves higher than the law societies for claims which have the potential of piercing into CLLAS’s coverage layers. The case reserving practices have been consistent over time.
Claims Recording/Settlement:	Claims recording and claims settlement practices during 2017 were consistent with historical practices. A new claims database was implemented in 2017. The year-end cut-off date was December 31, 2017.
Frequency/Severity:	Given the excess nature of the coverage provided by CLLAS, claims experience has been very volatile from year to year.
Reopened Claim Potential:	Our analysis indicates that in the past, no material reopening claim activity has taken place. I am not aware of any precedent-setting judicial opinions, liberalizing legislation or company procedures which might affect the claims reopening potential.
Claims Runoff:	The gross one-year claims runoff was unfavorable in 2017.

Coverage Changes:	CLLAS offered new limits in 2017. The current and historical coverage limits provided by CLLAS are presented in Part 2 – Operations.
Retention/Reinsurance:	Details of the current and historical reinsurance arrangements are provided in Part 7 and Schedule 1 of this report.
Aggregate Limits:	The aggregate limits of CLLAS’S reinsurance with Colchester have changed at July 1, 1998 and subsequently at July 1, 2002, July 1, 2005, July 1, 2006, July 1, 2011 and July 1, 2012 as described in detail in Part 7.
Collateral Sources:	Case reserves used in this valuation are assumed to be net of salvage and subrogation. We are not aware of any other collateral sources which might reduce the claim liabilities.
Marketing Strategy:	There have been no changes in marketing strategy for CLLAS in 2017.
Regulatory Changes:	Effective July 1, 2012, CLLAS’s lead regulator was changed from Ontario to Alberta.
Mass Tort or Latent Claim:	We are not aware of any exposure to tort and latent claims.
External Influences:	We are not aware of any legal or regulatory changes or any precedents set in case law that would impact our estimates.
Pools and Associations:	CLLAS does not participate in any voluntary or involuntary underwriting pools or associations. Therefore, CLLAS is not subject to any liabilities from participation in any pools or associations.

Methodology and Assumptions – Gross and Net Losses and Loss Adjustment Expenses

The methodologies used to estimate the ultimate loss and allocated loss adjustment expense liabilities are consistent with those used in the last valuation. The data underlying the projections and estimates is documented in Part 8 of this report.

The Provisions for IBNR have been established using a Bornhuetter-Ferguson approach, based upon expected losses for each coverage period, and an assumed claim emergence pattern. The expected loss volumes have been estimated as the product of the exposure count (earned lawyer years) and pure premiums (expected loss costs per lawyer).

All reference to losses or claims are meant to include allocated loss adjustment expenses unless otherwise noted.

Rating studies have been performed annually since 1995 and expected loss costs assumptions have been revised from time to time. The last such rating study took place in early 2017 which led to revised expected loss costs per lawyer for the period covering from July 1, 2017 through June 30, 2018. These were used in the December 31, 2017 valuation. The revised and prior loss costs per lawyer assumptions for each layer of proportional reinsurance are summarized below:

Reinsurance Layer (in million \$)	Expected Loss Costs Per Lawyer	
	Prior	Revised
\$0.975 xs \$0.025	\$ 116	\$ 115
\$4.0 xs \$1.0	1,105	1,110
\$5.0 xs \$5.0	577	566
\$10.0 xs \$10.0	782	776
\$30.0 xs \$20.0	1,020	1,039
\$30.0 xs minimum \$65.0	10	12
5% of \$30.0 xs \$50.0	n.a.	20
5% of \$110.0 xs \$50.0	n.a.	33
\$40.0 xs \$160.0	23	30
\$60.0 xs \$160.0	29	38

The selected claim emergence pattern was derived using the observed development for lawyers' professional liability excess loss experience from a number of the law societies as a guide. Loss development factors for losses in excess of \$25,000; \$50,000; \$100,000; \$200,000; \$300,000 and \$500,000 were derived from loss data from law societies. The development factors in excess of \$1,000,000 were determined by fitting a linear function to these loss development indications. The selected loss development patterns are shown in Exhibit 1.8.

The selected claim payment pattern was also derived using the observed payout for lawyers' professional liability excess loss experience from a number of the law societies as a guide. The selected payment pattern is shown in Exhibits 1.1 and 1.4 on a gross and net basis respectively.

Methodology and Assumptions – Unallocated Loss Adjustment Expenses

The provision for unallocated loss adjusting expenses ("ULAE") were established at 2.60% of the gross indemnity and legal expense liabilities, assuming that all ULAE costs would be retained by CLLAS. It should be noted that ULAE represents solely CLLAS internal claims management expenses.

The derivation of the ULAE ratio as shown in Exhibit 6 is based upon the following key assumptions:

- Estimated internal claims management expenses equal to \$457,000 in 2018;
- Indexing of such expenses at 2% a year in future years; and

- The portion of such annual expenses related to the outstanding claim liabilities as of December 31, 2017 will decrease at an annual rate of 1/10 per year from 2018 to 2027.

The provision for ULAE resulting from the above assumptions represents 2.62% of the gross case reserves and provision for IBNR as of December 31, 2017. A 2.60% assumption was selected to determine the provision for ULAE as of December 31, 2017. As shown in Exhibit 7, the provision amounts to \$2,650,000 (i.e. \$1,475,000 based on gross case reserves plus \$1,175,000 based on the gross provision IBNR).

It is worth noting that the methodology and assumptions were revised at December 31, 2017 to reflect the more recent experience with lower annual claim payment and longer claim duration.

Summary of Undiscounted Liabilities

The unpaid claim liabilities as of December 31, 2017 on an undiscounted basis are as follows:

	Gross	Ceded to Reinsurers	Net
Case Reserves	\$ 56,705,000	\$ 56,011,000	\$ 694,000
Provision for IBNR	45,192,000	43,904,000	1,288,000
Provision for ULAE	2,650,000	0	2,650,000
Total	\$ 104,547,000	\$ 99,915,000	\$ 4,632,000

Exhibits 3 to 7 show the ground-up incurred loss amounts as well as the impact of proportional reinsurance, aggregate reinsurance, loss portfolio transfer to Colchester, and unallocated loss adjustment expenses.

Discounting and Provision for Adverse Deviation

A discount rate of 2.15% (1.75% at December 31, 2016) was selected based on the yield of CLLAS's investment portfolio as at December 31, 2017. The basis upon which this selection was made can be found on Exhibit 8. The assets selected for the purpose of estimating a discount rate are sufficient to support the net policy liabilities and generate a cash flow that is consistent with the cash flows associated with the net policy liabilities.

The yield reflects the market value of bonds since CLLAS has classified its bond portfolio as available-for-sale. The selected discount rate is 0.17% less than the indication to account for investment management expenses (estimated based on CLLAS investment management expenses in relation to invested assets). In the selection of the discount rate it is assumed that there are no expected asset defaults based on a review of the investment portfolio.

The Consolidated Standards of Practice – Specific Standards for Insurance, Section 2250 of the Canadian Actuarial Standards Board (ASB) provides explicit guidance for the setting of the provision for adverse deviation associated with claim liabilities. There are three major valuation variables in any property and casualty insurance valuation. Associated with each of these variables, the ASB has established a recommended range of low and high margins which varies with the uncertainty of the variable.

The variables involved and the range of margin for each is shown below:

Variable	Margin
1. Claims Development	Low margin: 2.5% of discounted liabilities High margin: 20.0% of discounted liabilities
2. Reinsurance Recovery	Low margin: 0.0% of discounted liabilities High margin: 15.0% of discounted liabilities
3. Interest Rate	Low margin: 25 basis points (0.25%) High margin: 200 basis points (2.0%)

Evaluation of these margins can be found in Exhibit 9.

Selected Margin for Claims Development

The liabilities are long-tailed and require a number of years of development before a precise picture of the ultimate liabilities can be obtained. In addition, since the coverage is in excess of \$1,000,000, losses are subject to a high degree of variability. As a result of these considerations, the margin for claim development was selected at 10.0%. The selected margin is unchanged from the one selected in the December 31, 2016 valuation.

We have not applied the claims development margin to the case reserves on one large claim in policy period 2009/2010 given that the policy limit for this claim has been reached.

Selected Margin for Reinsurance Recovery

The selected margin is 3.5%. The selected margin is unchanged from the one selected in the December 31, 2016 valuation.

Selected Margin for Interest Rate

The investment portfolio is comprised of money market securities, treasury bills, government bonds and corporate bonds. Due to the high quality of investment holdings, we believe the risk of asset default is low. The margin for interest rate was selected at 50 basis points (0.50%) and reflects the

quality of the investment portfolio. The selected margin is unchanged from the one selected in the December 31, 2016 valuation.

Summary of Discounted Liabilities and Provisions for Adverse Deviation

The unpaid claim liabilities as of December 31, 2017 are summarized as follows:

Claim Liabilities	Gross	Ceded to Reinsurers	Net
Undiscounted	\$ 104,547,000	\$ 99,915,000	\$ 4,632,000
Discounted	95,756,000	91,541,000	4,215,000
PFAD	<u>8,743,000</u>	<u>5,027,000</u>	<u>3,716,000</u>
Discounted plus PFAD	\$104,499,000	\$ 96,568,000	\$ 7,931,000

Impact of Changes in Methodology and Assumptions on Reserve Estimates

The only material change in methodology from the previous year's valuation is for the ULAE provision. The total impact of changes in methodologies and assumptions implemented in my December 31, 2017 valuation is a decrease of \$1,403,000 and an increase of \$533,000 in gross and net discounted liabilities plus provision for adverse deviation. The impact is mainly explained by the change in ULAE provision, discount rate and change in loss development factors.

Subsequent Events

We are not aware of any events subsequent to the December 31, 2017 valuation date which are significant to this valuation.

PART 6—PREMIUM LIABILITIES AND OTHER LIABILITIES

Liabilities in Connection with Unearned Premium

Considerations

The liabilities in connection with unearned premium are based upon the review of the following considerations:

Frequency/Severity Trends:	Coverage provided by CLLAS is expected to give rise to a combination of low frequency/high severity claims. Given the small volume of claims experience to date, frequency/severity trends are subject to high degree of volatility.
External Influences:	We are not aware of any legal or regulatory changes or precedents set in case law expected to have a material impact on the future cost of claims.
Reinsurance Arrangements:	The types of reinsurance arrangements, their conditions and retention levels applicable to the unexpired portion of the policies in force are identical to those currently in force.
Premium Collection:	We are not aware of any premium collectability problems. This was confirmed by CLLAS management.
Seasonality of Losses:	We are not aware of any variations in the frequency or severity of claims caused by seasonality. Therefore, the loss exposure arising from policies currently in force is not expected to be subject to seasonal variation.
Coverage Changes:	We are not aware of any coverage change which could affect the claim costs arising from the unexpired portion of the business in force.

Unearned Premium

Unearned premiums are computed using the daily pro rata method. The gross and net unearned premiums as of December 31, 2017 are \$3,540,000 and \$999,000 respectively.

Summary of Liabilities in Connection with Unearned Premium

The liabilities in connection with unearned premiums are computed in Exhibit 14. Summarized below are the assumptions used in the calculation of the liabilities.

- **Expected Ultimate Loss Ratio:** The expected ultimate loss ratio was estimated based on expected losses for 2017/2018 from CLLAS's 2017/2018 rating study, divided by the earned premiums.
- **Unallocated Loss Adjustment Expenses:** The selected unallocated loss adjusting expenses as a percentage of losses is shown in Exhibit 6. A 2.60% ratio was used for liabilities in connection with unearned premium.
- **Policyholder Servicing Costs:** Policyholder servicing costs were selected at 5.0% of premiums.
- **Change in Reinsurance Costs:** Because the policy and reinsurance contract dates are the same, there is no applicable change in reinsurance cost amount.

Deferred Policy Acquisition Expenses

The maximum allowable deferred expenses are \$255,000. CLLAS has recorded deferred policy acquisition expenses of \$103,000.

Premium Deficiency

There is no premium deficiency at December 31, 2017.

Discounting and Provision for Adverse Deviation

Discounting and provision for adverse deviation calculations also apply to claim liabilities in connection with unearned premium. The variables involved, and the selected margins are the same as noted in the section on claim liabilities and the calculations can be found in Exhibit 14.2. In the case of CLLAS, we have considered that the same level of uncertainty appropriate for the premium liabilities given the net claims liabilities are almost entirely based on IBNR and ULAE.

Other Policy Liabilities

CLLAS has no other policy liabilities at December 31, 2017.

PART 7—REINSURANCE

Proportional Reinsurance

CLLAS has had proportional reinsurance arrangements since inception. Reinsurance ceded is on a claims-made basis. CLLAS coverage was divided into various layers and a certain proportion in each layer is ceded to different reinsurers. CLLAS also retains a variable proportion of each layer.

Aggregate Reinsurance

CLLAS has arranged since July 1, 1989 aggregate reinsurance with Colchester which is applicable to its retention after reflection of proportional reinsurance. These reinsurance arrangements are summarized in Schedule 1.

In June 1996, the following changes were made to CLLAS non-proportional reinsurance arrangements with Colchester retrospectively for the policy periods 1993/1994 to 1995/1996 and for future policy periods unless the arrangement is terminated by either CLLAS or Colchester:

- As per the initial reinsurance terms, CLLAS's non-proportional reinsurer was assuming the first \$3,000,000 of CLLAS net of proportional aggregate retention. As a result of the June 1996 amendments, CLLAS assumes the first \$250,000 of this \$3,000,000 aggregate retention;
- The initial premium paid by CLLAS for each of these policy periods is subject to an adjustment, plus or minus, if actual losses are above or below a permissible loss ratio of 70%;
- The additional premium payable is subject to a maximum of 25% of the initial (deposit) premium, while the return premium is subject to a maximum of 10% of the initial premium;
- Any premium payable which is in excess of the 25% maximum adjustment is carried forward to subsequent policy periods, unless the retrospective rating arrangement is terminated by either CLLAS or Colchester. Similarly any premium receivable by CLLAS, which is in excess of the maximum 10% adjustment, is carried forward to the subsequent policy periods; and
- The first retrospective premium adjustment is made 24 months after the expiration of each policy period on the basis of the losses paid at the time of the adjustment and subsequent adjustments are made annually thereafter.

In June 1998 the reinsurance arrangements between CLLAS and Colchester were modified as follows:

- The retrospective rating arrangement applicable to policy years 1993/1994 to 1997/1998 has been terminated. As a result any premium liability arising from such arrangement as of June 30, 1998 was eliminated;
- Also the deficit carry-forward of \$3,733,000 as of December 31, 1997 under such retrospective rating arrangement was eliminated as of June 30, 1998;
- For the 1998/1999 policy period CLLAS retains the first \$3,300,000 of its net of proportional aggregate retention instead of \$250,000 and Colchester assumes \$4,700,000 excess of CLLAS new \$3,300,000 aggregate retention after proportional reinsurance;
- CLLAS also assumes \$6,000,000 excess of \$8,000,000 of its aggregate retention after proportional reinsurance;
- Colchester continues to assume \$14,000,000 excess of \$14,000,000 of CLLAS retention after proportional reinsurance;
- It was also agreed between CLLAS and Colchester that the revised 1998/1999 reinsurance arrangements would apply retroactively to fiscal year 1995/1996.

On June 30, 2003, the reinsurance arrangements between CLLAS and Colchester were modified as follows:

- For the 2002/2003, 2003/2004 and 2004/2005 policy periods CLLAS retains the first \$5,500,000 of its net proportional aggregate losses. Colchester assumes \$7,500,000 in excess of CLLAS's \$5,500,000 aggregate retention after proportional reinsurance. CLLAS also retains \$7,000,000 of its net proportional aggregate losses in excess of the underlying \$13,000,000 net of proportional reinsurance and Colchester assumes losses in the layer \$20,000,000 excess of \$20,000,000.

On June 30, 2005, the reinsurance arrangements between CLLAS and Colchester were modified as follows:

- For the 2005/2006 policy period CLLAS retains the first \$5,500,000 of its net proportional aggregate losses. Colchester assumes \$9,500,000 in excess of CLLAS's \$5,500,000 aggregate retention after proportional reinsurance. CLLAS also retains \$5,000,000 of its net proportional aggregate losses in excess of the underlying \$15,000,000 net of proportional reinsurance and Colchester assumes losses in the layer \$20,000,000 excess of \$20,000,000.

On June 30, 2006, the reinsurance arrangements between CLLAS and Colchester were modified as follows:

- For the 2006/2007 through 2008/2009 policy periods CLLAS retains the first \$15,000,000 of its net proportional aggregate losses. Colchester assumes \$5,000,000 in excess of CLLAS's \$15,000,000 aggregate retention after proportional reinsurance. Colchester also assumes losses in the layer \$20,000,000 excess of \$20,000,000.

On June 30, 2008, the reinsurance arrangements between CLLAS and Colchester were modified as follows:

- Starting in policy period 2008/2009, CLLAS's retention of \$250,000 to which claims would "drop down" and attach to in certain instances has been reduced to \$25,000. However, Colchester does not assume the additional exposure between \$25,000 and \$250,000.

On June 30, 2009, the reinsurance arrangements between CLLAS and Colchester were modified as follows:

- For 2009/2010 onwards, CLLAS retains the first \$15,000,000 of its net proportional aggregate losses. Colchester assumes \$10,000,000 in excess of CLLAS's \$15,000,000 aggregate retention after proportional reinsurance. Colchester also assumes losses in the layer \$15,000,000 excess of \$25,000,000.

On June 30, 2011, the reinsurance arrangements between CLLAS and Colchester have been modified as follows:

- For 2011/2012, the-per claim retention for CLLAS subject to the aggregate limit includes 100% of the layer \$975,000 excess of \$25,000 and 25% of the layer \$49,000,000 excess of \$1,000,000. The per-claim retention for Colchester subject to the aggregate limit includes 25% of the layer \$4,000,000 excess of \$1,000,000. The aggregate coverage provides reinsurance of \$22,500,000 in excess of a \$17,500,000 limit on the combined basis. CLLAS's recoveries from Colchester will be for its share of the combined losses in the layer.

On June 30, 2012, the reinsurance arrangements between CLLAS and Colchester have been modified as follows:

- For 2012/2013, the-per claim retention for CLLAS subject to the aggregate limit includes 100% of the layer \$975,000 excess of \$25,000. Colchester provides reinsurance for 35% of the layer \$49,000,000 excess of \$1,000,000, with the following net retentions after retrocession: 35% of the layer \$4,000,000 excess of \$1,000,000, 15% of the layer \$5,000,000 excess of \$5,000,000 and 5% of the layer \$40,000,000 excess of \$10,000,000. Colchester provides an aggregate reinsurance coverage of \$10,000,000 in excess of a \$5,000,000 limit.

On June 30, 2013, the reinsurance arrangements between CLLAS and Colchester have been modified as follows:

- For 2013/2014, the-per claim retention for CLLAS subject to the aggregate limit includes 100% of the layer \$975,000 excess of \$25,000. Colchester provides reinsurance for 30% of the layer \$49,000,000 excess of \$1,000,000, with the following net retentions after retrocession: 30% of the layer \$4,000,000 excess of \$1,000,000 and 10% of the layer \$5,000,000 excess of \$5,000,000. Colchester provides an aggregate reinsurance coverage of \$10,000,000 in excess of a \$5,000,000 limit.

From June 30, 2014, the reinsurance arrangements between CLLAS and Colchester have been modified as follows:

- The-per claim retention for CLLAS subject to the aggregate limit includes 100% of the layer \$975,000 excess of \$25,000. Colchester provides reinsurance for 20% of the layer \$49,000,000 excess of \$1,000,000, with the following net retentions after retrocession: 20% of the layer \$4,000,000 excess of \$1,000,000. Colchester provides an aggregate reinsurance coverage of \$10,000,000 in excess of a \$5,000,000 limit.
- For policy years 2016/2017 and 2017/2018, the optional excess layers are also ceded to Colchester at 5.0% and 7.5% respectively.

Loss Portfolio Transfer

On June 30, 2012, Colchester purchased CLLAS's loss portfolio of net outstanding claims obligations on policies written between July 1, 1987 and June 30, 2012. CLLAS's remaining net claim liabilities attributable to the business written prior to June 30, 2012 are provisions for unallocated loss adjustment expenses.

Recoverable Amounts from Reinsurers

The amounts assumed to be recoverable from reinsurers in the calculation of the net claim and other policy liabilities are as follows:

Claim Liabilities	\$ 96,568,000
Liabilities in Connection with Unearned Premium	6,096,000
Other Policy Liabilities	0
Total	\$ 102,664,000

Unusual Problems or Delays

I have discussed reinsurance matters with CLLAS's management and external auditor regarding whether there are unusual problems and/or delays expected to be encountered in the collection of amounts from the reinsurers.

I have specifically discussed whether any of the following situations existed with the management and the external auditor with respect to proportional reinsurers:

- A reinsurance contract or cover note is not signed;
- A dispute has arisen with a reinsurer;
- A reinsurer that has a history of not settling accounts properly;
- A reinsurer's experience under a treaty is so bad or other circumstance exists that cause there to be a high probability that the reinsurer will deny liability;
- A reinsurer that is known to have been the subject of regulatory restrictions in its home jurisdiction; and
- Insolvent reinsurers.

All CLLAS proportional reinsurers are believed to be in sound financial condition.

I am not aware of the existence of any of the above situations or unusual problems or delays which could affect the collection of amounts recoverable from other proportional reinsurers.

Based on my review of the reinsurance agreements in place for the business underwritten by CLLAS, and my discussions with management, to the best of my knowledge, there are no material financial reinsurance agreements.

Colchester Reinsurance Limited

Colchester is an off-shore captive reinsurer domiciled in Barbados. The shareholders of Colchester are twelve Toronto-based legal firms or their related service corporations. Those twelve shareholders are unrelated to each other. However, each of Colchester's shareholders is, or is related to, one of CLLAS's twelve subscribers.

Colchester has provided aggregate reinsurance to CLLAS since July 1, 1989. The terms of the current aggregate reinsurance arrangements provided to CLLAS are described in Schedule I. To my knowledge, Colchester does not provide reinsurance to any other entity than CLLAS.

PART 8—DATA RELIABILITY AND CONSISTENCY

Data

I have relied on the following data provided by CLLAS as at December 31, 2017:

- Historical individual claim information, including paid and case reserve amounts;
- Historical premium information;
- Historical number of lawyers by jurisdiction;
- Estimate of internal management expenses for 2017 and 2018 (budgeted);
- Investment details;
- Reinsurance details; and
- Draft financial statements.

Reliance and Verification

I have relied on these data in the preparation of this report. I have not audited such data except to observe its consistency with prior years and to perform those checks necessary to satisfy myself that the information provides a reliable and sufficient basis for estimating the policy liabilities.

I have relied on the external auditor, Deloitte, to verify the accuracy of the CLLAS's records. I have received assurance from the external auditor that the CLLAS's data is complete.

Reconciliation

A reconciliation of the claims data used in the valuation with the company's financial records was performed. I am satisfied that no material data was omitted.

The details of my reconciliation are as follows:

	Gross Paid At December 31, 2017	Gross Case Reserve at December 31, 2017
Reported in CLLAS's Financial Records	\$ 186,303,986	\$ 56,705,154
Reported in CLLAS's Claims Bordereaux	186,303,986	56,705,154
Difference	\$ 0	\$ 0

PART 9—LIST OF SCHEDULES AND EXHIBITS

List of Schedules

Schedule 1	CLLAS Reinsurance Arrangements
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List of Exhibits

Exhibit 1.1	Cumulative Paid Losses and ALAE - Gross Basis
Exhibit 1.2	Case Reserves - Gross Basis
Exhibit 1.3	Incurred Losses - Gross Basis
Exhibit 1.4	Cumulative Paid Losses and ALAE - Net Basis
Exhibit 1.5	Case Reserves - Net Basis
Exhibit 1.6	Incurred Losses - Net Basis
Exhibit 1.7	Cumulative Number of Claims Reported - Gross and Net Basis
Exhibit 1.8	Indicated Loss Development Factors for Losses
Exhibit 2.1 to 2.37	IBNR - Reflecting Proportional Reinsurance
Exhibit 3	Summary of Gross Loss Experience
Exhibit 4	Summary of Reinsured Experience – Proportional, Stop Loss and Loss Portfolio Transfer
Exhibit 5	Summary of Net Loss Experience
Exhibit 6	Unallocated Loss Adjustment Expenses Ratio
Exhibit 7	Provision for Unallocated Loss Adjustment Expenses
Exhibit 8	Investment Portfolio Valuation & Selection of Discount Rate
Exhibit 9	Selection of Margins for Adverse Deviation
Exhibit 10	Actuarial Present Value Claims Liabilities – Gross Basis
Exhibit 11	Actuarial Present Value Claims Liabilities – Net Basis
Exhibit 12.1 to 12.4	Summary of Gross and Net Claims Liabilities by Policy Year and Calendar Year
Exhibit 13.1 to 13.2	Comparison of Actual Experience with Expected Experience from the December 31, 2008 through December 31, 2017 Valuations – Gross and Net Basis
Exhibit 14.1 to 14.2	Premium Liabilities – Gross and Net Basis
Exhibit 15.1 to 15.2	Unpaid Claims and Loss Ratio Analysis Exhibit

PART 10— DATA SOURCES FOR THE OPINION

Claims Liabilities	Appointed Actuary's Estimate	Report Narrative Reference	Exhibit Reference
(1) Direct unpaid claims and adjustment expenses	\$ 104,499,000		
(2) Assumed unpaid claims and adjustment expenses	0		
(3) Gross unpaid claims and adjustment expenses	104,499,000	Part 5	Exhibit 10
(4) Ceded unpaid claims and adjustment expenses	96,568,000	Part 5	Exhibit 10 – Exhibit 11
(5) Other amounts to recover	0	-	-
(6) Other net liabilities	0	-	-
(7) Net unpaid claims and adjustment expenses = (3) – (4) – (5) + (6)	\$ 7,931,000	Part 5	Exhibit 11
Premium Liabilities	Appointed Actuary's Estimate	Report Narrative Reference	Exhibit Reference
(1) Gross policy liabilities in connection with unearned premiums	\$ 6,839,000	Part 6	Exhibit 14.1
(2) Net policy liabilities in connection with unearned premiums	743,000	Part 6	Exhibit 14.1
(3) Gross unearned premiums			
(4) Net unearned premiums			
(5) Premium deficiency	\$ 0	Part 6	Exhibit 14.1
(6) Other net liabilities			
(7) Deferred policy acquisition expenses			
(8) Maximum policy acquisition expenses deferrable	\$ 255,000	Part 6	Exhibit 14.1
(9) Unearned commissions + Ceded Deferred Premium Taxes + Ceded Deferred Insurance Operations Expenses			

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Proportional Basis

Fiscal Period	Layer (in million \$)	Retained Portion	Portion Reinsured with:	
			Registered Companies	Unregistered Companies
7/1987 - 6/1988	\$4.4 xs \$0.6	50.00%	0.00%	50.00%
	\$5.0 xs \$5.0	8.00%	78.16%	13.84%
	\$15.0 xs \$10.0	16.00%	53.50%	30.50%
7/1988 - 6/1989	\$4.0 xs \$1.0	50.00%	0.00%	50.00%
	\$5.0 xs \$5.0	8.00%	74.90%	17.10%
	\$15.0 xs \$10.0	17.33%	54.38%	28.29%
7/1989 - 3/1990	\$4.0 xs \$1.0	50.00%	0.00%	50.00%
	\$5.0 xs \$5.0	8.00%	75.87%	16.13%
	\$15.0 xs \$10.0	17.33%	62.51%	20.16%
4/1990 - 6/1990	\$4.0 xs \$1.0	50.00%	27.50%	22.50%
	\$5.0 xs \$5.0	8.00%	75.87%	16.13%
	\$15.0 xs \$10.0	17.33%	68.13%	14.54%
7/1990 - 6/1991	\$4.0 xs \$1.0	50.00%	50.00%	0.00%
	\$5.0 xs \$5.0	8.00%	81.10%	10.90%
	\$15.0 xs \$10.0	17.33%	74.49%	8.18%
	\$25.0 xs \$50.0	0.00%	79.55%	20.45%
7/1991 - 6/1992	\$4.0 xs \$1.0	50.00%	50.00%	0.00%
	\$7.5 xs \$5.0	20.00%	71.50%	8.50%
	\$12.5 xs \$12.5	18.00%	72.52%	9.48%
	\$10.0 xs \$25.0	12.50%	87.50%	0.00%
	\$25.0 xs \$50.0	0.00%	79.75%	20.25%
7/1992 - 6/1993	\$4.0 xs \$1.0	50.00%	50.00%	0.00%
	\$7.5 xs \$5.0	20.00%	71.60%	8.40%
	\$12.5 xs \$12.5	18.00%	75.34%	6.66%
	\$10.0 xs \$25.0	12.50%	87.50%	0.00%
	\$25.0 xs \$50.0	0.00%	89.81%	10.19%
7/1993 - 6/1994	\$4.0 xs \$1.0	50.00%	50.00%	0.00%
	\$7.5 xs \$5.0	20.00%	73.62%	6.38%
	\$12.5 xs \$12.5	18.00%	75.44%	6.56%
	\$10.0 xs \$25.0	12.50%	87.50%	0.00%
	\$25.0 xs \$50.0	0.00%	86.41%	13.59%

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Proportional Basis (Continued)

Fiscal Period	Layer (in million \$)	Retained Portion	Portion Reinsured with:	
			Registered Companies	Unregistered Companies
7/1994 - 6/1995	\$4.0 xs \$1.0	50.00%	44.58%	5.42%
	\$7.5 xs \$5.0	20.00%	74.93%	5.07%
	\$12.5 xs \$12.5	18.00%	76.30%	5.70%
	\$10.0 xs \$25.0	12.50%	87.50%	0.00%
	\$25.0 xs \$50.0	0.00%	85.48%	14.52%
7/1995 - 6/1996	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4.0 xs \$1.0	50.00%	42.35%	7.65%
	\$7.5 xs \$5.0	20.00%	75.21%	4.79%
	\$12.5 xs \$12.5	18.00%	77.41%	4.59%
	\$10.0 xs \$25.0	12.50%	81.80%	5.70%
	\$25.0 xs \$50.0	0.00%	88.12%	11.88%
7/1996 - 6/1997	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4.0 xs \$1.0	50.00%	42.94%	7.06%
	\$7.5 xs \$5.0	20.00%	75.22%	4.78%
	\$12.5 xs \$12.5	18.00%	77.97%	4.03%
	\$10.0 xs \$25.0	12.50%	81.80%	5.70%
	\$25.0 xs \$50.0	0.00%	87.74%	12.26%
7/1997 - 6/1998	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4.0 xs \$1.0	50.00%	42.94%	7.06%
	\$7.5 xs \$5.0	20.00%	74.34%	5.66%
	\$12.5 xs \$12.5	18.00%	77.97%	4.03%
	\$10.0 xs \$25.0	12.50%	79.03%	8.47%
	\$25.0 xs \$50.0	0.00%	87.17%	12.83%
	\$15.0 xs \$120.0	0.00%	89.02%	10.98%
7/1998 - 6/1999	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	50.00%	42.63%	7.37%
	\$7.5 xs \$5.0	20.00%	74.04%	5.96%
	\$12.5 xs \$12.5	18.00%	77.93%	4.07%
	\$10 xs \$25	12.50%	79.03%	8.47%
	\$30 xs \$50	0.00%	87.17%	12.83%
	\$20 xs \$130	0.00%	89.02%	10.98%

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Proportional Basis (Continued)

Fiscal Period	Layer (in million \$)	Retained Portion	Portion Reinsured with:	
			Registered Companies	Unregistered Companies
7/1999 - 6/2000	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	50.00%	46.80%	3.20%
	\$7.5 xs \$5.0	20.00%	75.98%	4.02%
	\$12.5 xs \$12.5	18.00%	77.61%	4.39%
	\$10 xs \$25	12.50%	79.12%	8.38%
	\$30 xs \$50	0.00%	86.00%	14.00%
	\$20 xs \$130	0.00%	88.16%	11.84%
7/2000 - 6/2001	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	50.00%	46.80%	3.20%
	\$7.5 xs \$5.0	20.00%	75.98%	4.02%
	\$12.5 xs \$12.5	18.00%	77.61%	4.39%
	\$10 xs \$25	12.50%	79.12%	8.38%
	\$30 xs \$50	0.00%	86.00%	14.00%
	\$20 xs \$140	0.00%	88.16%	11.84%
7/2001 - 6/2002	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	50.00%	46.80%	3.20%
	\$7.5 xs \$5.0	20.00%	80.00%	0.00%
	\$12.5 xs \$12.5	18.00%	78.97%	3.03%
	\$10 xs \$25	12.50%	79.12%	8.38%
	\$30 xs \$50	0.00%	86.00%	14.00%
	\$20 xs \$140	0.00%	88.16%	11.84%
7/2002 - 6/2003	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	100.00%	0.00%	0.00%
	\$7.5 xs \$5.0	20.00%	80.00%	0.00%
	\$12.5 xs \$12.5	18.00%	82.00%	0.00%
	\$10 xs \$25	12.50%	63.42%	24.08%
	\$30 xs \$50	0.00%	76.46%	23.54%
	\$20 xs \$140	0.00%	18.23%	81.77%

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Proportional Basis (Continued)

Fiscal Period	Layer (in million \$)	Retained Portion	Portion Reinsured with:	
			Registered Companies	Unregistered Companies
7/2003 - 6/2004	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	100.00%	0.00%	0.00%
	\$7.5 xs \$5.0	20.00%	80.00%	0.00%
	\$12.5 xs \$12.5	18.00%	82.00%	0.00%
	\$10 xs \$25	12.50%	57.50%	30.00%
	\$30 xs \$50	0.00%	73.85%	26.15%
	\$20 xs \$140	0.00%	9.66%	90.34%
7/2004 - 6/2005	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	100.00%	0.00%	0.00%
	\$7.5 xs \$5.0	20.00%	75.00%	5.00%
	\$12.5 xs \$12.5	18.00%	82.00%	0.00%
	\$10 xs \$25	12.50%	63.05%	24.45%
	\$30 xs \$50	0.00%	74.86%	25.14%
	\$20 xs \$140	0.00%	9.66%	90.34%
7/2005 - 6/2006	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	100.00%	0.00%	0.00%
	\$7.5 xs \$5.0	20.00%	75.00%	5.00%
	\$12.5 xs \$12.5	18.00%	80.00%	2.00%
	\$10 xs \$25	12.50%	87.50%	0.00%
	\$30 xs \$50	0.00%	100.00%	0.00%
	\$20 xs \$140	0.00%	36.00%	64.00%
7/2006 - 6/2007	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	100.00%	0.00%	0.00%
	\$7.5 xs \$5.0	20.00%	75.00%	5.00%
	\$12.5 xs \$12.5	18.00%	77.00%	5.00%
	\$10 xs \$25	12.50%	87.50%	0.00%
	\$30 xs \$50	0.00%	100.00%	0.00%
	\$20 xs \$140	0.00%	36.00%	64.00%
	\$20 xs \$160	0.00%	100.00%	0.00%

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Proportional Basis (Continued)

Fiscal Period	Layer (in million \$)	Retained Portion	Portion Reinsured with:	
			Registered Companies	Unregistered Companies
7/2007 - 6/2008	\$0.75 xs \$0.25	100.00%	0.00%	0.00%
	\$4 xs \$1.0	100.00%	0.00%	0.00%
	\$7.5 xs \$5.0	30.00%	65.00%	5.00%
	\$12.5 xs \$12.5	18.00%	77.00%	5.00%
	\$10 xs \$25	12.50%	87.50%	0.00%
	\$30 xs \$50	0.00%	100.00%	0.00%
	\$20 xs \$140	0.00%	36.00%	64.00%
	\$20 xs \$160	0.00%	100.00%	0.00%
7/2008 - 6/2009	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$4 xs \$1.0	100.00%	0.00%	0.00%
	\$7.5 xs \$5.0	35.00%	60.00%	5.00%
	\$12.5 xs \$12.5	24.00%	71.00%	5.00%
	\$10 xs \$25	12.50%	87.50%	0.00%
	\$30 xs \$50	0.00%	100.00%	0.00%
	\$20 xs \$140	0.00%	36.00%	64.00%
	\$30 xs \$160	0.00%	100.00%	0.00%
7/2009 - 6/2010	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$4 xs \$1.0	100.00%	0.00%	0.00%
	\$7.5 xs \$5.0	45.00%	52.00%	3.00%
	\$12.5 xs \$12.5	28.00%	68.00%	4.00%
	\$10 xs \$25	15.00%	85.00%	0.00%
	\$30 xs \$50	0.00%	100.00%	0.00%
	\$20 xs \$140	0.00%	36.00%	64.00%
	\$30 xs \$160	0.00%	100.00%	0.00%
7/2010 - 6/2011	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$4 xs \$1.0	100.00%	0.00%	0.00%
	\$7.5 xs \$5.0	50.00%	47.50%	2.50%
	\$12.5 xs \$12.5	30.00%	67.50%	2.50%
	\$10 xs \$25	20.00%	80.00%	0.00%
	\$30 xs \$50	0.00%	100.00%	0.00%
	\$20 xs \$140	0.00%	36.00%	64.00%
	\$40 xs \$160	0.00%	100.00%	0.00%

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Proportional Basis (Continued)

Fiscal Period	Layer (in million \$)	Retained Portion	Portion Reinsured with:	
			Registered Companies	Unregistered Companies
7/2011 - 6/2012	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$49 xs \$1.0	25.00%	50.00%	25.00%
	\$30 xs min\$65	0.00%	100.00%	0.00%
	\$40/\$60 xs \$160	0.00%	76.00%	24.00%
7/2012 - 6/2013	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$49 xs \$1.0	0.00%	65.00%	35.00%
	\$30 xs min\$65	0.00%	100.00%	0.00%
	\$40/\$60 xs \$160	0.00%	76.00%	24.00%
7/2013 - 6/2014	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$49 xs \$1.0	0.00%	70.00%	30.00%
	\$30 xs min\$65	0.00%	88.00%	12.00%
	\$40/\$60 xs \$160	0.00%	93.00%	7.00%
7/2014 - 6/2015	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$49 xs \$1.0	0.00%	80.00%	20.00%
	\$30 xs min\$65	0.00%	88.00%	12.00%
	\$40/\$60 xs \$160	0.00%	93.00%	7.00%
7/2015 - 6/2016	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$49 xs \$1.0	0.00%	80.00%	20.00%
	\$30 xs min\$65	0.00%	88.00%	12.00%
	\$40/\$60 xs \$160	0.00%	93.00%	7.00%
7/2016 - 6/2017	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$49 xs \$1.0	0.00%	80.00%	20.00%
	\$30 xs min\$65	0.00%	88.00%	12.00%
	\$40/\$60 xs \$160	0.00%	88.00%	12.00%
7/2017 - 6/2018	\$0.975 xs \$0.025	100.00%	0.00%	0.00%
	\$49 xs \$1.0	0.00%	80.00%	20.00%
	\$30 xs min\$65	0.00%	94.00%	6.00%
	\$40/\$60 xs \$160	0.00%	85.50%	14.50%
	\$30/\$110 xs \$50	0.00%	5.00%	0.00%

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Aggregate Basis Ceded to Unregistered Company

- | | |
|-----------------|---|
| 7/1989 - 6/1990 | a) Aggregate of \$750,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$4,250,000 excess \$15,000,000 of CLLAS retention after reflection of proportional reinsurance. |
| 7/1990 - 6/1991 | a) Aggregate of \$900,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$4,250,000 excess of \$15,000,000 of CLLAS retention after reflection of proportional reinsurance. |
| 7/1991 - 6/1992 | a) Aggregate of \$1,000,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$25,000,000 excess of \$12,000,000 of CLLAS retention after reflection of proportional reinsurance. |
| 7/1992 - 6/1993 | a) Aggregate of \$1,000,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$25,000,000 excess of \$12,000,000 of CLLAS retention after reflection of proportional reinsurance. |
| 7/1993 - 6/1994 | a) Aggregate of \$2,750,000 excess of \$250,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$14,000,000 excess of \$14,000,000 of CLLAS retention after reflection of proportional reinsurance. |
| 7/1994 - 6/1995 | a) Aggregate of \$2,750,000 excess of \$250,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$14,000,000 excess of \$14,000,000 of CLLAS retention after reflection of proportional reinsurance. |
| 7/1995 - 6/1996 | a) Aggregate of \$4,700,000 excess of \$3,300,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$14,000,000 excess of \$14,000,000 of CLLAS retention after reflection of proportional reinsurance. |
| 7/1996 - 6/1997 | a) Aggregate of \$4,700,000 excess of \$3,300,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$14,000,000 excess of \$14,000,000 of CLLAS retention after reflection of proportional reinsurance. |

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Aggregate Basis Ceded to Unregistered Company (Continued)

- | | |
|-----------------|---|
| 7/1998 - 6/1999 | a) Aggregate of \$4,700,000 excess of \$3,300,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$14,000,000 excess of \$14,000,000 of CLLAS retention after reflection of proportional reinsurance. |
| 7/1999 – 6/2000 | a) Aggregate of \$4,700,000 excess of \$3,300,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$14,000,000 excess of \$14,000,000 of CLLAS retention after reflection of proportional reinsurance |
| 7/2000 – 6/2001 | a) Aggregate of \$4,700,000 excess of \$3,300,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$14,000,000 excess of \$14,000,000 of CLLAS retention after reflection of proportional reinsurance |
| 7/2001 – 6/2002 | a) Aggregate of \$4,700,000 excess of \$3,300,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$14,000,000 excess of \$14,000,000 of CLLAS retention after reflection of proportional reinsurance |
| 7/2002 – 6/2003 | a) Aggregate of \$7,500,000 excess of \$5,500,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$20,000,000 excess of \$20,000,000 of CLLAS retention after reflection of proportional reinsurance |
| 7/2003 – 6/2004 | a) Aggregate of \$7,500,000 excess of \$5,500,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$20,000,000 excess of \$20,000,000 of CLLAS retention after reflection of proportional reinsurance |
| 7/2004 – 6/2005 | a) Aggregate of \$7,500,000 excess of \$5,500,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$20,000,000 excess of \$20,000,000 of CLLAS retention after reflection of proportional reinsurance |
| 7/2005 – 6/2006 | a) Aggregate of \$9,500,000 excess of \$5,500,000 of CLLAS retention after reflection of proportional reinsurance, and
b) \$20,000,000 excess of \$20,000,000 of CLLAS retention after reflection of proportional reinsurance |

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Aggregate Basis Ceded to Unregistered Company (Continued)

7/2006 – 6/2007	a) Aggregate of \$5,000,000 excess of \$15,000,000 of CLLAS retention after reflection of proportional reinsurance, and b) \$20,000,000 excess of \$20,000,000 of CLLAS retention after reflection of proportional reinsurance
7/2007 – 6/2008	a) Aggregate of \$5,000,000 excess of \$15,000,000 of CLLAS retention after reflection of proportional reinsurance, and b) \$20,000,000 excess of \$20,000,000 of CLLAS retention after reflection of proportional reinsurance
7/2008 – 6/2009	a) Aggregate of \$5,000,000 excess of \$15,000,000 of CLLAS retention after reflection of proportional reinsurance, and b) \$20,000,000 excess of \$20,000,000 of CLLAS retention after reflection of proportional reinsurance
7/2009 – 6/2010	a) Aggregate of \$10,000,000 excess of \$15,000,000 of CLLAS retention after reflection of proportional reinsurance, and b) \$15,000,000 excess of \$25,000,000 of CLLAS retention after reflection of proportional reinsurance
7/2010 – 6/2011	a) Aggregate of \$10,000,000 excess of \$15,000,000 of CLLAS retention after reflection of proportional reinsurance, and b) \$15,000,000 excess of \$25,000,000 of CLLAS retention after reflection of proportional reinsurance
7/2011 – 6/2012	Aggregate of \$22,500,000 excess of \$17,500,000 of CLLAS/Colchester retention after reflection of reinsurance
7/2012 – 6/2013	Aggregate of \$10,000,000 excess of \$5,000,000 of CLLAS retention after reflection of proportional reinsurance
7/2013 – 6/2014	Aggregate of \$10,000,000 excess of \$5,000,000 of CLLAS retention after reflection of proportional reinsurance
7/2014 – 6/2015	Aggregate of \$10,000,000 excess of \$5,000,000 of CLLAS retention after reflection of proportional reinsurance
7/2015 – 6/2016	Aggregate of \$10,000,000 excess of \$5,000,000 of CLLAS retention after reflection of proportional reinsurance

SCHEDULE I: CLLAS REINSURANCE ARRANGEMENTS

Aggregate Basis Ceded to Unregistered Company (Continued)

7/2016 – 6/2017	Aggregate of \$10,000,000 excess of \$5,000,000 of CLLAS retention after reflection of proportional reinsurance
7/2017 – 6/2018	Aggregate of \$10,000,000 excess of \$5,000,000 of CLLAS retention after reflection of proportional reinsurance

Exhibit 1.1
Canadian Lawyers Liability Assurance Society

Cumulative Paid Losses and ALAE (in \$000s)
Gross of Reinsurance
As at December 31, 2017

Policy Period	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210	Ultimate*
1987/1988	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1990/1991	0	0	0	0	0	0	0	1,007	2,773	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593
1991/1992	0	0	0	0	0	1,244	6,061	6,036	6,036	6,036	6,036	7,417	7,417	7,417	7,417	7,417	7,417	7,417	7,417
1992/1993	0	0	0	0	0	0	0	0	0	305	326	327	327	327	327	327	327	327	327
1993/1994	0	0	0	15,287	15,279	15,279	15,280	15,280	15,280	15,280	16,314	16,832	17,109	30,655	30,655	30,655	30,655	30,655	30,655
1994/1995	0	26	58	7,885	7,903	7,903	9,319	9,319	9,319	9,319	9,319	9,319	9,319	9,319	9,319	9,319	9,319	9,319	9,319
1995/1996	0	0	1,217	1,375	1,393	1,407	3,752	3,743	3,743	3,743	3,743	3,743	3,743	3,743	3,743	3,743	3,743	3,743	3,743
1996/1997	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997/1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998/1999	0	0	0	1,094	20,159	20,297	20,297	20,297	20,297	20,297	20,297	20,297	20,297	20,297	20,297	20,297	20,297	20,297	20,297
1999/2000	0	0	0	0	0	421	421	7,026	7,026	8,482	8,493	8,493	8,493	8,493	8,493	8,493	8,493	8,493	8,493
2000/2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001/2002	0	0	0	3,046	3,144	17,180	17,553	17,554	17,554	17,554	17,554	17,554	17,554	17,554	17,554	17,554	17,554	17,554	17,554
2002/2003	0	0	4	5	10	342	868	3,395	3,398	3,416	3,422	3,444	3,465	3,466	3,466	3,467			3,467
2003/2004	0	0	22,503	24,279	24,447	25,735	28,084	37,302	37,503	38,933	38,933	38,933	38,933	38,933	38,933	38,933			38,933
2004/2005	0	11	912	945	975	980	987	1,262	1,262	1,262	1,262	1,262	1,262	1,262	1,262				1,445
2005/2006	0	3	3	683	712	712	712	712	764	766	766	766	766	766					1,206
2006/2007	0	0	0	0	0	0	6,389	6,469	6,474	6,474	6,474	6,474							7,000
2007/2008	0	0	2,166	2,184	13,439	14,160	14,165	14,168	13,938	13,707	13,477								17,465
2008/2009	0	5	5	5	5	355	355	2,806	2,809	2,809									3,241
2009/2010	0	20	20	523	523	7,637	8,203	9,326	9,673										44,657
2010/2011	0	1,663	2,155	2,160	3,696	3,903	4,230	4,426											17,017
2011/2012	10	107	107	196	2,281	2,553	2,553												4,136
2012/2013	0	0	12	234	238	238													2,705
2013/2014	0	0	0	0	784														9,010
2014/2015	0	0	7	17															6,855
2015/2016	0	0	0																8,949
2016/2017	0	29																	14,531
2017/2018	0																		6,188
																			288,201

* From Exh. 3, Col. (4)

Paid-to-Ultimate Pattern

Policy Period	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210
1987/1988																		
1988/1989																		
1989/1990																		
1990/1991								28.0%	77.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1991/1992						16.8%	81.7%	81.4%	81.4%	81.4%	81.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1992/1993								81.4%	93.3%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1993/1994				49.9%	49.8%	49.8%	49.8%	49.8%	49.8%	53.2%	54.9%	55.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1994/1995		0.3%	0.6%	84.6%	84.8%	84.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1995/1996			32.5%	36.7%	37.2%	37.6%	100.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1996/1997																		
1997/1998																		
1998/1999				5.4%	99.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1999/2000						5.0%	5.0%	82.7%	82.7%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2000/2001																		
2001/2002				17.4%	17.9%	97.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
2002/2003			0.1%	0.1%	0.3%	9.9%	25.0%	97.9%	98.0%	98.5%	98.7%	99.3%	99.9%	100.0%	100.0%	100.0%		
2003/2004			57.8%	62.4%	62.8%	66.1%	72.1%	95.8%	96.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
2004/2005		0.7%	63.1%	65.4%	67.5%	67.8%	68.3%	87.3%	87.4%	87.3%	87.4%	87.4%	87.4%	87.4%				
2005/2006		0.2%	0.2%	56.6%	59.0%	59.0%	59.0%	59.0%	63.3%	63.5%	63.5%	63.5%	63.5%					
2006/2007							91.3%	92.4%	92.5%	92.5%	92.5%	92.5%						
2007/2008			12.4%	12.5%	77.0%	81.1%	81.1%	81.1%	79.8%	78.5%	77.2%							
2008/2009		0.2%	0.2%	0.2%	0.2%	11.0%	11.0%	86.6%	86.7%	86.7%								
2009/2010		0.0%	0.0%	1.2%	1.2%	17.1%	18.4%	20.9%	21.7%									
2010/2011		9.8%	12.7%	12.7%	21.7%	22.9%	24.9%	26.0%										
2011/2012	0.2%	2.6%	2.6%	4.7%	55.1%	61.7%	61.7%											
2012/2013			0.4%	8.7%	8.8%	8.8%												
2013/2014					8.7%													
2014/2015			0.1%	0.2%														
2015/2016																		
2016/2017		0.2%																
2017/2018																		

Payout Pattern Selections

	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210
Selected at 12/31/2016	1.0%	7.0%	17.0%	27.0%	37.0%	48.5%	60.0%	70.0%	77.0%	80.5%	83.5%	86.5%	89.5%	92.5%	95.0%	97.0%	99.0%	100.0%
Selected at 12/31/2017	1.0%	7.0%	17.0%	27.0%	37.0%	48.5%	60.0%	70.0%	77.0%	80.5%	83.5%	86.5%	89.5%	92.5%	95.0%	97.0%	99.0%	100.0%

Case Reserves (in \$000s)
Gross of Reinsurance
As at December 31, 2017

Policy Period	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210
1987/1988	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1990/1991	0	0	0	500	600	600	200	1,225	650	0	0	0	0	0	0	0	0	0
1991/1992	0	0	1,750	2,500	4,050	8,000	993	1,500	1,500	1,500	1,500	20	0	0	0	0	0	0
1992/1993	0	0	0	0	0	0	0	500	500	35	13	0	0	0	0	0	0	0
1993/1994	0	0	0	1,959	3,791	3,752	6,752	15,750	15,750	15,750	14,716	15,698	15,421	0	0	0	0	0
1994/1995	0	775	2,724	818	1,250	2,100	500	0	0	0	0	0	0	0	0	0	0	0
1995/1996	0	750	148	20	50	2,036	1	0	0	0	0	0	0	0	0	0	0	0
1996/1997	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997/1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998/1999	0	215	4,215	17,005	892	215	0	0	0	0	0	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	7,000	7,000	1,256	1,250	11	0	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	500	500	1,000	1,000	1,000	1,000	0	0	0	0	0	0	0
2001/2002	500	500	6,700	5,642	16,207	1,570	1,196	1,196	700	700	0	0	0	0	0	0	0	0
2002/2003	0	100	96	95	4,590	5,555	5,226	3,126	3,123	3,105	3,099	3,077	557	556	556	0		
2003/2004	0	500	4,916	3,775	3,607	3,311	3,525	1,364	1,750	0	0	0	0	0	0			
2004/2005	1,000	1,764	938	905	875	870	863	812	812	812	812	0	0	0	0			
2005/2006	0	0	0	30	0	0	0	0	50	50	0	0	0					
2006/2007	250	1,550	1,800	2,550	3,550	6,750	578	99	0	0	0	0						
2007/2008	0	0	2,100	4,582	1,927	1,106	2,201	3,582	3,581	3,581	3,581							
2008/2009	0	20	20	0	1,100	600	1,000	156	0	0								
2009/2010	25	1,280	2,280	3,597	7,500	4,271	34,176	33,553	34,345									
2010/2011	0	365	1,594	5,082	11,546	11,339	11,012	11,816										
2011/2012	215	15	0	1,360	994	750	750											
2012/2013	0	0	13	22	518	518												
2013/2014	0	0	1,000	2,000	4,000													
2014/2015	0	10	13	55														
2015/2016	0	0	0															
2016/2017	0	1,641																
2017/2018	0																	

Exhibit 1.4
Canadian Lawyers Liability Assurance Society

Cumulative Paid Losses and ALAE (in \$000s)
Net of Proportional Reinsurance
As at December 31, 2017

Policy Period	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210	Ultimate*
1987/1988	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1990/1991	0	0	0	0	0	0	0	503	1,387	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797
1991/1992	0	0	0	0	0	622	2,785	2,780	2,780	2,780	2,780	3,470	3,470	3,470	3,470	3,470	3,470	3,470	3,470
1992/1993	0	0	0	0	0	0	0	0	0	152	163	163	163	163	163	163	163	163	163
1993/1994	0	0	0	4,182	4,180	4,180	4,191	4,191	4,191	4,191	4,708	4,967	5,105	8,388	8,388	8,388	8,388	8,388	8,388
1994/1995	0	13	29	3,916	3,925	3,925	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633
1995/1996	0	0	608	688	696	703	1,876	1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871	1,871
1996/1997	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997/1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998/1999	0	0	0	0	6,185	6,254	6,254	6,254	6,254	6,254	6,254	6,254	6,254	6,254	6,254	6,254	6,254	6,254	6,254
1999/2000	0	0	0	0	0	210	210	2,731	2,731	3,459	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465
2000/2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001/2002	0	0	0	1,523	1,572	5,532	5,602	5,602	5,602	5,602	5,602	5,602	5,602	5,602	5,602	5,602	5,602	5,602	5,602
2002/2003	0	0	4	5	10	342	868	3,395	3,398	3,416	3,422	3,444	3,465	3,466	3,466	3,467			3,467
2003/2004	0	0	7,481	9,033	9,064	10,352	11,009	12,342	12,503	13,933	13,933	13,933	13,933	13,933	13,933				13,933
2004/2005	0	11	912	945	975	980	987	1,262	1,262	1,262	1,262	1,262	1,262	1,262					1,348
2005/2006	0	3	3	683	712	712	712	764	766	766	766	766	766						971
2006/2007	0	0	0	0	0	0	5,688	5,764	5,769	5,769	5,769	5,769							6,025
2007/2008	0	0	2,166	2,184	8,361	8,520	8,521	8,521	8,292	8,061	7,830								11,622
2008/2009	0	5	5	5	5	355	355	2,806	2,809	2,809									3,051
2009/2010	0	20	20	523	523	7,441	8,007	9,130	9,392										22,582
2010/2011	0	1,663	2,155	2,160	3,696	3,903	4,230	4,426											11,921
2011/2012	10	107	107	129	650	785	785												1,202
2012/2013	0	0	12	200	203	203													281
2013/2014	0	0	0	0	0														131
2014/2015	0	0	7	17															284
2015/2016	0	0	0																281
2016/2017	0	29																	1,062
2017/2018	0																		193
																			113,997

* From Exh. 4, Col. (4)

Paid-to-Ultimate Pattern

Policy Period	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210
1987/1988																		
1988/1989																		
1989/1990																		
1990/1991								28.0%	77.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1991/1992						17.9%	80.3%	80.1%	80.1%	80.1%	80.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1992/1993									93.3%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1993/1994				49.9%	49.8%	49.8%	50.0%	50.0%	50.0%	50.0%	56.1%	59.2%	60.9%	100.0%	100.0%	100.0%	100.0%	100.0%
1994/1995		0.3%	0.6%	84.5%	84.7%	84.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1995/1996			32.5%	36.7%	37.2%	37.6%	100.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1996/1997																		
1997/1998																		
1998/1999					98.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1999/2000						6.1%	6.1%	78.8%	78.8%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2000/2001																		
2001/2002				27.2%	28.1%	98.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
2002/2003			0.1%	0.1%	0.3%	9.9%	25.0%	97.9%	98.0%	98.5%	98.7%	99.3%	99.9%	100.0%	100.0%	100.0%		
2003/2004			53.7%	64.8%	65.1%	74.3%	79.0%	88.6%	89.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
2004/2005		0.8%	67.6%	70.1%	72.3%	72.7%	73.2%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%				
2005/2006		0.3%	0.3%	70.3%	73.4%	73.4%	73.4%	73.4%	78.7%	78.9%	78.9%	78.9%	78.9%					
2006/2007						94.4%	95.7%	95.8%	95.8%	95.8%	95.8%							
2007/2008			18.6%	18.8%	71.9%	73.3%	73.3%	71.3%	69.4%	67.4%								
2008/2009		0.2%	0.2%	0.2%	0.2%	11.6%	11.6%	92.0%	92.0%									
2009/2010		0.1%	0.1%	2.3%	2.3%	33.0%	35.5%	40.4%	41.6%									
2010/2011		13.9%	18.1%	18.1%	31.0%	32.7%	35.5%	37.1%										
2011/2012	0.8%	8.9%	8.9%	10.7%	54.1%	65.3%												
2012/2013			4.2%	71.2%	72.4%	72.4%												
2013/2014																		
2014/2015			2.5%	6.0%														
2015/2016																		
2016/2017		2.8%																
2017/2018																		

Payout Pattern Selections

	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210
Selected at 12/31/2016	1.0%	7.0%	17.0%	27.0%	37.0%	48.5%	60.0%	70.0%	77.0%	80.5%	83.5%	86.5%	89.5%	92.5%	95.0%	97.0%	99.0%	100.0%
Selected at 12/31/2017	1.0%	7.0%	17.0%	27.0%	37.0%	48.5%	60.0%	70.0%	77.0%	80.5%	83.5%	86.5%	89.5%	92.5%	95.0%	97.0%	99.0%	100.0%

Case Reserves (in \$000s)
Net of Proportional Reinsurance
As at December 31, 2017

[illegible]

Cumulative Number of Claims Reported
Gross and Net of Reinsurance
As at December 31, 2017

[illegible]

Number of Claims Open
Gross and Net of Reinsurance
As at December 31, 2017

[illegible]

Exhibit 1.8
Canadian Lawyers Liability Assurance Society

Indicated and Selected Incurred Loss Development Factors
For Losses in Excess of Various Per Occurrence Retentions *
As at December 31, 2017

Retention per Occurrence	Loss Development Factor to Ultimate at Duration t (in months)													
	6	18	30	42	54	66	78	90	102	114	126	138	150	162
25,000	3.155	1.688	1.308	1.157	1.049	0.965	0.949	0.951	0.964	0.976	0.971	0.971	0.972	1.454
50,000	3.878	1.929	1.432	1.231	1.084	0.977	0.956	0.952	0.965	0.975	0.967	0.965	0.966	1.445
100,000	4.855	2.225	1.597	1.344	1.136	0.997	0.967	0.957	0.967	0.978	0.967	0.960	0.959	1.431
200,000	6.069	2.413	1.756	1.433	1.171	0.997	0.973	0.960	0.973	0.990	0.976	0.962	0.958	1.419
300,000	6.964	2.374	1.755	1.442	1.164	0.968	0.952	0.946	0.971	0.985	0.977	0.958	0.957	1.413
500,000	9.595	2.363	1.674	1.437	1.142	0.933	0.910	0.943	0.972	0.970	0.980	0.952	0.950	1.412
Interpolated at 1,000,000	16.072	7.239	2.397	1.775	1.372	1.044	0.915	0.920	0.939	0.942	0.952	0.944	0.918	0.906
Selected at 12/31/2017														
Loss Dev. Factor	15.950	7.450	2.600	1.800	1.410	1.135	1.050	1.045	1.035	1.025	1.020	1.020	1.018	1.008
IBNR Factor	0.937	0.866	0.615	0.444	0.291	0.119	0.048	0.043	0.034	0.024	0.020	0.020	0.018	0.008
Selected at 12/31/2016														
Loss Dev. Factor	14.950	7.050	2.538	1.778	1.390	1.125	1.050	1.045	1.035	1.025	1.020	1.020	1.018	1.008
IBNR Factor	0.933	0.858	0.606	0.438	0.281	0.111	0.048	0.043	0.034	0.024	0.020	0.020	0.018	0.008

* Based on industry data for Lawyers Professional Liability insurance.

Exhibit 2.1
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period: 1987-2 to 1988-1
As at December 31, 2017

Layer	4.4 xs .6	5 xs 5	15 xs 10	Total
<u>Derivation of Ultimate Incurred</u>				
Earned Lawyer Count	1,479	1,479	1,479	
Expected Loss Cost per Lawyer	\$527	\$298	\$465	
Gross Expected Loss Volume	\$779,433	\$440,742	\$687,735	
IBNR Factor	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$0	\$0	\$0	\$0
<u>Derivation of Loss Adjustment Expenses</u>				
IBNR LAE	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>				
Retention	0.5000	0.0800	0.1600	
Reinsured	0.5000	0.9200	0.8400	
Paid to Date Retained	\$0	\$0	\$0	\$0
Paid Ceded to				
Registered Reinsurers	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0
Case Reserves Ceded to				
Registered Reinsurers	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to				
Registered Reinsurers	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0
Reserves Ceded to				
Registered Reinsurers	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0

Exhibit 2.2
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period: 1988-2 to 1990-1
As at December 31, 2017

Layer	4 xs 1	5 xs 5	15 xs 10	Total
<u>Derivation of Ultimate Incurred</u>				
Earned Lawyer Count	3,885	3,885	3,885	
Expected Loss Cost per Lawyer	\$483	\$298	\$465	
Gross Expected Loss Volume	\$1,876,455	\$1,157,730	\$1,806,525	
IBNR Factor	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$0	\$0	\$0	\$0
<u>Derivation of Loss Adjustment Expenses</u>				
IBNR LAE	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>				
Retention	0.5000	0.0800	0.1733	
Reinsured	0.5000	0.9200	0.8267	
Paid to Date Retained	\$0	\$0	\$0	\$0
Paid Ceded to				
Registered Reinsurers	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0
Case Reserves Ceded to				
Registered Reinsurers	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to				
Registered Reinsurers	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0
Reserves Ceded to				
Registered Reinsurers	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0

Exhibit 2.3
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period: 1990-2 to 1991-1
As at December 31, 2017

Layer	4 xs 1	5 xs 5	15 xs 10	25 xs 50	Total
<u>Derivation of Ultimate Incurred</u>					
Earned Lawyer Count	2,352	2,352	2,352	2,352	
Expected Loss Cost per Lawyer	\$483	\$298	\$465	\$200	
Gross Expected Loss Volume	\$1,136,016	\$700,896	\$1,093,680	\$470,400	
IBNR Factor	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$3,593,148	\$0	\$0	\$0	\$3,593,148
Total Ultimate Incurred	\$3,593,148	\$0	\$0	\$0	\$3,593,148
<u>Derivation of Loss Adjustment Expenses</u>					
IBNR LAE	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>					
Retention	0.5000	0.0800	0.1733	0.0000	
Reinsured	0.5000	0.9200	0.8267	1.0000	
Paid to Date Retained	\$1,796,574	\$0	\$0	\$0	\$1,796,574
Paid Ceded to					
Registered Reinsurers	\$1,796,574	\$0	\$0	\$0	\$1,796,574
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to					
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to					
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to					
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0

Exhibit 2.4
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period: 1991-2 to 1994-2
As at December 31, 2017

Layer	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	25 xs 50	Total
<u>Derivation of Ultimate Incurred</u>						
Earned Lawyer Count	8,597	8,597	8,597	8,597	8,597	
Expected Loss Cost per Lawyer	\$680	\$520	\$420	\$220	\$277	
Gross Expected Loss Volume	\$5,845,960	\$4,470,440	\$3,610,740	\$1,891,340	\$2,385,130	
IBNR Factor	0.000	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$19,806,907	\$15,792,618	\$7,654,825	\$0	\$0	\$43,254,351
Total Ultimate Incurred	\$19,806,907	\$15,792,618	\$7,654,825	\$0	\$0	\$43,254,351
<u>Derivation of Loss Adjustment Expenses</u>						
IBNR LAE	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>						
Retention	0.5000	0.2000	0.1800	0.1250	0.0000	
Reinsured	0.5000	0.8000	0.8200	0.8750	1.0000	
Paid to Date Retained	\$9,903,454	\$3,158,524	\$1,377,869	\$0	\$0	\$14,439,846
Paid Ceded to						
Registered Reinsurers	\$9,640,239	\$11,609,722	\$5,774,800	\$0	\$0	\$27,024,761
Unregistered Reinsurers	\$263,215	\$1,024,373	\$502,157	\$0	\$0	\$1,789,744
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to						
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to						
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to						
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 2.5
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period: 1995-1 to 1997-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	25 xs 50	Total
<u>Derivation of Ultimate Incurred</u>							
Earned Lawyer Count	6,376	6,376	6,376	6,376	6,376	6,376	
Expected Loss Cost per Lawyer	\$10	\$1,035	\$636	\$521	\$269	\$317	
Gross Expected Loss Volume	\$63,760	\$6,597,580	\$4,052,030	\$3,324,730	\$1,716,670	\$2,019,230	
IBNR Factor	0.000	0.000	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$8,117,555	\$87,714	\$0	\$0	\$0	\$8,205,269
Total Ultimate Incurred	\$0	\$8,117,555	\$87,714	\$0	\$0	\$0	\$8,205,269
<u>Derivation of Loss Adjustment Expenses</u>							
IBNR LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>							
Retention	1.0000	0.5000	0.2000	0.1800	0.1250	0.0000	
Reinsured	0.0000	0.5000	0.8000	0.8200	0.8750	1.0000	
Paid to Date Retained	\$0	\$4,058,778	\$17,543	\$0	\$0	\$0	\$4,076,320
Paid Ceded to							
Registered Reinsurers	\$0	\$3,527,486	\$65,724	\$0	\$0	\$0	\$3,593,209
Unregistered Reinsurers	\$0	\$531,292	\$4,447	\$0	\$0	\$0	\$535,739
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to							
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to							
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to							
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 2.6
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 1997-2 to 1998-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	25 xs 50	15 xs 120	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	2,640	2,640	2,640	2,640	2,640	2,640	2,012	
Expected Loss Cost per Lawyer	\$10	\$1,100	\$680	\$560	\$290	\$290	\$125	
Gross Expected Loss Volume	\$26,400	\$2,904,000	\$1,795,200	\$1,478,400	\$765,600	\$765,600	\$251,500	
IBNR Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	0.5000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured	0.0000	0.5000	0.8000	0.8200	0.8750	1.0000	1.0000	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 2.7
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 1998-2 to 2000-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 130	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	6,067	6,067	6,067	6,067	6,067	6,085	4,643	
Expected Loss Cost per Lawyer	\$10	\$1,125	\$760	\$651	\$345	\$293	\$196	
Gross Expected Loss Volume	\$60,669	\$6,825,875	\$4,611,537	\$3,949,360	\$2,090,538	\$1,782,830	\$908,167	
IBNR Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$13,545,071	\$10,105,779	\$5,138,403	\$0	\$0	\$0	\$28,789,254
Total Ultimate Incurred	\$0	\$13,545,071	\$10,105,779	\$5,138,403	\$0	\$0	\$0	\$28,789,254
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	0.5000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured	0.0000	0.5000	0.8000	0.8200	0.8750	1.0000	1.0000	
Paid to Date Retained	\$0	\$6,772,536	\$2,021,156	\$924,913	\$0	\$0	\$0	\$9,718,604
Paid Ceded to								
Registered Reinsurers	\$0	\$6,019,744	\$7,532,871	\$4,004,358	\$0	\$0	\$0	\$17,556,972
Unregistered Reinsurers	\$0	\$752,792	\$551,752	\$209,133	\$0	\$0	\$0	\$1,513,677
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 2.8
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2000-2 to 2002-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	8,249	8,249	8,249	8,249	8,249	8,311	6,254	
Expected Loss Cost per Lawyer	\$70	\$1,463	\$1,167	\$948	\$436	\$82	\$43	
Gross Expected Loss Volume	\$577,453	\$12,068,775	\$9,626,972	\$7,820,368	\$3,596,709	\$681,516	\$268,908	
IBNR Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$7,162,827	\$7,500,000	\$2,890,929	\$0	\$0	\$0	\$17,553,756
Total Ultimate Incurred	\$0	\$7,162,827	\$7,500,000	\$2,890,929	\$0	\$0	\$0	\$17,553,756
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	0.5000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured	0.0000	0.5000	0.8000	0.8200	0.8750	1.0000	1.0000	
Paid to Date Retained	\$0	\$3,581,414	\$1,500,000	\$520,367	\$0	\$0	\$0	\$5,601,781
Paid Ceded to								
Registered Reinsurers	\$0	\$3,352,203	\$6,000,000	\$2,282,966	\$0	\$0	\$0	\$11,635,170
Unregistered Reinsurers	\$0	\$229,210	\$0	\$87,595	\$0	\$0	\$0	\$316,806
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 2.9
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2002-2
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	2,175	2,175	2,175	2,175	2,175	2,175	1,971	
Expected Loss Cost per Lawyer	\$73	\$1,524	\$1,224	\$1,002	\$464	\$92	\$49	
Gross Expected Loss Volume	\$158,739	\$3,313,938	\$2,661,588	\$2,178,849	\$1,008,968	\$200,054	\$96,555	
IBNR Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$271,947	\$0	\$0	\$0	\$0	\$0	\$271,947
Total Ultimate Incurred	\$0	\$271,947	\$0	\$0	\$0	\$0	\$0	\$271,947
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.8000	0.8200	0.6342	0.7646	0.1823	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.2408	0.2354	0.8177	
Paid to Date Retained	\$0	\$271,947	\$0	\$0	\$0	\$0	\$0	\$271,947
Paid Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 2.10
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2003-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	2,349	2,349	2,349	2,349	2,349	2,349	2,040	
Expected Loss Cost per Lawyer	\$73	\$1,524	\$1,224	\$1,002	\$464	\$92	\$49	
Gross Expected Loss Volume	\$171,450	\$3,579,305	\$2,874,717	\$2,353,322	\$1,089,762	\$216,074	\$99,948	
IBNR Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$3,194,779	\$0	\$0	\$0	\$0	\$0	\$3,194,779
Total Ultimate Incurred	\$0	\$3,194,779	\$0	\$0	\$0	\$0	\$0	\$3,194,779
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.8000	0.8200	0.6342	0.7646	0.1823	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.2408	0.2354	0.8177	
Paid to Date Retained	\$0	\$3,194,779	\$0	\$0	\$0	\$0	\$0	\$3,194,779
Paid Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 2.11
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2003-2
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	2,349	2,349	2,349	2,349	2,349	2,349	2,040	
Expected Loss Cost per Lawyer	\$76	\$1,592	\$1,218	\$1,025	\$483	\$103	\$57	
Gross Expected Loss Volume	\$178,496	\$3,739,011	\$2,861,780	\$2,407,226	\$1,134,252	\$241,908	\$116,266	
IBNR Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$1,637,555	\$0	\$0	\$0	\$0	\$0	\$1,637,555
Total Ultimate Incurred	\$0	\$1,637,555	\$0	\$0	\$0	\$0	\$0	\$1,637,555
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.8000	0.8200	0.5750	0.7385	0.0966	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.3000	0.2615	0.9034	
Paid to Date Retained	\$0	\$1,637,555	\$0	\$0	\$0	\$0	\$0	\$1,637,555
Paid Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 2.12
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2004-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	2,371	2,371	2,371	2,371	2,371	2,371	2,059	
Expected Loss Cost per Lawyer	\$76	\$1,592	\$1,215	\$1,023	\$482	\$103	\$57	
Gross Expected Loss Volume	\$180,168	\$3,774,035	\$2,879,622	\$2,424,815	\$1,143,109	\$244,174	\$117,370	
IBNR Factor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IBNR Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid to Date	\$0	\$7,295,780	\$7,500,000	\$12,500,000	\$10,000,000	\$0	\$0	\$37,295,780
Total Ultimate Incurred	\$0	\$7,295,780	\$7,500,000	\$12,500,000	\$10,000,000	\$0	\$0	\$37,295,780
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.8000	0.8200	0.5750	0.7385	0.0966	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.3000	0.2615	0.9034	
Paid to Date Retained	\$0	\$7,295,780	\$1,500,000	\$2,250,000	\$1,250,000	\$0	\$0	\$12,295,780
Paid Ceded to								
Registered Reinsurers	\$0	\$0	\$6,000,000	\$10,250,000	\$5,750,000	\$0	\$0	\$22,000,000
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$3,000,000	\$0	\$0	\$3,000,000
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 2.13
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2004-2
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	2,371	2,371	2,371	2,371	2,371	2,371	2,059	
Expected Loss Cost per Lawyer	\$79	\$1,668	\$1,284	\$1,092	\$520	\$118	\$66	
Gross Expected Loss Volume	\$187,279	\$3,954,203	\$3,043,825	\$2,588,971	\$1,232,842	\$279,734	\$135,902	
IBNR Factor	0.008	0.008	0.008	0.008	0.008	0.008	0.008	
IBNR Amount	\$1,498	\$31,634	\$24,351	\$20,712	\$9,863	\$2,238	\$1,087	\$91,382
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$1,498	\$31,634	\$24,351	\$20,712	\$9,863	\$2,238	\$1,087	\$91,382
Paid to Date	\$0	\$1,223,995	\$0	\$0	\$0	\$0	\$0	\$1,223,995
Total Ultimate Incurred	\$1,498	\$1,255,629	\$24,351	\$20,712	\$9,863	\$2,238	\$1,087	\$1,315,377
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$39	\$822	\$633	\$539	\$256	\$58	\$28	\$2,376
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$39	\$822	\$633	\$539	\$256	\$58	\$28	\$2,376
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.7500	0.8200	0.6305	0.7486	0.0966	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0000	0.2445	0.2514	0.9034	
Paid to Date Retained	\$0	\$1,223,995	\$0	\$0	\$0	\$0	\$0	\$1,223,995
Paid Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$1,498	\$31,634	\$4,870	\$3,728	\$1,233	\$0	\$0	\$42,963
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$18,263	\$16,984	\$6,218	\$1,675	\$105	\$43,245
Unregistered Reinsurers	\$0	\$0	\$1,218	\$0	\$2,411	\$563	\$982	\$5,174
Total Reserves Retained	\$1,498	\$31,634	\$4,870	\$3,728	\$1,233	\$0	\$0	\$42,963
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$18,263	\$16,984	\$6,218	\$1,675	\$105	\$43,245
Unregistered Reinsurers	\$0	\$0	\$1,218	\$0	\$2,411	\$563	\$982	\$5,174

Exhibit 2.14
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2005-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	2,373	2,373	2,373	2,373	2,373	2,373	2,049	
Expected Loss Cost per Lawyer	\$79	\$1,668	\$1,280	\$1,090	\$519	\$118	\$66	
Gross Expected Loss Volume	\$187,428	\$3,957,330	\$3,036,359	\$2,585,526	\$1,231,847	\$279,955	\$135,201	
IBNR Factor	0.008	0.008	0.008	0.008	0.008	0.008	0.008	
IBNR Amount	\$1,499	\$31,659	\$24,291	\$20,684	\$9,855	\$2,240	\$1,082	\$91,309
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$1,499	\$31,659	\$24,291	\$20,684	\$9,855	\$2,240	\$1,082	\$91,309
Paid to Date	\$38,338	\$0	\$0	\$0	\$0	\$0	\$0	\$38,338
Total Ultimate Incurred	\$39,837	\$31,659	\$24,291	\$20,684	\$9,855	\$2,240	\$1,082	\$129,647
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$39	\$823	\$632	\$538	\$256	\$58	\$28	\$2,374
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$39	\$823	\$632	\$538	\$256	\$58	\$28	\$2,374
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.7500	0.8200	0.6305	0.7486	0.0966	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0000	0.2445	0.2514	0.9034	
Paid to Date Retained	\$38,338	\$0	\$0	\$0	\$0	\$0	\$0	\$38,338
Paid Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$1,499	\$31,659	\$4,858	\$3,723	\$1,232	\$0	\$0	\$42,971
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$18,218	\$16,961	\$6,213	\$1,677	\$104	\$43,174
Unregistered Reinsurers	\$0	\$0	\$1,215	\$0	\$2,409	\$563	\$977	\$5,164
Total Reserves Retained	\$1,499	\$31,659	\$4,858	\$3,723	\$1,232	\$0	\$0	\$42,971
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$18,218	\$16,961	\$6,213	\$1,677	\$104	\$43,174
Unregistered Reinsurers	\$0	\$0	\$1,215	\$0	\$2,409	\$563	\$977	\$5,164

Exhibit 2.15
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2005-2
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	2,373	2,373	2,373	2,373	2,373	2,373	2,049	
Expected Loss Cost per Lawyer	\$83	\$1,752	\$1,359	\$1,171	\$565	\$139	\$79	
Gross Expected Loss Volume	\$196,918	\$4,156,620	\$3,223,221	\$2,778,400	\$1,339,985	\$329,778	\$161,832	
IBNR Factor	0.018	0.018	0.018	0.018	0.018	0.018	0.018	
IBNR Amount	\$3,545	\$74,819	\$58,018	\$50,011	\$24,120	\$5,936	\$2,913	\$219,362
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$3,545	\$74,819	\$58,018	\$50,011	\$24,120	\$5,936	\$2,913	\$219,362
Paid to Date	\$0	\$762,712	\$0	\$0	\$0	\$0	\$0	\$762,712
Total Ultimate Incurred	\$3,545	\$837,532	\$58,018	\$50,011	\$24,120	\$5,936	\$2,913	\$982,074
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$92	\$1,945	\$1,508	\$1,300	\$627	\$154	\$76	\$5,703
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$92	\$1,945	\$1,508	\$1,300	\$627	\$154	\$76	\$5,703
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.7500	0.8000	0.8750	1.0000	0.3600	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0200	0.0000	0.0000	0.6400	
Paid to Date Retained	\$0	\$762,712	\$0	\$0	\$0	\$0	\$0	\$762,712
Paid Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$3,545	\$74,819	\$11,604	\$9,002	\$3,015	\$0	\$0	\$101,984
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$43,513	\$40,009	\$21,105	\$5,936	\$1,049	\$111,612
Unregistered Reinsurers	\$0	\$0	\$2,901	\$1,000	\$0	\$0	\$1,864	\$5,765
Total Reserves Retained	\$3,545	\$74,819	\$11,604	\$9,002	\$3,015	\$0	\$0	\$101,984
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$43,513	\$40,009	\$21,105	\$5,936	\$1,049	\$111,612
Unregistered Reinsurers	\$0	\$0	\$2,901	\$1,000	\$0	\$0	\$1,864	\$5,765

Exhibit 2.16
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2006-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	Total
<u>Derivation of Ultimate Incurred</u>								
Earned Lawyer Count	2,397	2,397	2,397	2,397	2,397	2,397	2,076	
Expected Loss Cost per Lawyer	\$83	\$1,752	\$1,357	\$1,170	\$564	\$139	\$79	
Gross Expected Loss Volume	\$198,972	\$4,199,982	\$3,251,953	\$2,804,645	\$1,352,973	\$333,218	\$164,004	
IBNR Factor	0.018	0.018	0.018	0.018	0.018	0.018	0.018	
IBNR Amount	\$3,581	\$75,600	\$58,535	\$50,484	\$24,354	\$5,998	\$2,952	\$221,503
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$3,581	\$75,600	\$58,535	\$50,484	\$24,354	\$5,998	\$2,952	\$221,503
Paid to Date	\$0	\$2,833	\$0	\$0	\$0	\$0	\$0	\$2,833
Total Ultimate Incurred	\$3,581	\$78,433	\$58,535	\$50,484	\$24,354	\$5,998	\$2,952	\$224,337
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$93	\$1,966	\$1,522	\$1,313	\$633	\$156	\$77	\$5,759
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$93	\$1,966	\$1,522	\$1,313	\$633	\$156	\$77	\$5,759
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>								
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.7500	0.8000	0.8750	1.0000	0.3600	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0200	0.0000	0.0000	0.6400	
Paid to Date Retained	\$0	\$2,833	\$0	\$0	\$0	\$0	\$0	\$2,833
Paid Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$3,581	\$75,600	\$11,707	\$9,087	\$3,044	\$0	\$0	\$103,019
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$43,901	\$40,387	\$21,309	\$5,998	\$1,063	\$112,658
Unregistered Reinsurers	\$0	\$0	\$2,927	\$1,010	\$0	\$0	\$1,889	\$5,826
Total Reserves Retained	\$3,581	\$75,600	\$11,707	\$9,087	\$3,044	\$0	\$0	\$103,019
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$43,901	\$40,387	\$21,309	\$5,998	\$1,063	\$112,658
Unregistered Reinsurers	\$0	\$0	\$2,927	\$1,010	\$0	\$0	\$1,889	\$5,826

Exhibit 2.17
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2006-2
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	20 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,397	2,397	2,397	2,397	2,397	2,397	2,076	877	
Expected Loss Cost per Lawyer	\$185	\$1,885	\$1,532	\$1,302	\$540	\$42	\$24	\$18	
Gross Expected Loss Volume	\$443,245	\$4,519,084	\$3,673,441	\$3,121,345	\$1,295,199	\$100,685	\$49,824	\$15,791	
IBNR Factor	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	
IBNR Amount	\$8,865	\$90,382	\$73,469	\$62,427	\$25,904	\$2,014	\$996	\$316	\$264,372
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$8,865	\$90,382	\$73,469	\$62,427	\$25,904	\$2,014	\$996	\$316	\$264,372
Paid to Date	\$0	\$5,593,313	\$880,794	\$0	\$0	\$0	\$0	\$0	\$6,474,107
Total Ultimate Incurred	\$8,865	\$5,683,695	\$954,263	\$62,427	\$25,904	\$2,014	\$996	\$316	\$6,738,479
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$230	\$2,350	\$1,910	\$1,623	\$674	\$52	\$26	\$8	\$6,874
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$230	\$2,350	\$1,910	\$1,623	\$674	\$52	\$26	\$8	\$6,874
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.7500	0.7700	0.8750	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0500	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$0	\$5,593,313	\$176,159	\$0	\$0	\$0	\$0	\$0	\$5,769,472
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$660,596	\$0	\$0	\$0	\$0	\$0	\$660,596
Unregistered Reinsurers	\$0	\$0	\$44,040	\$0	\$0	\$0	\$0	\$0	\$44,040
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$8,865	\$90,382	\$14,694	\$11,237	\$3,238	\$0	\$0	\$0	\$128,415
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$55,102	\$48,069	\$22,666	\$2,014	\$359	\$316	\$128,525
Unregistered Reinsurers	\$0	\$0	\$3,673	\$3,121	\$0	\$0	\$638	\$0	\$7,433
Total Reserves Retained	\$8,865	\$90,382	\$14,694	\$11,237	\$3,238	\$0	\$0	\$0	\$128,415
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$55,102	\$48,069	\$22,666	\$2,014	\$359	\$316	\$128,525
Unregistered Reinsurers	\$0	\$0	\$3,673	\$3,121	\$0	\$0	\$638	\$0	\$7,433

Exhibit 2.18
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2007-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	20 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,374	2,374	2,374	2,374	2,374	2,374	2,127	2,127	
Expected Loss Cost per Lawyer	\$184	\$1,879	\$1,531	\$1,301	\$540	\$42	\$24	\$18	
Gross Expected Loss Volume	\$437,492	\$4,460,430	\$3,636,029	\$3,088,127	\$1,281,128	\$99,719	\$51,054	\$38,291	
IBNR Factor	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	
IBNR Amount	\$8,750	\$89,209	\$72,721	\$61,763	\$25,623	\$1,994	\$1,021	\$766	\$261,845
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$8,750	\$89,209	\$72,721	\$61,763	\$25,623	\$1,994	\$1,021	\$766	\$261,845
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$8,750	\$89,209	\$72,721	\$61,763	\$25,623	\$1,994	\$1,021	\$766	\$261,845
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$227	\$2,319	\$1,891	\$1,606	\$666	\$52	\$27	\$20	\$6,808
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$227	\$2,319	\$1,891	\$1,606	\$666	\$52	\$27	\$20	\$6,808
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.2000	0.1800	0.1250	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.7500	0.7700	0.8750	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0500	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$8,750	\$89,209	\$14,544	\$11,117	\$3,203	\$0	\$0	\$0	\$126,823
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$54,540	\$47,557	\$22,420	\$1,994	\$368	\$766	\$127,645
Unregistered Reinsurers	\$0	\$0	\$3,636	\$3,088	\$0	\$0	\$653	\$0	\$7,378
Total Reserves Retained	\$8,750	\$89,209	\$14,544	\$11,117	\$3,203	\$0	\$0	\$0	\$126,823
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$54,540	\$47,557	\$22,420	\$1,994	\$368	\$766	\$127,645
Unregistered Reinsurers	\$0	\$0	\$3,636	\$3,088	\$0	\$0	\$653	\$0	\$7,378

Exhibit 2.19
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2007-2
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	20 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,356	2,356	2,356	2,356	2,356	2,356	2,099	1,414	
Expected Loss Cost per Lawyer	\$106	\$1,501	\$1,279	\$945	\$379	\$28	\$13	\$9	
Gross Expected Loss Volume	\$248,658	\$3,536,467	\$3,013,726	\$2,225,966	\$893,454	\$65,961	\$27,284	\$12,724	
IBNR Factor	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	
IBNR Amount	\$4,973	\$70,729	\$60,275	\$44,519	\$17,869	\$1,319	\$546	\$254	\$200,485
Case Reserves	\$0	\$80,599	\$0	\$0	\$0	\$0	\$0	\$0	\$80,599
Total Reserves (Ind. & Leg.)	\$4,973	\$151,328	\$60,275	\$44,519	\$17,869	\$1,319	\$546	\$254	\$281,084
Paid to Date	\$0	\$1,493,399	\$0	\$0	\$0	\$0	\$0	\$0	\$1,493,399
Total Ultimate Incurred	\$4,973	\$1,644,727	\$60,275	\$44,519	\$17,869	\$1,319	\$546	\$254	\$1,774,483
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$129	\$1,839	\$1,567	\$1,158	\$465	\$34	\$14	\$7	\$5,213
Case Reserves LAE	\$0	\$2,096	\$0	\$0	\$0	\$0	\$0	\$0	\$2,096
Total LAE(2.60%)	\$129	\$3,935	\$1,567	\$1,158	\$465	\$34	\$14	\$7	\$7,308
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.3000	0.1800	0.1250	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.6500	0.7700	0.8750	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0500	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$0	\$1,493,399	\$0	\$0	\$0	\$0	\$0	\$0	\$1,493,399
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$80,599	\$0	\$0	\$0	\$0	\$0	\$0	\$80,599
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$4,973	\$70,729	\$18,082	\$8,013	\$2,234	\$0	\$0	\$0	\$104,032
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$39,178	\$34,280	\$15,635	\$1,319	\$196	\$254	\$90,864
Unregistered Reinsurers	\$0	\$0	\$3,014	\$2,226	\$0	\$0	\$349	\$0	\$5,589
Total Reserves Retained	\$4,973	\$151,328	\$18,082	\$8,013	\$2,234	\$0	\$0	\$0	\$184,631
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$39,178	\$34,280	\$15,635	\$1,319	\$196	\$254	\$90,864
Unregistered Reinsurers	\$0	\$0	\$3,014	\$2,226	\$0	\$0	\$349	\$0	\$5,589

Exhibit 2.20
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2008-1
As at December 31, 2017

Layer	.75 xs .25	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	20 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,428	2,428	2,428	2,428	2,428	2,428	2,162	1,476	
Expected Loss Cost per Lawyer	\$106	\$1,504	\$1,280	\$945	\$379	\$28	\$13	\$9	
Gross Expected Loss Volume	\$256,794	\$3,652,186	\$3,107,901	\$2,295,130	\$921,305	\$67,977	\$28,103	\$13,280	
IBNR Factor	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	
IBNR Amount	\$5,136	\$73,044	\$62,158	\$45,903	\$18,426	\$1,360	\$562	\$266	\$206,853
Case Reserves	\$0	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500,000
Total Reserves (Ind. & Leg.)	\$5,136	\$3,573,044	\$62,158	\$45,903	\$18,426	\$1,360	\$562	\$266	\$3,706,853
Paid to Date	\$0	\$4,000,000	\$7,500,000	\$483,257	\$0	\$0	\$0	\$0	\$11,983,257
Total Ultimate Incurred	\$5,136	\$7,573,044	\$7,562,158	\$529,160	\$18,426	\$1,360	\$562	\$266	\$15,690,110
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$134	\$1,899	\$1,616	\$1,193	\$479	\$35	\$15	\$7	\$5,378
Case Reserves LAE	\$0	\$91,000	\$0	\$0	\$0	\$0	\$0	\$0	\$91,000
Total LAE(2.60%)	\$134	\$92,899	\$1,616	\$1,193	\$479	\$35	\$15	\$7	\$96,378
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.3000	0.1800	0.1250	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.6500	0.7700	0.8750	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0500	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$0	\$4,000,000	\$2,250,000	\$86,986	\$0	\$0	\$0	\$0	\$6,336,986
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$4,875,000	\$372,108	\$0	\$0	\$0	\$0	\$5,247,108
Unregistered Reinsurers	\$0	\$0	\$375,000	\$24,163	\$0	\$0	\$0	\$0	\$399,163
Case Reserves Retained	\$0	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500,000
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$5,136	\$73,044	\$18,647	\$8,262	\$2,303	\$0	\$0	\$0	\$107,393
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$40,403	\$35,345	\$16,123	\$1,360	\$202	\$266	\$93,698
Unregistered Reinsurers	\$0	\$0	\$3,108	\$2,295	\$0	\$0	\$360	\$0	\$5,763
Total Reserves Retained	\$5,136	\$3,573,044	\$18,647	\$8,262	\$2,303	\$0	\$0	\$0	\$3,607,393
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$40,403	\$35,345	\$16,123	\$1,360	\$202	\$266	\$93,698
Unregistered Reinsurers	\$0	\$0	\$3,108	\$2,295	\$0	\$0	\$360	\$0	\$5,763

Exhibit 2.21
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2008-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	30 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,393	2,393	2,393	2,393	2,393	2,393	2,136	1,457	
Expected Loss Cost per Lawyer	\$138	\$1,341	\$1,082	\$768	\$381	\$8	\$3	\$2	
Gross Expected Loss Volume	\$329,492	\$3,208,533	\$2,588,748	\$1,837,058	\$911,711	\$19,140	\$6,409	\$2,915	
IBNR Factor	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	
IBNR Amount	\$7,908	\$77,005	\$62,130	\$44,089	\$21,881	\$459	\$154	\$70	\$213,696
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$7,908	\$77,005	\$62,130	\$44,089	\$21,881	\$459	\$154	\$70	\$213,696
Paid to Date	\$5,042	\$1,896,739	\$0	\$0	\$0	\$0	\$0	\$0	\$1,901,781
Total Ultimate Incurred	\$12,950	\$1,973,744	\$62,130	\$44,089	\$21,881	\$459	\$154	\$70	\$2,115,477
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$206	\$2,002	\$1,615	\$1,146	\$569	\$12	\$4	\$2	\$5,556
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$206	\$2,002	\$1,615	\$1,146	\$569	\$12	\$4	\$2	\$5,556
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.3500	0.2400	0.1250	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.6000	0.7100	0.8750	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0500	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$5,042	\$1,896,739	\$0	\$0	\$0	\$0	\$0	\$0	\$1,901,781
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$7,908	\$77,005	\$21,745	\$10,581	\$2,735	\$0	\$0	\$0	\$119,975
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$37,278	\$31,303	\$19,146	\$459	\$55	\$70	\$88,312
Unregistered Reinsurers	\$0	\$0	\$3,106	\$2,204	\$0	\$0	\$98	\$0	\$5,409
Total Reserves Retained	\$7,908	\$77,005	\$21,745	\$10,581	\$2,735	\$0	\$0	\$0	\$119,975
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$37,278	\$31,303	\$19,146	\$459	\$55	\$70	\$88,312
Unregistered Reinsurers	\$0	\$0	\$3,106	\$2,204	\$0	\$0	\$98	\$0	\$5,409

Exhibit 2.22
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2009-1
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	30 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,443	2,443	2,443	2,443	2,443	2,443	2,174	1,472	
Expected Loss Cost per Lawyer	\$138	\$1,344	\$1,083	\$768	\$381	\$8	\$3	\$2	
Gross Expected Loss Volume	\$337,176	\$3,283,352	\$2,645,033	\$1,876,395	\$931,126	\$19,540	\$6,521	\$2,945	
IBNR Factor	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	
IBNR Amount	\$8,092	\$78,800	\$63,481	\$45,033	\$22,347	\$469	\$157	\$71	\$218,450
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$8,092	\$78,800	\$63,481	\$45,033	\$22,347	\$469	\$157	\$71	\$218,450
Paid to Date	\$0	\$907,009	\$0	\$0	\$0	\$0	\$0	\$0	\$907,009
Total Ultimate Incurred	\$8,092	\$985,809	\$63,481	\$45,033	\$22,347	\$469	\$157	\$71	\$1,125,459
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$210	\$2,049	\$1,651	\$1,171	\$581	\$12	\$4	\$2	\$5,680
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$210	\$2,049	\$1,651	\$1,171	\$581	\$12	\$4	\$2	\$5,680
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.3500	0.2400	0.1250	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.6000	0.7100	0.8750	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0500	0.0500	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$0	\$907,009	\$0	\$0	\$0	\$0	\$0	\$0	\$907,009
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$8,092	\$78,800	\$22,218	\$10,808	\$2,793	\$0	\$0	\$0	\$122,712
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$38,088	\$31,974	\$19,554	\$469	\$56	\$71	\$90,212
Unregistered Reinsurers	\$0	\$0	\$3,174	\$2,252	\$0	\$0	\$100	\$0	\$5,526
Total Reserves Retained	\$8,092	\$78,800	\$22,218	\$10,808	\$2,793	\$0	\$0	\$0	\$122,712
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$38,088	\$31,974	\$19,554	\$469	\$56	\$71	\$90,212
Unregistered Reinsurers	\$0	\$0	\$3,174	\$2,252	\$0	\$0	\$100	\$0	\$5,526

Exhibit 2.23
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2009-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	30 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,402	2,402	2,402	2,402	2,402	2,402	2,118	1,441	
Expected Loss Cost per Lawyer	\$143	\$1,419	\$1,093	\$844	\$373	\$13	\$7	\$5	
Gross Expected Loss Volume	\$343,640	\$3,408,081	\$2,624,425	\$2,027,484	\$894,687	\$31,220	\$14,828	\$7,206	
IBNR Factor	0.034	0.034	0.034	0.034	0.034	0.034	0.034	0.034	
IBNR Amount	\$11,684	\$115,875	\$89,230	\$68,934	\$30,419	\$1,061	\$504	\$245	\$317,953
Case Reserves	\$0	\$2,500,000	\$7,344,898	\$12,500,000	\$10,000,000	\$0	\$0	\$0	\$32,344,898
Total Reserves (Ind. & Leg.)	\$11,684	\$2,615,875	\$7,434,128	\$12,568,934	\$10,030,419	\$1,061	\$504	\$245	\$32,662,851
Paid to Date	\$0	\$4,638,777	\$155,102	\$0	\$0	\$0	\$0	\$0	\$4,793,879
Total Ultimate Incurred	\$11,684	\$7,254,652	\$7,589,230	\$12,568,934	\$10,030,419	\$1,061	\$504	\$245	\$37,456,730
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$304	\$3,013	\$2,320	\$1,792	\$791	\$28	\$13	\$6	\$8,267
Case Reserves LAE	\$0	\$65,000	\$190,967	\$325,000	\$260,000	\$0	\$0	\$0	\$840,967
Total LAE(2.60%)	\$304	\$68,013	\$193,287	\$326,792	\$260,791	\$28	\$13	\$6	\$849,234
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.4500	0.2800	0.1500	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.5200	0.6800	0.8500	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0300	0.0400	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$0	\$4,638,777	\$69,796	\$0	\$0	\$0	\$0	\$0	\$4,708,573
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$80,653	\$0	\$0	\$0	\$0	\$0	\$80,653
Unregistered Reinsurers	\$0	\$0	\$4,653	\$0	\$0	\$0	\$0	\$0	\$4,653
Case Reserves Retained	\$0	\$2,500,000	\$3,305,204	\$3,500,000	\$1,500,000	\$0	\$0	\$0	\$10,805,204
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$3,819,347	\$8,500,000	\$8,500,000	\$0	\$0	\$0	\$20,819,347
Unregistered Reinsurers	\$0	\$0	\$220,347	\$500,000	\$0	\$0	\$0	\$0	\$720,347
IBNR Reserves Retained	\$11,684	\$115,875	\$40,154	\$19,302	\$4,563	\$0	\$0	\$0	\$191,577
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$46,400	\$46,875	\$25,856	\$1,061	\$181	\$245	\$120,620
Unregistered Reinsurers	\$0	\$0	\$2,677	\$2,757	\$0	\$0	\$323	\$0	\$5,757
Total Reserves Retained	\$11,684	\$2,615,875	\$3,345,358	\$3,519,302	\$1,504,563	\$0	\$0	\$0	\$10,996,781
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$3,865,747	\$8,546,875	\$8,525,856	\$1,061	\$181	\$245	\$20,939,967
Unregistered Reinsurers	\$0	\$0	\$223,024	\$502,757	\$0	\$0	\$323	\$0	\$726,104

Exhibit 2.24
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2010-1
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	30 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,416	2,416	2,416	2,416	2,416	2,416	2,135	1,466	
Expected Loss Cost per Lawyer	\$144	\$1,428	\$1,095	\$846	\$373	\$13	\$7	\$5	
Gross Expected Loss Volume	\$347,777	\$3,449,111	\$2,644,515	\$2,042,387	\$900,893	\$31,402	\$14,947	\$7,331	
IBNR Factor	0.034	0.034	0.034	0.034	0.034	0.034	0.034	0.034	
IBNR Amount	\$11,824	\$117,270	\$89,913	\$69,441	\$30,630	\$1,068	\$508	\$249	\$320,904
Case Reserves	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
Total Reserves (Ind. & Leg.)	\$11,824	\$2,117,270	\$89,913	\$69,441	\$30,630	\$1,068	\$508	\$249	\$2,320,904
Paid to Date	\$0	\$4,522,604	\$356,558	\$0	\$0	\$0	\$0	\$0	\$4,879,162
Total Ultimate Incurred	\$11,824	\$6,639,874	\$446,471	\$69,441	\$30,630	\$1,068	\$508	\$249	\$7,200,066
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$307	\$3,049	\$2,338	\$1,805	\$796	\$28	\$13	\$6	\$8,344
Case Reserves LAE	\$0	\$52,000	\$0	\$0	\$0	\$0	\$0	\$0	\$52,000
Total LAE(2.60%)	\$307	\$55,049	\$2,338	\$1,805	\$796	\$28	\$13	\$6	\$60,344
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.4500	0.2800	0.1500	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.5200	0.6800	0.8500	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0300	0.0400	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$0	\$4,522,604	\$160,451	\$0	\$0	\$0	\$0	\$0	\$4,683,055
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$185,410	\$0	\$0	\$0	\$0	\$0	\$185,410
Unregistered Reinsurers	\$0	\$0	\$10,697	\$0	\$0	\$0	\$0	\$0	\$10,697
Case Reserves Retained	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$11,824	\$117,270	\$40,461	\$19,444	\$4,595	\$0	\$0	\$0	\$193,593
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$46,755	\$47,220	\$26,036	\$1,068	\$183	\$249	\$121,511
Unregistered Reinsurers	\$0	\$0	\$2,697	\$2,778	\$0	\$0	\$325	\$0	\$5,800
Total Reserves Retained	\$11,824	\$2,117,270	\$40,461	\$19,444	\$4,595	\$0	\$0	\$0	\$2,193,593
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$46,755	\$47,220	\$26,036	\$1,068	\$183	\$249	\$121,511
Unregistered Reinsurers	\$0	\$0	\$2,697	\$2,778	\$0	\$0	\$325	\$0	\$5,800

Exhibit 2.25
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2010-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	40 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,368	2,368	2,368	2,368	2,368	2,368	2,094	1,434	
Expected Loss Cost per Lawyer	\$132	\$1,350	\$1,057	\$838	\$367	\$20	\$13	\$9	
Gross Expected Loss Volume	\$311,556	\$3,197,598	\$2,502,009	\$1,983,277	\$869,590	\$47,355	\$27,222	\$12,902	
IBNR Factor	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	
IBNR Amount	\$13,397	\$137,497	\$107,586	\$85,281	\$37,392	\$2,036	\$1,171	\$555	\$384,915
Case Reserves	\$0	\$32,747	\$0	\$0	\$0	\$0	\$0	\$0	\$32,747
Total Reserves (Ind. & Leg.)	\$13,397	\$170,244	\$107,586	\$85,281	\$37,392	\$2,036	\$1,171	\$555	\$417,662
Paid to Date	\$242,012	\$17,253	\$0	\$0	\$0	\$0	\$0	\$0	\$259,265
Total Ultimate Incurred	\$255,409	\$187,497	\$107,586	\$85,281	\$37,392	\$2,036	\$1,171	\$555	\$676,927
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$348	\$3,575	\$2,797	\$2,217	\$972	\$53	\$30	\$14	\$10,008
Case Reserves LAE	\$0	\$851	\$0	\$0	\$0	\$0	\$0	\$0	\$851
Total LAE(2.60%)	\$348	\$4,426	\$2,797	\$2,217	\$972	\$53	\$30	\$14	\$10,859
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.5000	0.3000	0.2000	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.4750	0.6750	0.8000	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0250	0.0250	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$242,012	\$17,253	\$0	\$0	\$0	\$0	\$0	\$0	\$259,265
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$32,747	\$0	\$0	\$0	\$0	\$0	\$0	\$32,747
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$13,397	\$137,497	\$53,793	\$25,584	\$7,478	\$0	\$0	\$0	\$237,750
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$51,104	\$57,565	\$29,914	\$2,036	\$421	\$555	\$141,594
Unregistered Reinsurers	\$0	\$0	\$2,690	\$2,132	\$0	\$0	\$749	\$0	\$5,571
Total Reserves Retained	\$13,397	\$170,244	\$53,793	\$25,584	\$7,478	\$0	\$0	\$0	\$270,497
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$51,104	\$57,565	\$29,914	\$2,036	\$421	\$555	\$141,594
Unregistered Reinsurers	\$0	\$0	\$2,690	\$2,132	\$0	\$0	\$749	\$0	\$5,571

Exhibit 2.26
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2011-1
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	7.5 xs 5	12.5 xs 12.5	10 xs 25	30 xs 50	20 xs 140	40 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,403	2,403	2,403	2,403	2,403	2,403	2,140	1,472	
Expected Loss Cost per Lawyer	\$131	\$1,347	\$1,056	\$837	\$367	\$20	\$13	\$9	
Gross Expected Loss Volume	\$315,296	\$3,235,990	\$2,537,427	\$2,011,531	\$882,137	\$48,065	\$27,814	\$13,250	
IBNR Factor	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	
IBNR Amount	\$13,558	\$139,148	\$109,109	\$86,496	\$37,932	\$2,067	\$1,196	\$570	\$390,075
Case Reserves	\$0	\$2,782,838	\$7,500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$11,782,838
Total Reserves (Ind. & Leg.)	\$13,558	\$2,921,986	\$7,609,109	\$1,586,496	\$37,932	\$2,067	\$1,196	\$570	\$12,172,913
Paid to Date	\$0	\$4,167,163	\$0	\$0	\$0	\$0	\$0	\$0	\$4,167,163
Total Ultimate Incurred	\$13,558	\$7,089,148	\$7,609,109	\$1,586,496	\$37,932	\$2,067	\$1,196	\$570	\$16,340,076
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$353	\$3,618	\$2,837	\$2,249	\$986	\$54	\$31	\$15	\$10,142
Case Reserves LAE	\$0	\$72,354	\$195,000	\$39,000	\$0	\$0	\$0	\$0	\$306,354
Total LAE(2.60%)	\$353	\$75,972	\$197,837	\$41,249	\$986	\$54	\$31	\$15	\$316,496
<u>Distribution of Losses between CLLAS and Proportional Reinsurers</u>									
Retention	1.0000	1.0000	0.5000	0.3000	0.2000	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.0000	0.4750	0.6750	0.8000	1.0000	0.3600	1.0000	
Reinsured to Unregistered	0.0000	0.0000	0.0250	0.0250	0.0000	0.0000	0.6400	0.0000	
Paid to Date Retained	\$0	\$4,167,163	\$0	\$0	\$0	\$0	\$0	\$0	\$4,167,163
Paid Ceded to									
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$2,782,838	\$3,750,000	\$450,000	\$0	\$0	\$0	\$0	\$6,982,838
Case Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$3,562,500	\$1,012,500	\$0	\$0	\$0	\$0	\$4,575,000
Unregistered Reinsurers	\$0	\$0	\$187,500	\$37,500	\$0	\$0	\$0	\$0	\$225,000
IBNR Reserves Retained	\$13,558	\$139,148	\$54,555	\$25,949	\$7,586	\$0	\$0	\$0	\$240,795
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$51,827	\$58,385	\$30,345	\$2,067	\$431	\$570	\$143,624
Unregistered Reinsurers	\$0	\$0	\$2,728	\$2,162	\$0	\$0	\$765	\$0	\$5,656
Total Reserves Retained	\$13,558	\$2,921,986	\$3,804,555	\$475,949	\$7,586	\$0	\$0	\$0	\$7,223,633
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$3,614,327	\$1,070,885	\$30,345	\$2,067	\$431	\$570	\$4,718,624
Unregistered Reinsurers	\$0	\$0	\$190,228	\$39,662	\$0	\$0	\$765	\$0	\$230,656

Exhibit 2.27
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2011-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,340	2,340	2,340	2,340	2,340	2,340	714	1,770	
Expected Loss Cost per Lawyer	\$125	\$1,248	\$640	\$780	\$870	\$1	\$8	\$9	
Gross Expected Loss Volume	\$291,817	\$2,919,370	\$1,497,082	\$1,824,927	\$2,034,400	\$2,918	\$5,398	\$16,206	
IBNR Factor	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	
IBNR Amount	\$14,007	\$140,130	\$71,860	\$87,597	\$97,651	\$140	\$259	\$778	\$412,422
Case Reserves	\$0	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$750,000
Total Reserves (Ind. & Leg.)	\$14,007	\$890,130	\$71,860	\$87,597	\$97,651	\$140	\$259	\$778	\$1,162,422
Paid to Date	\$196,253	\$2,356,504	\$0	\$0	\$0	\$0	\$0	\$0	\$2,552,757
Total Ultimate Incurred	\$210,261	\$3,246,634	\$71,860	\$87,597	\$97,651	\$140	\$259	\$778	\$3,715,179
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$364	\$3,643	\$1,868	\$2,278	\$2,539	\$4	\$7	\$20	\$10,723
Case Reserves LAE	\$0	\$19,500	\$0	\$0	\$0	\$0	\$0	\$0	\$19,500
Total LAE(2.60%)	\$364	\$23,143	\$1,868	\$2,278	\$2,539	\$4	\$7	\$20	\$30,223
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.2500	0.2500	0.2500	0.2500	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.2500	0.2500	0.2500	0.2500	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.5000	0.5000	0.5000	0.5000	1.0000	0.7600	0.7600	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2400	0.2400	
Paid to Date Retained	\$196,253	\$589,126	\$0	\$0	\$0	\$0	\$0	\$0	\$785,379
Paid Ceded to									
Colchester	\$0	\$589,126	\$0	\$0	\$0	\$0	\$0	\$0	\$589,126
Registered Reinsurers	\$0	\$1,178,252	\$0	\$0	\$0	\$0	\$0	\$0	\$1,178,252
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$187,500	\$0	\$0	\$0	\$0	\$0	\$0	\$187,500
Case Reserves Ceded to									
Colchester	\$0	\$187,500	\$0	\$0	\$0	\$0	\$0	\$0	\$187,500
Registered Reinsurers	\$0	\$375,000	\$0	\$0	\$0	\$0	\$0	\$0	\$375,000
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$14,007	\$35,032	\$17,965	\$21,899	\$24,413	\$0	\$0	\$0	\$113,317
IBNR Reserves Ceded to									
Colchester	\$0	\$35,032	\$17,965	\$21,899	\$24,413	\$0	\$0	\$0	\$99,309
Registered Reinsurers	\$0	\$70,065	\$35,930	\$43,798	\$48,826	\$140	\$197	\$591	\$199,547
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$62	\$187	\$249
Total Reserves Retained	\$14,007	\$222,532	\$17,965	\$21,899	\$24,413	\$0	\$0	\$0	\$300,817
Reserves Ceded to									
Colchester	\$0	\$222,532	\$17,965	\$21,899	\$24,413	\$0	\$0	\$0	\$286,809
Registered Reinsurers	\$0	\$445,065	\$35,930	\$43,798	\$48,826	\$140	\$197	\$591	\$574,547
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$62	\$187	\$249

Exhibit 2.28
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2012-1
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,368	2,368	2,368	2,368	2,368	2,368	721	1,496	
Expected Loss Cost per Lawyer	\$127	\$1,267	\$650	\$780	\$870	\$1	\$8	\$9	
Gross Expected Loss Volume	\$299,961	\$3,000,842	\$1,538,861	\$1,847,159	\$2,059,183	\$2,953	\$5,452	\$13,699	
IBNR Factor	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	
IBNR Amount	\$14,398	\$144,040	\$73,865	\$88,664	\$98,841	\$142	\$262	\$658	\$420,869
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$14,398	\$144,040	\$73,865	\$88,664	\$98,841	\$142	\$262	\$658	\$420,869
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$14,398	\$144,040	\$73,865	\$88,664	\$98,841	\$142	\$262	\$658	\$420,869
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$374	\$3,745	\$1,920	\$2,305	\$2,570	\$4	\$7	\$17	\$10,943
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$374	\$3,745	\$1,920	\$2,305	\$2,570	\$4	\$7	\$17	\$10,943
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.2500	0.2500	0.2500	0.2500	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.2500	0.2500	0.2500	0.2500	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.5000	0.5000	0.5000	0.5000	1.0000	0.7600	0.7600	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2400	0.2400	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$14,398	\$36,010	\$18,466	\$22,166	\$24,710	\$0	\$0	\$0	\$115,751
IBNR Reserves Ceded to									
Colchester	\$0	\$36,010	\$18,466	\$22,166	\$24,710	\$0	\$0	\$0	\$101,353
Registered Reinsurers	\$0	\$72,020	\$36,933	\$44,332	\$49,420	\$142	\$199	\$500	\$203,545
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$63	\$158	\$221
Total Reserves Retained	\$14,398	\$36,010	\$18,466	\$22,166	\$24,710	\$0	\$0	\$0	\$115,751
Reserves Ceded to									
Colchester	\$0	\$36,010	\$18,466	\$22,166	\$24,710	\$0	\$0	\$0	\$101,353
Registered Reinsurers	\$0	\$72,020	\$36,933	\$44,332	\$49,420	\$142	\$199	\$500	\$203,545
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$63	\$158	\$221

Exhibit 2.29
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2012-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,064	2,064	2,064	2,064	2,064	2,064	720	1,473	
Expected Loss Cost per Lawyer	\$121	\$1,178	\$673	\$847	\$1,103	\$10	\$28	\$35	
Gross Expected Loss Volume	\$249,311	\$2,431,845	\$1,389,765	\$1,748,431	\$2,277,091	\$20,641	\$19,857	\$50,969	
IBNR Factor	0.119	0.119	0.119	0.119	0.119	0.119	0.119	0.119	
IBNR Amount	\$29,668	\$289,389	\$165,382	\$208,063	\$270,974	\$2,456	\$2,363	\$6,065	\$974,361
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$29,668	\$289,389	\$165,382	\$208,063	\$270,974	\$2,456	\$2,363	\$6,065	\$974,361
Paid to Date	\$0	\$34,457	\$0	\$0	\$0	\$0	\$0	\$0	\$34,457
Total Ultimate Incurred	\$29,668	\$323,846	\$165,382	\$208,063	\$270,974	\$2,456	\$2,363	\$6,065	\$1,008,818
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$771	\$7,524	\$4,300	\$5,410	\$7,045	\$64	\$61	\$158	\$25,333
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$771	\$7,524	\$4,300	\$5,410	\$7,045	\$64	\$61	\$158	\$25,333
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.3500	0.3500	0.3500	0.3500	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.6500	0.6500	0.6500	0.6500	1.0000	0.7600	0.7600	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2400	0.2400	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to									
Colchester	\$0	\$12,060	\$0	\$0	\$0	\$0	\$0	\$0	\$12,060
Registered Reinsurers	\$0	\$22,397	\$0	\$0	\$0	\$0	\$0	\$0	\$22,397
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$29,668	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,668
IBNR Reserves Ceded to									
Colchester	\$0	\$101,286	\$57,884	\$72,822	\$94,841	\$0	\$0	\$0	\$326,833
Registered Reinsurers	\$0	\$188,103	\$107,498	\$135,241	\$176,133	\$2,456	\$1,796	\$4,610	\$615,837
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$567	\$1,456	\$2,023
Total Reserves Retained	\$29,668	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,668
Reserves Ceded to									
Colchester	\$0	\$101,286	\$57,884	\$72,822	\$94,841	\$0	\$0	\$0	\$326,833
Registered Reinsurers	\$0	\$188,103	\$107,498	\$135,241	\$176,133	\$2,456	\$1,796	\$4,610	\$615,837
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$567	\$1,456	\$2,023

Exhibit 2.30
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2013-1
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,064	2,064	2,064	2,064	2,064	2,064	720	1,473	
Expected Loss Cost per Lawyer	\$121	\$1,178	\$673	\$847	\$1,103	\$10	\$28	\$35	
Gross Expected Loss Volume	\$249,311	\$2,431,845	\$1,389,765	\$1,748,431	\$2,277,091	\$20,641	\$19,857	\$50,969	
IBNR Factor	0.119	0.119	0.119	0.119	0.119	0.119	0.119	0.119	
IBNR Amount	\$29,668	\$289,389	\$165,382	\$208,063	\$270,974	\$2,456	\$2,363	\$6,065	\$974,361
Case Reserves	\$18,120	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$518,120
Total Reserves (Ind. & Leg.)	\$47,788	\$789,389	\$165,382	\$208,063	\$270,974	\$2,456	\$2,363	\$6,065	\$1,492,481
Paid to Date	\$203,270	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$203,270
Total Ultimate Incurred	\$251,058	\$789,389	\$165,382	\$208,063	\$270,974	\$2,456	\$2,363	\$6,065	\$1,695,751
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$771	\$7,524	\$4,300	\$5,410	\$7,045	\$64	\$61	\$158	\$25,333
Case Reserves LAE	\$471	\$13,000	\$0	\$0	\$0	\$0	\$0	\$0	\$13,471
Total LAE(2.60%)	\$1,242	\$20,524	\$4,300	\$5,410	\$7,045	\$64	\$61	\$158	\$38,805
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.3500	0.3500	0.3500	0.3500	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.6500	0.6500	0.6500	0.6500	1.0000	0.7600	0.7600	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2400	0.2400	
Paid to Date Retained	\$203,270	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$203,270
Paid Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$18,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,120
Case Reserves Ceded to									
Colchester	\$0	\$175,000	\$0	\$0	\$0	\$0	\$0	\$0	\$175,000
Registered Reinsurers	\$0	\$325,000	\$0	\$0	\$0	\$0	\$0	\$0	\$325,000
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$29,668	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,668
IBNR Reserves Ceded to									
Colchester	\$0	\$101,286	\$57,884	\$72,822	\$94,841	\$0	\$0	\$0	\$326,833
Registered Reinsurers	\$0	\$188,103	\$107,498	\$135,241	\$176,133	\$2,456	\$1,796	\$4,610	\$615,837
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$567	\$1,456	\$2,023
Total Reserves Retained	\$47,788	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,788
Reserves Ceded to									
Colchester	\$0	\$276,286	\$57,884	\$72,822	\$94,841	\$0	\$0	\$0	\$501,833
Registered Reinsurers	\$0	\$513,103	\$107,498	\$135,241	\$176,133	\$2,456	\$1,796	\$4,610	\$940,837
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$567	\$1,456	\$2,023

Exhibit 2.31
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2013-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,029	2,029	2,029	2,029	2,029	2,029	785	1,451	
Expected Loss Cost per Lawyer	\$109	\$1,112	\$595	\$755	\$919	\$10	\$17	\$21	
Gross Expected Loss Volume	\$221,779	\$2,255,576	\$1,207,600	\$1,531,464	\$1,864,171	\$20,285	\$13,233	\$30,301	
IBNR Factor	0.291	0.291	0.291	0.291	0.291	0.291	0.291	0.291	
IBNR Amount	\$64,538	\$656,373	\$351,412	\$445,656	\$542,474	\$5,903	\$3,851	\$8,818	\$2,079,023
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$64,538	\$656,373	\$351,412	\$445,656	\$542,474	\$5,903	\$3,851	\$8,818	\$2,079,023
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$64,538	\$656,373	\$351,412	\$445,656	\$542,474	\$5,903	\$3,851	\$8,818	\$2,079,023
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$1,678	\$17,066	\$9,137	\$11,587	\$14,104	\$153	\$100	\$229	\$54,055
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$1,678	\$17,066	\$9,137	\$11,587	\$14,104	\$153	\$100	\$229	\$54,055
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.3000	0.3000	0.3000	0.3000	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.7000	0.7000	0.7000	0.7000	0.8800	0.9300	0.9300	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.1200	0.0700	0.0700	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$64,538	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,538
IBNR Reserves Ceded to									
Colchester	\$0	\$196,912	\$105,423	\$133,697	\$162,742	\$0	\$0	\$0	\$598,774
Registered Reinsurers	\$0	\$459,461	\$245,988	\$311,959	\$379,732	\$5,195	\$3,581	\$8,200	\$1,414,116
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$708	\$270	\$617	\$1,595
Total Reserves Retained	\$64,538	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,538
Reserves Ceded to									
Colchester	\$0	\$196,912	\$105,423	\$133,697	\$162,742	\$0	\$0	\$0	\$598,774
Registered Reinsurers	\$0	\$459,461	\$245,988	\$311,959	\$379,732	\$5,195	\$3,581	\$8,200	\$1,414,116
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$708	\$270	\$617	\$1,595

Exhibit 2.32
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2014-1
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,095	2,095	2,095	2,095	2,095	2,095	785	1,451	
Expected Loss Cost per Lawyer	\$109	\$1,112	\$595	\$755	\$919	\$10	\$17	\$21	
Gross Expected Loss Volume	\$229,054	\$2,329,562	\$1,247,211	\$1,581,698	\$1,925,319	\$20,950	\$13,233	\$30,301	
IBNR Factor	0.291	0.291	0.291	0.291	0.291	0.291	0.291	0.291	
IBNR Amount	\$66,655	\$677,903	\$362,938	\$460,274	\$560,268	\$6,097	\$3,851	\$8,818	\$2,146,803
Case Reserves	\$0	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000,000
Total Reserves (Ind. & Leg.)	\$66,655	\$4,677,903	\$362,938	\$460,274	\$560,268	\$6,097	\$3,851	\$8,818	\$6,146,803
Paid to Date	\$0	\$784,332	\$0	\$0	\$0	\$0	\$0	\$0	\$784,332
Total Ultimate Incurred	\$66,655	\$5,462,235	\$362,938	\$460,274	\$560,268	\$6,097	\$3,851	\$8,818	\$6,931,135
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$1,733	\$17,625	\$9,436	\$11,967	\$14,567	\$159	\$100	\$229	\$55,817
Case Reserves LAE	\$0	\$104,000	\$0	\$0	\$0	\$0	\$0	\$0	\$104,000
Total LAE(2.60%)	\$1,733	\$121,625	\$9,436	\$11,967	\$14,567	\$159	\$100	\$229	\$159,817
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.3000	0.3000	0.3000	0.3000	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.7000	0.7000	0.7000	0.7000	0.8800	0.9300	0.9300	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.1200	0.0700	0.0700	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to									
Colchester	\$0	\$235,300	\$0	\$0	\$0	\$0	\$0	\$0	\$235,300
Registered Reinsurers	\$0	\$549,032	\$0	\$0	\$0	\$0	\$0	\$0	\$549,032
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Colchester	\$0	\$1,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200,000
Registered Reinsurers	\$0	\$2,800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,800,000
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$66,655	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,655
IBNR Reserves Ceded to									
Colchester	\$0	\$203,371	\$108,882	\$138,082	\$168,080	\$0	\$0	\$0	\$618,415
Registered Reinsurers	\$0	\$474,532	\$254,057	\$322,192	\$392,188	\$5,365	\$3,581	\$8,200	\$1,460,115
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$732	\$270	\$617	\$1,618
Total Reserves Retained	\$66,655	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,655
Reserves Ceded to									
Colchester	\$0	\$1,403,371	\$108,882	\$138,082	\$168,080	\$0	\$0	\$0	\$1,818,415
Registered Reinsurers	\$0	\$3,274,532	\$254,057	\$322,192	\$392,188	\$5,365	\$3,581	\$8,200	\$4,260,115
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$732	\$270	\$617	\$1,618

Exhibit 2.33
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2014-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,103	2,103	2,103	2,103	2,103	2,103	365	1,511	
Expected Loss Cost per Lawyer	\$113	\$1,133	\$619	\$797	\$953	\$10	\$14	\$18	
Gross Expected Loss Volume	\$238,431	\$2,382,095	\$1,301,602	\$1,674,936	\$2,003,504	\$21,028	\$5,241	\$26,778	
IBNR Factor	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	
IBNR Amount	\$105,863	\$1,057,650	\$577,911	\$743,671	\$889,556	\$9,336	\$2,327	\$11,889	\$3,398,205
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$105,863	\$1,057,650	\$577,911	\$743,671	\$889,556	\$9,336	\$2,327	\$11,889	\$3,398,205
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$105,863	\$1,057,650	\$577,911	\$743,671	\$889,556	\$9,336	\$2,327	\$11,889	\$3,398,205
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$2,752	\$27,499	\$15,026	\$19,335	\$23,128	\$243	\$61	\$309	\$88,353
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$2,752	\$27,499	\$15,026	\$19,335	\$23,128	\$243	\$61	\$309	\$88,353
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.2000	0.2000	0.2000	0.2000	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.8000	0.8000	0.8000	0.8000	0.8800	0.9300	0.9300	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.1200	0.0700	0.0700	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$105,863	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,863
IBNR Reserves Ceded to									
Colchester	\$0	\$211,530	\$115,582	\$148,734	\$177,911	\$0	\$0	\$0	\$653,758
Registered Reinsurers	\$0	\$846,120	\$462,329	\$594,937	\$711,644	\$8,216	\$2,164	\$11,057	\$2,636,468
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,120	\$163	\$832	\$2,116
Total Reserves Retained	\$105,863	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,863
Reserves Ceded to									
Colchester	\$0	\$211,530	\$115,582	\$148,734	\$177,911	\$0	\$0	\$0	\$653,758
Registered Reinsurers	\$0	\$846,120	\$462,329	\$594,937	\$711,644	\$8,216	\$2,164	\$11,057	\$2,636,468
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,120	\$163	\$832	\$2,116

Exhibit 2.34
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2015-1
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,095	2,095	2,095	2,095	2,095	2,095	365	1,511	
Expected Loss Cost per Lawyer	\$113	\$1,132	\$619	\$797	\$953	\$10	\$14	\$18	
Gross Expected Loss Volume	\$237,405	\$2,371,850	\$1,296,004	\$1,668,962	\$1,996,358	\$20,953	\$5,241	\$26,778	
IBNR Factor	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	
IBNR Amount	\$105,408	\$1,053,101	\$575,426	\$741,019	\$886,383	\$9,303	\$2,327	\$11,889	\$3,384,856
Case Reserves	\$55,335	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,335
Total Reserves (Ind. & Leg.)	\$160,743	\$1,053,101	\$575,426	\$741,019	\$886,383	\$9,303	\$2,327	\$11,889	\$3,440,191
Paid to Date	\$17,048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,048
Total Ultimate Incurred	\$177,791	\$1,053,101	\$575,426	\$741,019	\$886,383	\$9,303	\$2,327	\$11,889	\$3,457,239
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$2,741	\$27,381	\$14,961	\$19,266	\$23,046	\$242	\$61	\$309	\$88,006
Case Reserves LAE	\$1,439	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,439
Total LAE(2.60%)	\$4,179	\$27,381	\$14,961	\$19,266	\$23,046	\$242	\$61	\$309	\$89,445
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.2000	0.2000	0.2000	0.2000	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.8000	0.8000	0.8000	0.8000	0.8800	0.9300	0.9300	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.1200	0.0700	0.0700	
Paid to Date Retained	\$17,048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,048
Paid Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$55,335	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,335
Case Reserves Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$105,408	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,408
IBNR Reserves Ceded to									
Colchester	\$0	\$210,620	\$115,085	\$148,204	\$177,277	\$0	\$0	\$0	\$651,186
Registered Reinsurers	\$0	\$842,481	\$460,340	\$592,815	\$709,106	\$8,187	\$2,164	\$11,057	\$2,626,151
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,116	\$163	\$832	\$2,112
Total Reserves Retained	\$160,743	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160,743
Reserves Ceded to									
Colchester	\$0	\$210,620	\$115,085	\$148,204	\$177,277	\$0	\$0	\$0	\$651,186
Registered Reinsurers	\$0	\$842,481	\$460,340	\$592,815	\$709,106	\$8,187	\$2,164	\$11,057	\$2,626,151
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,116	\$163	\$832	\$2,112

Exhibit 2.35
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2015-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,071	2,071	2,071	2,071	2,071	2,071	352	1,497	
Expected Loss Cost per Lawyer	\$110	\$1,110	\$595	\$779	\$894	\$10	\$15	\$18	
Gross Expected Loss Volume	\$228,692	\$2,298,213	\$1,231,451	\$1,612,951	\$1,851,470	\$20,706	\$5,161	\$27,092	
IBNR Factor	0.615	0.615	0.615	0.615	0.615	0.615	0.615	0.615	
IBNR Amount	\$140,645	\$1,413,401	\$757,342	\$991,965	\$1,138,654	\$12,734	\$3,174	\$16,662	\$4,474,577
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$140,645	\$1,413,401	\$757,342	\$991,965	\$1,138,654	\$12,734	\$3,174	\$16,662	\$4,474,577
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$140,645	\$1,413,401	\$757,342	\$991,965	\$1,138,654	\$12,734	\$3,174	\$16,662	\$4,474,577
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$3,657	\$36,748	\$19,691	\$25,791	\$29,605	\$331	\$83	\$433	\$116,339
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$3,657	\$36,748	\$19,691	\$25,791	\$29,605	\$331	\$83	\$433	\$116,339
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.2000	0.2000	0.2000	0.2000	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.8000	0.8000	0.8000	0.8000	0.8800	0.9300	0.9300	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.1200	0.0700	0.0700	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$140,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140,645
IBNR Reserves Ceded to									
Colchester	\$0	\$282,680	\$151,468	\$198,393	\$227,731	\$0	\$0	\$0	\$860,272
Registered Reinsurers	\$0	\$1,130,721	\$605,874	\$793,572	\$910,923	\$11,206	\$2,952	\$15,495	\$3,470,742
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,528	\$222	\$1,166	\$2,917
Total Reserves Retained	\$140,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140,645
Reserves Ceded to									
Colchester	\$0	\$282,680	\$151,468	\$198,393	\$227,731	\$0	\$0	\$0	\$860,272
Registered Reinsurers	\$0	\$1,130,721	\$605,874	\$793,572	\$910,923	\$11,206	\$2,952	\$15,495	\$3,470,742
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,528	\$222	\$1,166	\$2,917

Exhibit 2.36
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2016-1
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,071	2,071	2,071	2,071	2,071	2,071	352	1,497	
Expected Loss Cost per Lawyer	\$110	\$1,110	\$595	\$779	\$894	\$10	\$15	\$18	
Gross Expected Loss Volume	\$228,692	\$2,298,213	\$1,231,451	\$1,612,951	\$1,851,470	\$20,706	\$5,161	\$27,092	
IBNR Factor	0.615	0.615	0.615	0.615	0.615	0.615	0.615	0.615	
IBNR Amount	\$140,645	\$1,413,401	\$757,342	\$991,965	\$1,138,654	\$12,734	\$3,174	\$16,662	\$4,474,577
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$140,645	\$1,413,401	\$757,342	\$991,965	\$1,138,654	\$12,734	\$3,174	\$16,662	\$4,474,577
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$140,645	\$1,413,401	\$757,342	\$991,965	\$1,138,654	\$12,734	\$3,174	\$16,662	\$4,474,577
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$3,657	\$36,748	\$19,691	\$25,791	\$29,605	\$331	\$83	\$433	\$116,339
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$3,657	\$36,748	\$19,691	\$25,791	\$29,605	\$331	\$83	\$433	\$116,339
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.2000	0.2000	0.2000	0.2000	0.0000	0.0000	0.0000	
Reinsured to Registered	0.0000	0.8000	0.8000	0.8000	0.8000	0.8800	0.9300	0.9300	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.1200	0.0700	0.0700	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$140,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140,645
IBNR Reserves Ceded to									
Colchester	\$0	\$282,680	\$151,468	\$198,393	\$227,731	\$0	\$0	\$0	\$860,272
Registered Reinsurers	\$0	\$1,130,721	\$605,874	\$793,572	\$910,923	\$11,206	\$2,952	\$15,495	\$3,470,742
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,528	\$222	\$1,166	\$2,917
Total Reserves Retained	\$140,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140,645
Reserves Ceded to									
Colchester	\$0	\$282,680	\$151,468	\$198,393	\$227,731	\$0	\$0	\$0	\$860,272
Registered Reinsurers	\$0	\$1,130,721	\$605,874	\$793,572	\$910,923	\$11,206	\$2,952	\$15,495	\$3,470,742
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,528	\$222	\$1,166	\$2,917

Exhibit 2.37
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2016-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,042	2,042	2,042	2,042	2,042	2,042	354	1,444	
Expected Loss Cost per Lawyer	\$116	\$1,105	\$577	\$782	\$1,020	\$10	\$23	\$29	
Gross Expected Loss Volume	\$237,721	\$2,257,486	\$1,179,345	\$1,596,796	\$2,083,427	\$20,422	\$8,216	\$42,008	
IBNR Factor	0.866	0.866	0.866	0.866	0.866	0.866	0.866	0.866	
IBNR Amount	\$205,866	\$1,954,983	\$1,021,313	\$1,382,825	\$1,804,248	\$17,685	\$7,115	\$36,379	\$6,430,415
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$205,866	\$1,954,983	\$1,021,313	\$1,382,825	\$1,804,248	\$17,685	\$7,115	\$36,379	\$6,430,415
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$205,866	\$1,954,983	\$1,021,313	\$1,382,825	\$1,804,248	\$17,685	\$7,115	\$36,379	\$6,430,415
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$5,353	\$50,830	\$26,554	\$35,953	\$46,910	\$460	\$185	\$946	\$167,191
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$5,353	\$50,830	\$26,554	\$35,953	\$46,910	\$460	\$185	\$946	\$167,191
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.2000	0.2000	0.2000	0.2000	0.0000	0.0500	0.0500	
Reinsured to Registered	0.0000	0.8000	0.8000	0.8000	0.8000	0.8800	0.8800	0.8800	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.1200	0.0700	0.0700	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$205,866	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205,866
IBNR Reserves Ceded to									
Colchester	\$0	\$390,997	\$204,263	\$276,565	\$360,850	\$0	\$356	\$1,819	\$1,234,848
Registered Reinsurers	\$0	\$1,563,987	\$817,050	\$1,106,260	\$1,443,398	\$15,563	\$6,261	\$32,014	\$4,984,533
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,122	\$498	\$2,547	\$5,167
Total Reserves Retained	\$205,866	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205,866
Reserves Ceded to									
Colchester	\$0	\$390,997	\$204,263	\$276,565	\$360,850	\$0	\$356	\$1,819	\$1,234,848
Registered Reinsurers	\$0	\$1,563,987	\$817,050	\$1,106,260	\$1,443,398	\$15,563	\$6,261	\$32,014	\$4,984,533
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,122	\$498	\$2,547	\$5,167

Exhibit 2.38
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2017-1
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>									
Earned Lawyer Count	2,042	2,042	2,042	2,042	2,042	2,042	354	1,444	
Expected Loss Cost per Lawyer	\$116	\$1,105	\$577	\$782	\$1,020	\$10	\$23	\$29	
Gross Expected Loss Volume	\$237,721	\$2,257,486	\$1,179,345	\$1,596,796	\$2,083,427	\$20,422	\$8,216	\$42,008	
IBNR Factor	0.866	0.866	0.866	0.866	0.866	0.866	0.866	0.866	
IBNR Amount	\$205,866	\$1,954,983	\$1,021,313	\$1,382,825	\$1,804,248	\$17,685	\$7,115	\$36,379	\$6,430,415
Case Reserves	\$620,616	\$1,020,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,640,616
Total Reserves (Ind. & Leg.)	\$826,482	\$2,974,983	\$1,021,313	\$1,382,825	\$1,804,248	\$17,685	\$7,115	\$36,379	\$8,071,031
Paid to Date	\$29,384	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,384
Total Ultimate Incurred	\$855,866	\$2,974,983	\$1,021,313	\$1,382,825	\$1,804,248	\$17,685	\$7,115	\$36,379	\$8,100,415
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$5,353	\$50,830	\$26,554	\$35,953	\$46,910	\$460	\$185	\$946	\$167,191
Case Reserves LAE	\$16,136	\$26,520	\$0	\$0	\$0	\$0	\$0	\$0	\$42,656
Total LAE(2.60%)	\$21,489	\$77,350	\$26,554	\$35,953	\$46,910	\$460	\$185	\$946	\$209,847
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>									
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.2000	0.2000	0.2000	0.2000	0.0000	0.0500	0.0500	
Reinsured to Registered	0.0000	0.8000	0.8000	0.8000	0.8000	0.8800	0.8800	0.8800	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.1200	0.0700	0.0700	
Paid to Date Retained	\$29,384	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,384
Paid Ceded to									
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$620,616	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$620,616
Case Reserves Ceded to									
Colchester	\$0	\$204,000	\$0	\$0	\$0	\$0	\$0	\$0	\$204,000
Registered Reinsurers	\$0	\$816,000	\$0	\$0	\$0	\$0	\$0	\$0	\$816,000
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$205,866	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205,866
IBNR Reserves Ceded to									
Colchester	\$0	\$390,997	\$204,263	\$276,565	\$360,850	\$0	\$356	\$1,819	\$1,234,848
Registered Reinsurers	\$0	\$1,563,987	\$817,050	\$1,106,260	\$1,443,398	\$15,563	\$6,261	\$32,014	\$4,984,533
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,122	\$498	\$2,547	\$5,167
Total Reserves Retained	\$826,482	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$826,482
Reserves Ceded to									
Colchester	\$0	\$594,997	\$204,263	\$276,565	\$360,850	\$0	\$356	\$1,819	\$1,438,848
Registered Reinsurers	\$0	\$2,379,987	\$817,050	\$1,106,260	\$1,443,398	\$15,563	\$6,261	\$32,014	\$5,800,533
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,122	\$498	\$2,547	\$5,167

Exhibit 2.39
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2017-2
As at December 31, 2017

Layer	.975 xs .025	4 xs 1	5 xs 5	10 xs 10	30 xs 20	30 xs Min 65	5% of 30 xs 50	5% of 110 xs 50	40 xs 160	60 xs 160	Total
<u>Derivation of Ultimate Incurred</u>											
Earned Lawyer Count	1,791	1,791	1,791	1,791	1,791	1,791	51	1,775	349	1,468	
Expected Loss Cost per Lawyer	\$115	\$1,110	\$566	\$776	\$1,039	\$12	\$20	\$33	\$30	\$38	
Gross Expected Loss Volume	\$206,387	\$1,986,970	\$1,014,034	\$1,389,283	\$1,860,615	\$21,489	\$994	\$58,710	\$10,418	\$55,211	
IBNR Factor	0.937	0.937	0.937	0.937	0.937	0.937	0.937	0.937	0.937	0.937	
IBNR Amount	\$193,385	\$1,861,791	\$950,149	\$1,301,758	\$1,743,397	\$20,135	\$932	\$55,011	\$9,762	\$51,733	\$6,188,053
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$193,385	\$1,861,791	\$950,149	\$1,301,758	\$1,743,397	\$20,135	\$932	\$55,011	\$9,762	\$51,733	\$6,188,053
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$193,385	\$1,861,791	\$950,149	\$1,301,758	\$1,743,397	\$20,135	\$932	\$55,011	\$9,762	\$51,733	\$6,188,053
<u>Derivation of Loss Adjustment Expenses</u>											
IBNR LAE	\$5,028	\$48,407	\$24,704	\$33,846	\$45,328	\$524	\$24	\$1,430	\$254	\$1,345	\$160,889
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(2.60%)	\$5,028	\$48,407	\$24,704	\$33,846	\$45,328	\$524	\$24	\$1,430	\$254	\$1,345	\$160,889
<u>Distribution of Losses between CLLAS, Colchester and Proportional Reinsurers</u>											
Retention	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Reinsured to Colchester	0.0000	0.2000	0.2000	0.2000	0.2000	0.0000	0.0000	0.0000	0.0750	0.0750	
Reinsured to Registered	0.0000	0.8000	0.8000	0.8000	0.8000	0.9400	1.0000	1.0000	0.8550	0.8550	
Reinsured to Unregistered	0.0000	0.0000	0.0000	0.0000	0.0000	0.0600	0.0000	0.0000	0.0700	0.0700	
Paid to Date Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Ceded to											
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Ceded to											
Colchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Registered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$193,385	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$193,385
IBNR Reserves Ceded to											
Colchester	\$0	\$372,358	\$190,030	\$260,352	\$348,679	\$0	\$0	\$0	\$732	\$3,880	\$1,176,031
Registered Reinsurers	\$0	\$1,489,432	\$760,120	\$1,041,407	\$1,394,717	\$18,927	\$932	\$55,011	\$8,347	\$44,232	\$4,813,124
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,208	\$0	\$0	\$683	\$3,621	\$5,513
Total Reserves Retained	\$193,385	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$193,385
Reserves Ceded to											
Colchester	\$0	\$372,358	\$190,030	\$260,352	\$348,679	\$0	\$0	\$0	\$732	\$3,880	\$1,176,031
Registered Reinsurers	\$0	\$1,489,432	\$760,120	\$1,041,407	\$1,394,717	\$18,927	\$932	\$55,011	\$8,347	\$44,232	\$4,813,124
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$1,208	\$0	\$0	\$683	\$3,621	\$5,513

Exhibit 2.40
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period: All Years
As at December 31, 2017

Layer	Total
IBNR Amount	\$45,192,042
Case Reserves	\$56,705,153
Total Reserves (Ind. & Leg.)	\$101,897,195
Paid to Date	\$186,303,989
Total Ultimate Incurred	\$288,201,183
 Paid to Date Retained	 \$86,322,850
Paid Ceded to	
Colchester	\$836,486
Registered Reinsurers	\$91,530,134
Unregistered Reinsurers	\$7,614,518
 Case Reserves Retained	 \$24,282,959
Case Reserves Ceded to	
Colchester	\$1,766,500
Registered Reinsurers	\$29,710,347
Unregistered Reinsurers	\$945,347
 IBNR Reserves Retained	 \$3,381,277
IBNR Reserves Ceded to	
Colchester	\$8,742,733
Registered Reinsurers	\$32,952,586
Unregistered Reinsurers	\$115,445
 Total Reserves Retained	 \$27,664,236
Reserves Ceded to	
Colchester	\$10,509,233
Registered Reinsurers	\$62,662,933
Unregistered Reinsurers	\$1,060,792

Exhibit 3
Canadian Lawyers Liability Assurance Society

Summary of Loss Experience
Gross of Reinsurance
As at December 31, 2017

Policy Period	(1) Paid Losses	(2) Case Reserves	(3) Provision for IBNR	(4) Ultimate Losses	(5) Earned Premium	(6) Ultimate Loss Ratio
1987/1988	0	0	0	0	4,434,000	0%
1988/1989	0	0	0	0	3,614,000	0%
1989/1990	0	0	0	0	3,740,400	0%
1990/1991	3,593,148	0	0	3,593,148	4,233,600	85%
1991/1992	7,416,563	0	0	7,416,563	4,320,000	172%
1992/1993	326,599	0	0	326,599	4,478,400	7%
1993/1994	30,654,825	0	0	30,654,825	4,512,600	679%
1994/1995	9,318,988	0	0	9,318,988	5,153,700	181%
1995/1996	3,742,644	0	0	3,742,644	5,807,500	64%
1996/1997	0	0	0	0	5,276,196	0%
1997/1998	0	0	0	0	6,587,610	0%
1998/1999	20,296,669	0	0	20,296,669	10,826,416	187%
1999/2000	8,492,585	0	0	8,492,585	12,093,829	70%
2000/2001	0	0	0	0	14,968,458	0%
2001/2002	17,553,756	0	0	17,553,756	14,694,378	119%
2002/2003	3,466,726	0	0	3,466,726	17,346,379	20%
2003/2004	38,933,335	0	0	38,933,335	22,376,007	174%
2004/2005	1,262,333	0	182,691	1,445,024	24,676,487	6%
2005/2006	765,546	0	440,865	1,206,411	25,025,027	5%
2006/2007	6,474,107	0	526,218	7,000,325	33,356,139	21%
2007/2008	13,476,656	3,580,599	407,338	17,464,593	27,040,048	65%
2008/2009	2,808,790	0	432,146	3,240,936	24,343,680	13%
2009/2010	9,673,041	34,344,898	638,858	44,656,797	23,632,747	189%
2010/2011	4,426,428	11,815,585	774,990	17,017,003	20,852,074	82%
2011/2012	2,552,757	750,000	833,291	4,136,048	17,006,743	24%
2012/2013	237,727	518,120	1,948,722	2,704,569	14,228,728	19%
2013/2014	784,332	4,000,000	4,225,826	9,010,158	13,954,400	65%
2014/2015	17,048	55,335	6,783,061	6,855,444	12,895,931	53%
2015/2016	0	0	8,949,153	8,949,153	12,438,547	72%
2016/2017	29,384	1,640,616	12,860,829	14,530,829	10,610,344	137%
2017/2018	0	0	6,188,053	6,188,053	3,598,547	172%
Total	186,303,989	56,705,153	45,192,042	288,201,183	408,122,916	71%
December 31, 1996 Retroassessment Call					7,000,000	
June 30, 1998 Retroassessment Call					1,600,000	
Total Including Retroassessment Calls				288,201,183	416,722,916	69%

(1), (2) and (3) from Exh. 2, excluding ULAE

(4) = (1) + (2) + (3)

(5) from CLLAS

(6) = (4) / (5)

Exhibit 4
Canadian Lawyers Liability Assurance Society

Summary of Reinsured Experience - Proportional, Stop Loss and Loss Portfolio Transfer
As at December 31, 2017

Policy Period	Net of Proportional Reinsurance				Stop Loss						Loss Portfolio Transfer			
	(1) Paid Losses	(2) Case Reserves	(3) Provision for IBNR	(4) Ultimate Losses	(5) Stop Loss Reins. Ratio	(6) Stop Loss Limit	(7) Paid Losses	(8) Case Reserves	(9) Provision for IBNR	(10) Ultimate Losses	(11) Paid Losses	(12) Case Reserves	(13) Provision for IBNR	(14) Ultimate Losses
1987/1988	0	0	0	0	0.0%	n/a	0	0	0	0	0	0	0	0
1988/1989	0	0	0	0	0.0%	n/a	0	0	0	0	0	0	0	0
1989/1990	0	0	0	0	30.0%	750,000	0	0	0	0	0	0	0	0
1990/1991	1,796,574	0	0	1,796,574	33.0%	900,000	900,000	0	0	900,000	0	0	0	0
1991/1992	3,470,496	0	0	3,470,496	36.0%	1,000,000	1,000,000	0	0	1,000,000	0	0	0	0
1992/1993	163,299	0	0	163,299	36.0%	1,000,000	163,299	0	0	163,299	0	0	0	0
1993/1994	8,388,230	0	0	8,388,230	60.0%	\$2.75M xs \$0.25M	2,750,000	0	0	2,750,000	0	0	0	0
1994/1995	4,633,180	0	0	4,633,180	60.0%	\$2.75M xs \$0.25M	2,750,000	0	0	2,750,000	0	0	0	0
1995/1996	1,871,322	0	0	1,871,322	30.0%	\$4.7M xs \$3.3M	0	0	0	0	0	0	0	0
1996/1997	0	0	0	0	30.0%	\$4.7M xs \$3.3M	0	0	0	0	0	0	0	0
1997/1998	0	0	0	0	30.0%	\$4.7M xs \$3.3M	0	0	0	0	0	0	0	0
1998/1999	6,254,045	0	0	6,254,045	30.0%	\$4.7M xs \$3.3M	2,954,045	0	0	2,954,045	0	0	0	0
1999/2000	3,464,559	0	0	3,464,559	30.0%	\$4.7M xs \$3.3M	164,559	0	0	164,559	0	0	0	0
2000/2001	0	0	0	0	30.0%	\$4.7M xs \$3.3M	0	0	0	0	0	0	0	0
2001/2002	5,601,781	0	0	5,601,781	30.0%	\$4.7M xs \$3.3M	2,301,781	0	0	2,301,781	0	0	0	0
2002/2003	3,466,726	0	0	3,466,726	30.0%	\$7.5M xs \$5.5M	0	0	0	0	50,928	0	0	50,928
2003/2004	13,933,335	0	0	13,933,335	30.0%	\$7.5M xs \$5.5M	7,500,000	0	0	7,500,000	0	0	0	0
2004/2005	1,262,333	0	85,934	1,348,267	30.0%	\$7.5M xs \$5.5M	0	0	25,780	25,780	0	0	60,154	60,154
2005/2006	765,546	0	205,004	970,549	40.0%	\$9.5M xs \$5.5M	0	0	82,001	82,001	53,432	0	123,002	176,434
2006/2007	5,769,472	0	255,238	6,024,710	10.0%	\$5M xs \$15M	0	0	25,524	25,524	719,159	0	229,714	948,873
2007/2008	7,830,385	3,580,599	211,425	11,622,409	10.0%	\$5M xs \$15M	0	0	21,142	21,142	85,259	3,580,599	190,282	3,856,140
2008/2009	2,808,790	0	242,687	3,051,477	10.0%	\$5M xs \$15M	0	0	24,269	24,269	2,803,748	0	218,418	3,022,166
2009/2010	9,391,628	12,805,204	385,170	22,582,002	15.0%	\$10M xs \$15M	0	7,196,832	385,170	7,582,002	9,371,932	5,608,372	0	14,980,304
2010/2011	4,426,428	7,015,585	478,545	11,920,558	17.5%	\$10M xs \$15M	0	0	83,745	83,745	2,352,992	7,015,585	394,799	9,763,376
2011/2012	785,379	187,500	229,067	1,201,947	3.5%	\$22.5M xs \$17.5M	0	0	8,017	8,017	678,873	187,500	221,050	1,087,423
2012/2013	203,270	18,120	59,336	280,726	0.0%	\$10M xs \$5M	0	0	0	0	0	0	0	0
2013/2014	0	0	131,192	131,192	0.0%	\$10M xs \$5M	0	0	0	0	0	0	0	0
2014/2015	17,048	55,335	211,271	283,654	0.0%	\$10M xs \$5M	0	0	0	0	0	0	0	0
2015/2016	0	0	281,291	281,291	0.0%	\$10M xs \$5M	0	0	0	0	0	0	0	0
2016/2017	29,384	620,616	411,733	1,061,733	0.0%	\$10M xs \$5M	0	0	0	0	0	0	0	0
2017/2018	0	0	193,385	193,385	0.0%	\$10M xs \$5M	0	0	0	0	0	0	0	0
Total	86,333,211	24,282,959	3,381,277	113,997,447			20,483,684	7,196,832	655,649	28,336,166	16,116,324	16,392,056	1,437,420	33,945,800

(1), (2) and (3) from Exh. 2, excluding ULAE; in 1993/1994, an expense amount of \$10,361 for claim 94-010 is fully assumed by CLLAS.

(4) = (1) + (2) + (3)

(5) selected judgmentally based on rating exercise

(6) from CLLAS

(7) = (1) subject to the stop loss attachment points and limits in (6)

(8) = (2) subject to the stop loss attachment points and limits in (6)

(9) = (3) x (5) when stop loss attachment point has not been reached; = (3) x 100% when stop loss attachment point has been reached but stop loss limit has not been reached; = (3) x 0% when stop loss limit has been reached

(10) = (7) + (8) + (9)

(11) = (1) - (7) - Exh. 5, Col. (1) for policy periods prior to June 30, 2012; = 0 otherwise

(12) = (2) - (8) for policy periods prior to June 30, 2012; = 0 otherwise

(13) = (3) - (9) for policy periods prior to June 30, 2012; = 0 otherwise

(14) = (11) + (12) + (13)

Exhibit 5
Canadian Lawyers Liability Assurance Society

Summary of Loss Experience
Net of Reinsurance
As at December 31, 2017

Policy Period	(1) Paid Losses	(2) Case Reserves	(3) Provision for IBNR	(4) Ultimate Losses	(5) Earned Premium	(6) Ultimate Loss Ratio
1987/1988	0	0	0	0	1,883,829	0%
1988/1989	0	0	0	0	1,137,725	0%
1989/1990	0	0	0	0	689,957	0%
1990/1991	896,574	0	0	896,574	586,847	153%
1991/1992	2,470,496	0	0	2,470,496	577,354	428%
1992/1993	0	0	0	0	389,208	0%
1993/1994	5,638,230	0	0	5,638,230	373,280	1510%
1994/1995	1,883,180	0	0	1,883,180	1,328,836	142%
1995/1996	1,871,322	0	0	1,871,322	1,930,552	97%
1996/1997	0	0	0	0	1,070,215	0%
1997/1998	0	0	0	0	1,627,963	0%
1998/1999	3,300,000	0	0	3,300,000	4,368,122	76%
1999/2000	3,300,000	0	0	3,300,000	5,100,300	65%
2000/2001	0	0	0	0	6,734,718	0%
2001/2002	3,300,000	0	0	3,300,000	5,919,526	56%
2002/2003	3,415,798	0	0	3,415,798	4,631,546	74%
2003/2004	6,433,335	0	0	6,433,335	6,619,932	97%
2004/2005	1,262,333	0	0	1,262,333	6,832,821	18%
2005/2006	712,114	0	0	712,114	6,259,056	11%
2006/2007	5,050,313	0	0	5,050,313	12,326,959	41%
2007/2008	7,745,126	0	0	7,745,126	10,121,699	77%
2008/2009	5,042	0	0	5,042	9,812,057	0%
2009/2010	19,696	0	0	19,696	9,849,698	0%
2010/2011	2,073,436	0	0	2,073,436	8,040,957	26%
2011/2012	106,506	0	0	106,506	5,101,008	2%
2012/2013	203,270	18,120	59,336	280,726	3,352,235	8%
2013/2014	0	0	131,192	131,192	3,154,848	4%
2014/2015	17,048	55,335	211,271	283,654	2,452,086	12%
2015/2016	0	0	281,291	281,291	2,414,074	12%
2016/2017	29,384	620,616	411,733	1,061,733	2,176,665	49%
2017/2018	0	0	193,385	193,385	1,015,174	19%
Total	49,733,203	694,071	1,288,208	51,715,482	127,879,248	40%
December 31, 1996 Retroassessment Call					7,000,000	
June 30, 1998 Retroassessment Call					1,600,000	
June 30, 2012 Loss Portfolio Transfer					(44,700,000)	
Total Including Retroassessment Calls				51,715,482	91,779,248	56%

(1) Fixed per L.P.T. for periods prior to June 30, 2012 except for recoveries in 2007/2008;

Exh. 4 Col. (1) - Exh. 4 Col. (5) - Exh. 4 Col. (11) otherwise

(2) 0 per L.P.T. for periods prior to June 30, 2012; Exh. 4 Col. (2) - Exh. 4 Col. (6) - Exh. 4 Col. (12) otherwise

(3) 0 per L.P.T. for periods prior to June 30, 2012; Exh. 4 Col. (3) - Exh. 4 Col. (7) - Exh. 4 Col. (13) otherwise

(4) = (1) + (2) + (3)

(5) from CLLAS

(6) = (4) / (5)

Exhibit 6
Canadian Lawyers Liability Assurance Society

Unallocated Loss Adjustment Expenses Ratio
As at December 31, 2017

Calendar Year	(1) Estimated Annual Claims Management Expenses	(2) Assumed Portion Applicable to Losses Outstanding As at December 31, 2017	(3) Future Indexing (2% per year)	(4) Estimated Provision As at December 31, 2017
2018	457,000	10/10	1.000	457,000
2019	457,000	9/10	1.020	419,526
2020	457,000	8/10	1.040	380,370
2021	457,000	7/10	1.061	339,480
2022	457,000	6/10	1.082	296,803
2023	457,000	5/10	1.104	252,282
2024	457,000	4/10	1.126	205,862
2025	457,000	3/10	1.149	157,485
2026	457,000	2/10	1.172	107,090
2027	457,000	1/10	1.195	54,616
Total				2,670,515

Gross Outstanding Liabilities

(5)	Case Reserves	56,705,153
(6)	IBNR	45,192,042
(7)	Total	101,897,195

**Unallocated Loss Adjustment Expenses Provision
as a % of Gross Outstanding liabilities**

(8)	Indicated	2.62%
(9)	Selected	2.60%

(1) Based upon actual CLLAS internal claims management expenses of \$455,000 in 2017 and estimated 2018 expenses of \$457,000

(2) Selected per actuarial judgment

(3) = $1.02 \wedge (\text{Year} - 2018)$

(4) = (1) x (2) x (3)

(5) = Exh. 3, Col. (2)

(6) = Exh. 3, Col. (3)

(7) = (5) + (6)

(8) = (4) / (7)

(9) Selected per actuarial judgment

Exhibit 7
Canadian Lawyers Liability Assurance Society

Provision for Unallocated Loss Adjustment Expenses
As at December 31, 2017

Policy Period	(1) Case Reserves	(2) ULAE Ratio	(3) Provision for ULAE	(4) Reserves	(5) ULAE Ratio	(6) Provision for ULAE	(7) Total Provision for ULAE
	Reserves						
1987/1988	0	2.60%	0	0	2.60%	0	0
1988/1989	0	2.60%	0	0	2.60%	0	0
1989/1990	0	2.60%	0	0	2.60%	0	0
1990/1991	0	2.60%	0	0	2.60%	0	0
1991/1992	0	2.60%	0	0	2.60%	0	0
1992/1993	0	2.60%	0	0	2.60%	0	0
1993/1994	0	2.60%	0	0	2.60%	0	0
1994/1995	0	2.60%	0	0	2.60%	0	0
1995/1996	0	2.60%	0	0	2.60%	0	0
1996/1997	0	2.60%	0	0	2.60%	0	0
1997/1998	0	2.60%	0	0	2.60%	0	0
1998/1999	0	2.60%	0	0	2.60%	0	0
1999/2000	0	2.60%	0	0	2.60%	0	0
2000/2001	0	2.60%	0	0	2.60%	0	0
2001/2002	0	2.60%	0	0	2.60%	0	0
2002/2003	0	2.60%	0	0	2.60%	0	0
2003/2004	0	2.60%	0	0	2.60%	0	0
2004/2005	0	2.60%	0	182,691	2.60%	4,750	4,750
2005/2006	0	2.60%	0	440,865	2.60%	11,462	11,462
2006/2007	0	2.60%	0	526,218	2.60%	13,682	13,682
2007/2008	3,580,599	2.60%	93,096	407,338	2.60%	10,591	103,686
2008/2009	0	2.60%	0	432,146	2.60%	11,236	11,236
2009/2010	34,344,898	2.60%	892,967	638,858	2.60%	16,610	909,578
2010/2011	11,815,585	2.60%	307,205	774,990	2.60%	20,150	327,355
2011/2012	750,000	2.60%	19,500	833,291	2.60%	21,666	41,166
2012/2013	518,120	2.60%	13,471	1,948,722	2.60%	50,667	64,138
2013/2014	4,000,000	2.60%	104,000	4,225,826	2.60%	109,871	213,871
2014/2015	55,335	2.60%	1,439	6,783,061	2.60%	176,360	177,798
2015/2016	0	2.60%	0	8,949,153	2.60%	232,678	232,678
2016/2017	1,640,616	2.60%	42,656	12,860,829	2.60%	334,382	377,038
2017/2018	0	2.60%	0	6,188,053	2.60%	160,889	160,889
Total	56,705,153	2.60%	1,474,334	45,192,042	2.60%	1,174,993	2,649,327

(1) = Exh. 3, Col. (2)

(2) = Exh. 6, Line (9)

(3) = (1) x (2)

(4) = Exh. 3, Col. (3)

(5) = Exh. 6, Line (9)

(6) = (4) x (5)

(7) = (3) + (6)

Exhibit 8
Canadian Lawyers Liability Assurance Society

Selection of Discount Rate
As at December 31, 2017

Issuer	(1) Holdings	(2) Coupon Rate	(3) Maturity Date	(4) Cost	(5) Market Value	(6) Valuation Date	(7) Market Yield	(8) Effective Yield	(9) Duration
MONEY MARKET									
Bank Nova Scotia BA	1,135,000		2018-01-23	1,130,804	1,130,804	2017-12-31	1.35%	1.35%	0.063
Canadian Imperial Bank BA	895,000		2018-01-12	893,019	893,019	2017-12-31	1.35%	1.35%	0.033
Canadian Imperial Bank BA	860,000		2018-01-29	857,671	857,671	2017-12-31	1.35%	1.35%	0.079
Toronto Dominion BA	1,075,000		2018-01-03	1,073,818	1,073,818	2017-12-31	1.35%	1.35%	0.008
Canadian Imperial Bank BA	610,000		2018-02-28	608,146	608,146	2017-12-31	1.35%	1.35%	0.163
Royal Bank BA	350,000		2018-02-21	349,199	349,199	2017-12-31	1.35%	1.35%	0.141
Royal Bank BA	300,000		2018-03-29	298,875	298,875	2017-12-31	1.35%	1.35%	0.243
First Bank BA	460,000		2018-01-18	459,540	459,540	2017-12-31	1.35%	1.35%	0.049
TREASURY BILLS									
Canada Treasury Bills	1,485,000		2018-02-08	1,482,202	1,482,202	2017-12-31	1.00%	1.00%	0.106
Canada Treasury Bills	1,800,000		2018-01-25	1,797,793	1,797,793	2017-12-31	1.00%	1.00%	0.068
Canada Treasury Bills	1,780,000		2018-02-22	1,777,205	1,777,205	2017-12-31	1.00%	1.00%	0.144
Canada Treasury Bills	1,010,000		2018-03-22	1,007,704	1,007,640	2017-12-31	1.00%	1.00%	0.224
GOVERNMENT BONDS									
Canada Housing Trust	300,000	2.25%	2025-12-15	302,940	297,815	2017-12-31	2.35%	2.36%	7.319
Canada Housing Trust	250,000	1.75%	2018-06-15	250,275	250,531	2017-12-31	1.27%	1.28%	0.456
Canada Housing Trust	250,000	1.95%	2019-06-15	250,238	250,913	2017-12-31	1.69%	1.70%	1.442
Canada Housing Trust	200,000	2.40%	2022-12-15	200,740	202,351	2017-12-31	2.15%	2.16%	4.699
Canada Housing Trust	200,000	2.35%	2023-09-15	211,240	201,431	2017-12-31	2.22%	2.23%	5.337
Ontario Province	350,000	2.10%	2018-09-08	348,495	351,463	2017-12-31	1.48%	1.49%	0.680
British Columbia Province	250,000	3.25%	2021-12-18	255,750	261,005	2017-12-31	2.09%	2.10%	3.753
Ontario Province	250,000	3.15%	2022-06-02	247,600	260,029	2017-12-31	2.19%	2.20%	4.158
Ontario Province	350,000	2.85%	2023-06-02	361,025	359,589	2017-12-31	2.31%	2.32%	5.056
Ontario Province	250,000	2.60%	2025-06-02	250,375	251,531	2017-12-31	2.51%	2.52%	6.785
Ontario Province	150,000	2.60%	2025-06-02	153,930	150,919	2017-12-31	2.51%	2.52%	6.785
British Columbia Province	350,000	2.30%	2026-06-18	365,400	344,317	2017-12-31	2.51%	2.53%	7.725

Exhibit 8
Canadian Lawyers Liability Assurance Society

Selection of Discount Rate
As at December 31, 2017

Issuer	(1) Holdings	(2) Coupon Rate	(3) Maturity Date	(4) Cost	(5) Market Value	(6) Valuation Date	(7) Market Yield	(8) Effective Yield	(9) Duration
CORPORATE BONDS									
Royal Bank of Canada	200,000	2.26%	2018-03-12	198,560	200,316	2017-12-31	1.43%	1.43%	0.196
Wells Fargo	200,000	2.94%	2019-07-25	200,040	202,553	2017-12-31	2.11%	2.12%	1.525
Bank of Montreal	300,000	2.84%	2020-06-04	305,307	304,178	2017-12-31	2.25%	2.26%	2.357
Toronto Dominion Bank	250,000	2.56%	2020-06-24	261,425	251,942	2017-12-31	2.24%	2.25%	2.419
Bank of Montreal	200,000	3.40%	2021-04-23	201,300	206,347	2017-12-31	2.40%	2.41%	3.143
National Bank of Canada	250,000	2.11%	2022-03-18	255,100	246,001	2017-12-31	2.51%	2.52%	4.028
Royal Bank of Canada	150,000	1.97%	2022-03-02	150,075	146,886	2017-12-31	2.50%	2.51%	3.995
Wells Fargo	150,000	3.46%	2023-01-24	153,542	155,673	2017-12-31	2.66%	2.67%	4.631
Bank of Nova Scotia	200,000	2.62%	2026-12-02	198,460	196,103	2017-12-31	2.87%	2.89%	7.984
TOTAL	16,810,000			16,857,793	16,827,805			2.32%	1.281

(10) Duration-Weighted Effective Market Yield: 2.32%

(11) Selected Discount Rate: 2.15%
Selected Last Year 1.75%

- (1) - (5) From Investment Manager
(6) Valuation Date = December 31, 2017
(7) Expected future yield on bond
(8) = $[(1 + (7) / 2) ^ 2] - 1$
(9) Duration of bond
(10) = $[(5) \times (8) \times (9)] / [(5) \times (9)]$
(11) Selected per actuarial judgment

Exhibit 9
Canadian Lawyers Liability Assurance Society

Selection of Margins for Adverse Deviation
As at December 31, 2017

Major Valuation Variables	Low Margin	High Margin	Considerations	Evaluation (Note 1)	Weight (Note 2)	Indicated MFAD	Selected MFAD
Claims Development	2.50%	20.00%	Company practices: Consistency in claims handling procedures and personnel	0	1	10.00%	10.00%
			System changes	0	1		
			Changes in case reserve estimation	0	1		
			Data: Number of years of past experience on which expected development is based	0	1		
			Volume of business in each year	1	1		
			Changes in volume of business over last five to seven years	1	1		
			Changes in mix of business over last five to seven years	0	1		
			Homogeneity of data grouping	1	1		
			Stability of historical development	1	1		
			Potential impact of large individual claims	2	1		
			Line of Business: Length of time over which potential development might take place from reporting of new losses	2	2		
			Likelihood of external changes which may significantly affect development	2	1		
			Net retention of the company for the line of business	0	1		
			Change in policy form	0	1		
Reinsurance Recovery	0.00%	15.00%	Ceded claims ratio	0	1	2.50%	3.50%
			Potential problem reinsurers	1	1		
			Balance sheet exposure for each assuming company	0	1		
Interest Rate	0.25%	2.00%	Investment portfolio	1	2	0.69%	0.50%
			Investment climate	0	1		
			Method of valuing assets	0	1		
			Matching of investments to claims payments patterns	0	1		

(1) Evaluation of Consideration: Low Margin=0
Medium Margin=1
High Margin=2

(2) Consideration Weight: Low Weight=0
Medium Weight=1
High Weight=2

Exhibit 10
Canadian Lawyers Liability Assurance Society

Discounted Claim Liabilities including Provisions for Adverse Deviation
Gross of Reinsurance
As at December 31, 2017

Policy Period	(1)	(2)	(3)	(4)	(5)		(6)	(7)			(8)	(9)	(10)	(11)
	Case Reserves	Undiscounted Liabilities Provision for IBNR	Provision for ULAE	Total	Present Value of Gross Outstanding Liabilities			Claims	Reinsurance	Interest Rate			Total	Gross Claim Liabilities
					at 2.15%	at 1.65%		at 10.00%	at 3.50%	at 0.50%				
1987/1988	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1990/1991	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1991/1992	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1992/1993	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1993/1994	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1994/1995	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1995/1996	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1996/1997	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997/1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002/2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003/2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004/2005	0	182,691	4,750	187,441	180,829	182,325	18,083	0	0	1,496	19,579	200,408		
2005/2006	0	440,865	11,462	452,327	433,002	437,354	43,300	0	0	4,352	47,653	480,654		
2006/2007	0	526,218	13,682	539,899	512,228	518,430	51,223	0	0	6,202	57,425	569,653		
2007/2008	3,580,599	407,338	103,686	4,091,624	3,845,326	3,900,261	384,533	0	0	54,935	439,468	4,284,794		
2008/2009	0	432,146	11,236	443,382	412,656	419,475	41,266	0	0	6,819	48,085	460,740		
2009/2010	34,344,898	638,858	909,578	35,893,333	33,130,549	33,740,624	558,287	0	0	610,075	1,168,362	34,298,911		
2010/2011	11,815,585	774,990	327,355	12,917,930	11,931,325	12,148,269	1,193,132	0	0	216,945	1,410,077	13,341,402		
2011/2012	750,000	833,291	41,166	1,624,457	1,503,425	1,529,959	150,342	0	0	26,534	176,877	1,680,302		
2012/2013	518,120	1,948,722	64,138	2,530,980	2,340,244	2,381,967	234,024	0	0	41,723	275,748	2,615,991		
2013/2014	4,000,000	4,225,826	213,871	8,439,697	7,769,209	7,915,558	776,921	0	0	146,348	923,269	8,692,479		
2014/2015	55,335	6,783,061	177,798	7,016,194	6,407,664	6,540,134	640,766	0	0	132,470	773,236	7,180,901		
2015/2016	0	8,949,153	232,678	9,181,831	8,314,485	8,502,685	831,449	0	0	188,199	1,019,648	9,334,133		
2016/2017	1,640,616	12,860,829	377,038	14,878,483	13,354,131	13,683,674	1,335,413	0	0	329,543	1,664,956	15,019,087		
2017/2018	0	6,188,053	160,889	6,348,942	5,621,153	5,777,821	562,115	0	0	156,668	718,783	6,339,936		
Total	56,705,153	45,192,042	2,649,327	104,546,522	95,756,226	97,678,536	6,820,855	0	0	1,922,311	8,743,166	104,499,391		

(1) = Exh. 3, Col. (2)

(2) = Exh. 3, Col. (3)

(3) = Exh. 7, Col. (7)

(4) = (1) + (2) + (3)

(5) Present value of column (4) at a 2.15% discount factor using the payment pattern selected in Exh. 1.1

(6) Present value of column (2) at a 1.65% discount factor using the payment pattern selected in Exh. 1.1

(7) = 10.00% x (5); the claims development margin is not applied to one claim reserved up to the policy limit

(8) = 0

(9) = (6) - (5)

(10) = (7) + (8) + (9)

(11) = (5) + (10)

Exhibit 11
Canadian Lawyers Liability Assurance Society

Discounted Claim Liabilities including Provisions for Adverse Deviation
Net of All Reinsurance
As at December 31, 2017

Policy Period	(1)	(2)	(3)	(4)	(5)		(6)	(7)			(8)	(9)	(10)	(11)
	Case Reserves	Provision for IBNR	Provision for ULAE	Total	Present Value of Net Outstanding Liabilities			Claims at 10.00%	Reinsurance at 3.50%	Interest Rate at 0.50%			Total	Net Claim Liabilities
1987/1988	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1990/1991	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1991/1992	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1992/1993	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1993/1994	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1994/1995	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1995/1996	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1996/1997	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1997/1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002/2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003/2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004/2005	0	0	4,750	4,750	4,582	4,620	458	6,169	38	6,665	11,247			
2005/2006	0	0	11,462	11,462	10,973	11,083	1,097	14,771	110	15,979	26,951			
2006/2007	0	0	13,682	13,682	12,980	13,138	1,298	17,474	157	18,929	31,909			
2007/2008	0	0	103,686	103,686	97,445	98,837	9,744	131,176	1,392	142,312	239,757			
2008/2009	0	0	11,236	11,236	10,457	10,630	1,046	14,077	173	15,295	25,753			
2009/2010	0	0	909,578	909,578	839,566	855,026	83,957	1,130,184	15,460	1,229,601	2,069,167			
2010/2011	0	0	327,355	327,355	302,353	307,851	30,235	407,014	5,498	442,747	745,100			
2011/2012	0	0	41,166	41,166	38,098	38,771	3,810	51,286	672	55,769	93,867			
2012/2013	18,120	59,336	64,138	141,594	130,923	133,257	13,092	77,326	2,334	92,753	223,676			
2013/2014	0	131,192	213,871	345,064	317,650	323,634	31,765	260,805	5,984	298,553	616,204			
2014/2015	55,335	211,271	177,798	444,405	405,860	414,251	40,586	210,063	8,391	259,040	664,900			
2015/2016	0	281,291	232,678	513,969	465,417	475,952	46,542	274,717	10,535	331,794	797,211			
2016/2017	620,616	411,733	377,038	1,409,386	1,264,990	1,296,206	126,499	423,120	31,216	580,835	1,845,825			
2017/2018	0	193,385	160,889	354,274	313,663	322,405	31,366	185,762	8,742	225,871	539,534			
Total	694,071	1,288,208	2,649,327	4,631,606	4,214,959	4,305,661	421,496	3,203,944	90,702	3,716,142	7,931,102			

(1) = Exh. 5, Col. (2)

(2) = Exh. 5, Col. (3)

(3) = Exh. 7, Col. (7)

(4) = (1) + (2) + (3)

(5) Present value of column (4) at a 2.15% discount factor using the payment pattern selected in Exh. 1.1

(6) Present value of column (2) at a 1.65% discount factor using the payment pattern selected in Exh. 1.1

(7) = 10.00% x (5)

(8) = 3.50% x [Exh. 10 Col. (5) - Exh. 11 Col. (5)]

(9) = (6) - (5)

(10) = (7) + (8) + (9)

(11) = (5) + (10)

Exhibit 12.1
Canadian Lawyers Liability Assurance Society

Summary of Outstanding Liabilities and Provisions for Adverse Deviations
By Policy Year
Gross of Reinsurance
As at December 31, 2017

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Policy Period	Undiscounted		Total Reserves	Discounted incl. PFAD		Total Reserves
	Case Reserves	Provisions for IBNR and ULAE		Case Reserves	Provisions for IBNR and ULAE	
1987/1988	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0
1990/1991	0	0	0	0	0	0
1991/1992	0	0	0	0	0	0
1992/1993	0	0	0	0	0	0
1993/1994	0	0	0	0	0	0
1994/1995	0	0	0	0	0	0
1995/1996	0	0	0	0	0	0
1996/1997	0	0	0	0	0	0
1997/1998	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0
2002/2003	0	0	0	0	0	0
2003/2004	0	0	0	0	0	0
2004/2005	0	187,441	187,441	0	200,000	200,000
2005/2006	0	452,327	452,327	0	481,000	481,000
2006/2007	0	539,899	539,899	0	570,000	570,000
2007/2008	3,580,599	511,025	4,091,624	3,581,000	704,000	4,285,000
2008/2009	0	443,382	443,382	0	461,000	461,000
2009/2010	34,344,898	1,548,435	35,893,333	34,345,000	(46,000)	34,299,000
2010/2011	11,815,585	1,102,345	12,917,930	11,816,000	1,525,000	13,341,000
2011/2012	750,000	874,457	1,624,457	750,000	930,000	1,680,000
2012/2013	518,120	2,012,860	2,530,980	518,000	2,098,000	2,616,000
2013/2014	4,000,000	4,439,697	8,439,697	4,000,000	4,692,000	8,692,000
2014/2015	55,335	6,960,859	7,016,194	55,000	7,126,000	7,181,000
2015/2016	0	9,181,831	9,181,831	0	9,335,000	9,335,000
2016/2017	1,640,616	13,237,867	14,878,483	1,641,000	13,377,000	15,018,000
2017/2018	0	6,348,942	6,348,942	0	6,340,000	6,340,000
Total	56,705,153	47,841,369	104,546,522	56,706,000	47,793,000	104,499,000

(1) The policy period runs from July 1 to June 30.

(2) from Exh. 3, Col. (2)

(3) from Exh. 3, Col. (3) + Exh. 7, Col. (7)

(4) = (2) + (3)

(5) = (2)

(6) = (7) - (5)

(7) from Exh. 10, Col. (11)

Exhibit 12.2
Canadian Lawyers Liability Assurance Society

Summary of Outstanding Liabilities and Provisions for Adverse Deviations
By Calendar Year
Gross of Reinsurance
As at December 31, 2017

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Calendar Year	Undiscounted		Total Reserves	Discounted incl. PFAD		Total Reserves
	Case Reserves	Provisions for IBNR and ULAE		Case Reserves	Provisions for IBNR and ULAE	
1987	0	0	0	0	0	0
1988	0	0	0	0	0	0
1989	0	0	0	0	0	0
1990	0	0	0	0	0	0
1991	0	0	0	0	0	0
1992	0	0	0	0	0	0
1993	0	0	0	0	0	0
1994	0	0	0	0	0	0
1995	0	0	0	0	0	0
1996	0	0	0	0	0	0
1997	0	0	0	0	0	0
1998	0	0	0	0	0	0
1999	0	0	0	0	0	0
2000	0	0	0	0	0	0
2001	0	0	0	0	0	0
2002	0	0	0	0	0	0
2003	0	0	0	0	0	0
2004	0	93,721	93,721	0	100,000	100,000
2005	0	319,884	319,884	0	341,000	341,000
2006	0	496,113	496,113	0	525,000	525,000
2007	1,790,300	525,462	2,315,761	1,790,000	637,000	2,427,000
2008	1,790,300	477,203	2,267,503	1,790,000	583,000	2,373,000
2009	17,172,449	995,909	18,168,358	17,172,000	208,000	17,380,000
2010	23,080,242	1,325,390	24,405,631	23,080,000	740,000	23,820,000
2011	6,282,793	988,401	7,271,193	6,283,000	1,228,000	7,511,000
2012	634,060	1,443,658	2,077,718	634,000	1,514,000	2,148,000
2013	2,259,060	3,226,279	5,485,339	2,259,000	3,395,000	5,654,000
2014	2,027,668	5,700,278	7,727,946	2,028,000	5,909,000	7,937,000
2015	27,668	8,071,345	8,099,013	28,000	8,230,000	8,258,000
2016	820,308	11,209,849	12,030,157	820,000	11,356,000	12,176,000
2017	820,308	12,967,876	13,788,184	820,000	13,029,000	13,849,000
Total	56,705,153	47,841,369	104,546,522	56,704,000	47,795,000	104,499,000

(1) The calendar year runs from January 1 to December 31.

(2) Based on Exh. 12.1, Col. (2)

(3) Based on Exh. 12.1, Col. (3)

(4) = (2) + (3)

(5) = (2)

(6) = (7) - (5)

(7) Based on Exh. 12.1, Col. (7)

Exhibit 12.3
Canadian Lawyers Liability Assurance Society

Summary of Outstanding Liabilities and Provisions for Adverse Deviations
By Policy Year
Net of Reinsurance
As at December 31, 2017

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Policy Period	Undiscounted		Total Reserves	Discounted incl. PFAD		Total Reserves
	Case Reserves	Provisions for IBNR and ULAE		Case Reserves	Provisions for IBNR and ULAE	
1987/1988	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0
1990/1991	0	0	0	0	0	0
1991/1992	0	0	0	0	0	0
1992/1993	0	0	0	0	0	0
1993/1994	0	0	0	0	0	0
1994/1995	0	0	0	0	0	0
1995/1996	0	0	0	0	0	0
1996/1997	0	0	0	0	0	0
1997/1998	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0
2002/2003	0	0	0	0	0	0
2003/2004	0	0	0	0	0	0
2004/2005	0	4,750	4,750	0	11,000	11,000
2005/2006	0	11,462	11,462	0	27,000	27,000
2006/2007	0	13,682	13,682	0	32,000	32,000
2007/2008	0	103,686	103,686	0	240,000	240,000
2008/2009	0	11,236	11,236	0	26,000	26,000
2009/2010	0	909,578	909,578	0	2,069,000	2,069,000
2010/2011	0	327,355	327,355	0	745,000	745,000
2011/2012	0	41,166	41,166	0	94,000	94,000
2012/2013	18,120	123,474	141,594	18,000	206,000	224,000
2013/2014	0	345,064	345,064	0	616,000	616,000
2014/2015	55,335	389,070	444,405	55,000	610,000	665,000
2015/2016	0	513,969	513,969	0	797,000	797,000
2016/2017	620,616	788,770	1,409,386	622,000	1,223,000	1,845,000
2017/2018	0	354,274	354,274	0	540,000	540,000
Total	694,071	3,937,535	4,631,606	695,000	7,236,000	7,931,000

(1) The policy period runs from July 1 to June 30.

(2) from Exh. 5, Col. (2)

(3) from Exh. 5, Col. (3) + Exh. 7, Col. (7)

(4) = (2) + (3)

(5) = (2)

(6) = (7) - (5)

(7) from Exh. 11, Col. (11)

Exhibit 12.4
Canadian Lawyers Liability Assurance Society

Summary of Outstanding Liabilities and Provisions for Adverse Deviations
By Calendar Year
Net of Reinsurance
As at December 31, 2017

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Calendar Year	Undiscounted		Total Reserves	Discounted incl. PFAD		Total Reserves
	Case Reserves	Provisions for IBNR and ULAE		Case Reserves	Provisions for IBNR and ULAE	
1987	0	0	0	0	0	0
1988	0	0	0	0	0	0
1989	0	0	0	0	0	0
1990	0	0	0	0	0	0
1991	0	0	0	0	0	0
1992	0	0	0	0	0	0
1993	0	0	0	0	0	0
1994	0	0	0	0	0	0
1995	0	0	0	0	0	0
1996	0	0	0	0	0	0
1997	0	0	0	0	0	0
1998	0	0	0	0	0	0
1999	0	0	0	0	0	0
2000	0	0	0	0	0	0
2001	0	0	0	0	0	0
2002	0	0	0	0	0	0
2003	0	0	0	0	0	0
2004	0	2,375	2,375	0	6,000	6,000
2005	0	8,106	8,106	0	19,000	19,000
2006	0	12,572	12,572	0	29,000	29,000
2007	0	58,684	58,684	0	136,000	136,000
2008	0	57,461	57,461	0	133,000	133,000
2009	0	460,407	460,407	0	1,047,000	1,047,000
2010	0	618,466	618,466	0	1,407,000	1,407,000
2011	0	184,260	184,260	0	419,000	419,000
2012	9,060	82,320	91,380	9,000	150,000	159,000
2013	9,060	234,269	243,329	9,000	411,000	420,000
2014	27,668	367,067	394,734	28,000	613,000	641,000
2015	27,668	451,519	479,187	28,000	703,000	731,000
2016	310,308	651,369	961,677	310,000	1,012,000	1,322,000
2017	310,308	748,659	1,058,967	310,000	1,152,000	1,462,000
Total	694,071	3,937,535	4,631,606	694,000	7,237,000	7,931,000

(1) The calendar year runs from January 1 to December 31.

(2) Based on Exh. 12.3, Col. (2)

(3) Based on Exh. 12.3, Col. (3)

(4) = (2) + (3)

(5) = (2)

(6) = (7) - (5)

(7) Based on Exh. 12.3, Col. (7)

Exhibit 13.1
Canadian Lawyers Liability Assurance Society

Historical Estimates of Ultimate Incurred Losses (Excl. Provision for ULAE)
Gross of Reinsurance
From December 31, 2008 to December 31, 2017

Policy Period	Selected Ultimate Losses									
	as at Dec. 31, 2008	as at Dec. 31, 2009	as at Dec. 31, 2010	as at Dec. 31, 2011	as at Dec. 31, 2012	as at Dec. 31, 2013	as at Dec. 31, 2014	as at Dec. 31, 2015	as at Dec. 31, 2016	as at Dec. 31, 2017
1987/1988	0	0	0	0	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0	0	0	0	0
1990/1991	3,593,000	3,593,000	3,593,000	3,593,000	3,593,000	3,593,000	3,593,000	3,593,000	3,593,000	3,593,000
1991/1992	7,417,000	7,417,000	7,417,000	7,417,000	7,417,000	7,417,000	7,417,000	7,417,000	7,417,000	7,417,000
1992/1993	327,000	327,000	327,000	327,000	327,000	327,000	327,000	327,000	327,000	327,000
1993/1994	30,655,000	30,655,000	30,655,000	30,655,000	30,655,000	30,655,000	30,655,000	30,655,000	30,655,000	30,655,000
1994/1995	9,319,000	9,319,000	9,319,000	9,319,000	9,319,000	9,319,000	9,319,000	9,319,000	9,319,000	9,319,000
1995/1996	3,743,000	3,743,000	3,743,000	3,743,000	3,743,000	3,743,000	3,743,000	3,743,000	3,743,000	3,743,000
1996/1997	0	0	0	0	0	0	0	0	0	0
1997/1998	96,000	0	0	0	0	0	0	0	0	0
1998/1999	20,521,000	20,372,000	20,297,000	20,297,000	20,297,000	20,297,000	20,297,000	20,297,000	20,297,000	20,297,000
1999/2000	8,906,000	8,656,000	8,580,000	8,493,000	8,493,000	8,493,000	8,493,000	8,493,000	8,493,000	8,493,000
2000/2001	2,178,000	1,572,000	1,252,000	135,000	0	135,000	0	0	0	0
2001/2002	20,370,000	19,109,000	18,859,000	17,821,000	17,696,000	17,874,000	17,696,000	17,554,000	17,554,000	17,554,000
2002/2003	8,314,000	7,481,000	7,481,000	7,201,000	6,821,000	6,921,000	4,381,000	4,181,000	4,021,000	3,467,000
2003/2004	32,241,000	33,110,000	39,695,000	40,283,000	39,662,000	39,362,000	39,362,000	39,319,000	39,105,000	38,933,000
2004/2005	7,765,000	4,819,000	3,449,000	3,170,000	3,170,000	2,622,000	2,531,000	1,719,000	1,673,000	1,445,000
2005/2006	11,783,000	8,011,000	3,431,000	1,888,000	1,888,000	1,647,000	1,403,000	1,255,000	1,255,000	1,206,000
2006/2007	17,371,000	15,392,000	10,491,000	9,671,000	8,230,000	7,699,000	7,369,000	7,106,000	7,000,000	7,000,000
2007/2008	16,836,000	16,998,000	16,099,000	21,598,000	17,526,000	17,343,000	18,625,000	18,211,000	17,777,000	17,465,000
2008/2009	16,212,000	15,032,000	10,960,000	8,738,000	6,471,000	2,953,000	2,219,000	3,736,000	3,421,000	3,241,000
2009/2010	n/a	17,082,000	17,034,000	14,006,000	13,158,000	12,889,000	13,768,000	43,281,000	43,687,000	44,657,000
2010/2011	n/a	n/a	16,400,000	17,275,000	15,446,000	14,974,000	19,513,000	17,098,000	16,107,000	17,017,000
2011/2012	n/a	n/a	n/a	16,346,000	14,982,000	10,852,000	8,848,000	7,910,000	5,230,000	4,136,000
2012/2013	n/a	n/a	n/a	n/a	15,196,000	13,903,000	10,162,000	7,281,000	5,357,000	2,705,000
2013/2014	n/a	n/a	n/a	n/a	n/a	13,246,000	12,227,000	9,655,000	8,361,000	9,010,000
2014/2015	n/a	n/a	n/a	n/a	n/a	n/a	14,098,000	12,934,000	9,278,000	6,855,000
2015/2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13,475,000	12,485,000	8,949,000
2016/2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13,856,000	14,531,000
2017/2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12,376,000
Total	217,647,000	222,688,000	229,082,000	241,976,000	244,090,000	246,264,000	256,046,000	288,559,000	290,011,000	294,391,000

Policy Period	Changes in Ultimate Losses									
	From 2008 to 2017	From 2009 to 2017	From 2010 to 2017	From 2011 to 2017	From 2012 to 2017	From 2013 to 2017	From 2014 to 2017	From 2015 to 2017	From 2016 to 2017	
1987/1988	0	0	0	0	0	0	0	0	0	
1988/1989	0	0	0	0	0	0	0	0	0	
1989/1990	0	0	0	0	0	0	0	0	0	
1990/1991	0	0	0	0	0	0	0	0	0	
1991/1992	0	0	0	0	0	0	0	0	0	
1992/1993	0	0	0	0	0	0	0	0	0	
1993/1994	0	0	0	0	0	0	0	0	0	
1994/1995	0	0	0	0	0	0	0	0	0	
1995/1996	0	0	0	0	0	0	0	0	0	
1996/1997	0	0	0	0	0	0	0	0	0	
1997/1998	(96,000)	0	0	0	0	0	0	0	0	
1998/1999	(224,000)	(75,000)	0	0	0	0	0	0	0	
1999/2000	(413,000)	(163,000)	(87,000)	0	0	0	0	0	0	
2000/2001	(2,178,000)	(1,572,000)	(1,252,000)	(135,000)	0	(135,000)	0	0	0	
2001/2002	(2,816,000)	(1,555,000)	(1,305,000)	(267,000)	(142,000)	(320,000)	(142,000)	0	0	
2002/2003	(4,847,000)	(4,014,000)	(4,014,000)	(3,734,000)	(3,354,000)	(3,454,000)	(914,000)	(714,000)	(554,000)	
2003/2004	6,692,000	5,823,000	(762,000)	(1,350,000)	(729,000)	(429,000)	(429,000)	(386,000)	(172,000)	
2004/2005	(6,320,000)	(3,374,000)	(2,004,000)	(1,725,000)	(1,725,000)	(1,177,000)	(1,086,000)	(274,000)	(228,000)	
2005/2006	(10,577,000)	(6,805,000)	(2,225,000)	(682,000)	(682,000)	(441,000)	(197,000)	(49,000)	(49,000)	
2006/2007	(10,371,000)	(8,392,000)	(3,491,000)	(2,671,000)	(1,230,000)	(699,000)	(369,000)	(106,000)	0	
2007/2008	629,000	467,000	1,366,000	(4,133,000)	(61,000)	122,000	(1,160,000)	(746,000)	(312,000)	
2008/2009	(12,971,000)	(11,791,000)	(7,719,000)	(5,497,000)	(3,230,000)	288,000	1,022,000	(495,000)	(180,000)	
2009/2010	n/a	27,575,000	27,623,000	30,651,000	31,499,000	31,768,000	30,889,000	1,376,000	970,000	
2010/2011	n/a	n/a	617,000	(258,000)	1,571,000	2,043,000	(2,496,000)	(81,000)	910,000	
2011/2012	n/a	n/a	n/a	(12,210,000)	(10,846,000)	(6,716,000)	(4,712,000)	(3,774,000)	(1,094,000)	
2012/2013	n/a	n/a	n/a	n/a	(12,491,000)	(11,198,000)	(7,457,000)	(4,576,000)	(2,652,000)	
2013/2014	n/a	n/a	n/a	n/a	n/a	(4,236,000)	(3,217,000)	(645,000)	649,000	
2014/2015	n/a	n/a	n/a	n/a	n/a	n/a	(7,243,000)	(6,079,000)	(2,423,000)	
2015/2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(4,526,000)	(3,536,000)	
2016/2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	675,000	
2017/2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
TOTAL	(43,492,000)	(3,876,000)	6,747,000	(2,011,000)	(1,420,000)	5,416,000	2,489,000	(21,075,000)	(7,996,000)	

* Note: the latest year figures are annualized based on the six-month result.

Exhibit 13.2
Canadian Lawyers Liability Assurance Society

Historical Estimates of Ultimate Incurred Losses (Excl. Provision for ULAE)
Net of Reinsurance
From December 31, 2008 to December 31, 2017

Policy Period	Selected Ultimate Losses									
	as at Dec. 31, 2008	as at Dec. 31, 2009	as at Dec. 31, 2010	as at Dec. 31, 2011	as at Dec. 31, 2012	as at Dec. 31, 2013	as at Dec. 31, 2014	as at Dec. 31, 2015	as at Dec. 31, 2016	as at Dec. 31, 2017
1987/1988	0	0	0	0	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0	0	0	0	0
1990/1991	897,000	897,000	897,000	897,000	897,000	897,000	897,000	897,000	897,000	897,000
1991/1992	2,470,000	2,470,000	2,470,000	2,470,000	2,470,000	2,470,000	2,470,000	2,470,000	2,470,000	2,470,000
1992/1993	0	0	0	0	0	0	0	0	0	0
1993/1994	5,638,000	5,638,000	5,638,000	5,638,000	5,638,000	5,638,000	5,638,000	5,638,000	5,638,000	5,638,000
1994/1995	1,883,000	1,883,000	1,883,000	1,883,000	1,883,000	1,883,000	1,883,000	1,883,000	1,883,000	1,883,000
1995/1996	1,871,000	1,871,000	1,871,000	1,871,000	1,871,000	1,871,000	1,871,000	1,871,000	1,871,000	1,871,000
1996/1997	0	0	0	0	0	0	0	0	0	0
1997/1998	18,000	0	0	0	0	0	0	0	0	0
1998/1999	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
1999/2000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
2000/2001	747,000	625,000	553,000	28,000	0	0	0	0	0	0
2001/2002	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
2002/2003	5,500,000	5,500,000	5,500,000	5,500,000	3,416,000	3,416,000	3,416,000	3,416,000	3,416,000	3,416,000
2003/2004	5,500,000	5,500,000	6,654,000	7,242,000	6,433,000	6,433,000	6,433,000	6,433,000	6,433,000	6,433,000
2004/2005	3,797,000	2,841,000	2,376,000	2,435,000	1,262,000	1,262,000	1,262,000	1,262,000	1,262,000	1,262,000
2005/2006	3,801,000	2,763,000	1,471,000	1,040,000	712,000	712,000	712,000	712,000	712,000	712,000
2006/2007	8,556,000	8,180,000	6,561,000	7,425,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000
2007/2008	7,819,000	10,237,000	11,100,000	12,535,000	8,525,000	8,525,000	8,437,000	8,206,000	7,976,000	7,745,000
2008/2009	8,150,000	7,626,000	5,524,000	4,419,000	5,000	5,000	5,000	5,000	5,000	5,000
2009/2010	n/a	8,797,000	9,329,000	8,299,000	20,000	20,000	20,000	20,000	20,000	20,000
2010/2011	n/a	n/a	8,322,000	9,795,000	2,073,000	2,073,000	2,073,000	2,073,000	2,073,000	2,073,000
2011/2012	n/a	n/a	n/a	4,665,000	107,000	107,000	107,000	107,000	107,000	107,000
2012/2013	n/a	n/a	n/a	n/a	463,000	423,000	334,000	435,000	362,000	281,000
2013/2014	n/a	n/a	n/a	n/a	n/a	411,000	380,000	269,000	197,000	131,000
2014/2015	n/a	n/a	n/a	n/a	n/a	n/a	440,000	413,000	308,000	284,000
2015/2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	424,000	392,000	281,000
2016/2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	444,000	1,062,000
2017/2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	387,000
Total	66,547,000	74,728,000	80,049,000	86,042,000	50,725,000	51,096,000	51,328,000	51,484,000	51,416,000	51,908,000

Policy Period	Changes in Ultimate Losses									
	From 2008 to 2017	From 2009 to 2017	From 2010 to 2017	From 2011 to 2017	From 2012 to 2017	From 2013 to 2017	From 2014 to 2017	From 2015 to 2017	From 2016 to 2017	
1987/1988	0	0	0	0	0	0	0	0	0	
1988/1989	0	0	0	0	0	0	0	0	0	
1989/1990	0	0	0	0	0	0	0	0	0	
1990/1991	0	0	0	0	0	0	0	0	0	
1991/1992	0	0	0	0	0	0	0	0	0	
1992/1993	0	0	0	0	0	0	0	0	0	
1993/1994	0	0	0	0	0	0	0	0	0	
1994/1995	0	0	0	0	0	0	0	0	0	
1995/1996	0	0	0	0	0	0	0	0	0	
1996/1997	0	0	0	0	0	0	0	0	0	
1997/1998	(18,000)	0	0	0	0	0	0	0	0	
1998/1999	0	0	0	0	0	0	0	0	0	
1999/2000	0	0	0	0	0	0	0	0	0	
2000/2001	(747,000)	(625,000)	(553,000)	(28,000)	0	0	0	0	0	
2001/2002	0	0	0	0	0	0	0	0	0	
2002/2003	(2,084,000)	(2,084,000)	(2,084,000)	(2,084,000)	0	0	0	0	0	
2003/2004	933,000	933,000	(221,000)	(809,000)	0	0	0	0	0	
2004/2005	(2,535,000)	(1,579,000)	(1,114,000)	(1,173,000)	0	0	0	0	0	
2005/2006	(3,089,000)	(2,051,000)	(759,000)	(328,000)	0	0	0	0	0	
2006/2007	(3,506,000)	(3,130,000)	(1,511,000)	(2,375,000)	0	0	0	0	0	
2007/2008	(74,000)	(2,492,000)	(3,355,000)	(4,790,000)	(780,000)	(780,000)	(692,000)	(461,000)	(231,000)	
2008/2009	(8,145,000)	(7,621,000)	(5,519,000)	(4,414,000)	0	0	0	0	0	
2009/2010	n/a	(8,777,000)	(9,309,000)	(8,279,000)	0	0	0	0	0	
2010/2011	n/a	n/a	(6,249,000)	(7,722,000)	0	0	0	0	0	
2011/2012	n/a	n/a	n/a	(4,558,000)	0	0	0	0	0	
2012/2013	n/a	n/a	n/a	n/a	(182,000)	(142,000)	(53,000)	(154,000)	(81,000)	
2013/2014	n/a	n/a	n/a	n/a	n/a	(280,000)	(249,000)	(138,000)	(66,000)	
2014/2015	n/a	n/a	n/a	n/a	n/a	n/a	(156,000)	(129,000)	(24,000)	
2015/2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(143,000)	(111,000)	
2016/2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	618,000	
2017/2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
TOTAL	(19,265,000)	(27,426,000)	(30,674,000)	(36,560,000)	(962,000)	(1,202,000)	(1,150,000)	(1,025,000)	105,000	

* Note: the latest year figures are annualized based on the six-month result.

Exhibit 14.1
Canadian Lawyers Liability Assurance Society

Premium Liabilities
Gross and Net of Reinsurance
As at December 31, 2017

GROSS

(1) Gross Unearned Premiums Reported in Annual Return	3,539,875
(2) Expected Loss and ALAE Ratio	187%
(3) Expected Losses and ALAE	6,604,112
(4) Expected ULAE	171,707
(5) Undiscounted Expected Losses and ALAE	6,775,819
(6) Discounted Claim Liabilities plus PFAD in Connection with Unearned Premium	6,662,117
(7) Policyholder Service Costs	176,994
(8) Gross Liabilities in Connection with Unearned Premium	6,839,111

RECOVERABLE FROM REINSURERS

(9) Ceded Unearned Premiums	2,541,253
(10) Discounted Claim Liabilities plus PFAD in Connection with Unearned Premium	6,095,969
(11) Doubtful Account	0
(12) Recoverable	6,095,969

NET

(13) Net unearned premiums reported in Annual Return	998,622
(14) Future Excess of Loss Reinsurance Cost	0
(15) Expected Loss and ALAE Ratio	21%
(16) Expected Losses and ALAE	206,387
(17) Expected ULAE	171,707
(18) Undiscounted Expected Losses and ALAE	378,094
(19) Discounted Claim Liabilities plus PFAD in Connection with Unearned Premium	566,149
(20) Policyholder Service Costs, (7)	176,994
(21) Net liabilities in Connection with Unearned Premium	743,142
(22) Deferred Policy Acquisition Expense (DPAE) Reported in Annual Return	103,310
(23) Unearned Commissions Reported in Annual Return	0
(24) Other Net Liabilities Reported in Annual Return	0
(25) Maximum Allowable DPAE Based on Claims Experience	255,480
(26) Excess of Maximum Allowable DPAE over Reported DPAE	152,170
(27) Premium Deficiency	0

(2) Selected per actuarial judgment	(11) = 0	
(3) = (1) x (2)	(12) = (10) - (11)	(20) = (7)
(4) = (3) x Exh. 6, Line (9)	(14) = 0	(21) = (19) + (20)
(5) = (3) + (4)	(15) Selected based on 2017/2018 rating	(25) = Max [0, (13) - (21) + (23) + (24)]
(6) = Exh. 14.2, Line (10)	study for retained layer	(26) = (25) - (22)
(7) = (1) x 5.00%	(16) = [(13) - (14)] x (15)	(27) = Max [0, (21) + (22) - (13) - (23) - (24)]
(8) = (6) + (7)	(17) = (4)	
(9) = (1) - (13)	(18) = (16) + (17)	
(10) = (6) - (19)	(19) = Exh. 14.2, Line (20)	

Exhibit 14.2
Canadian Lawyers Liability Assurance Society

Provision for Adverse Deviation for Premium Liabilities
Gross and Net of Reinsurance
As at December 31, 2017

Gross

(1) Undiscounted Outstanding Liabilities	6,775,819
(2) Discounted Outstanding Liabilities at 2.15%	5,882,504
(3) Discounted Outstanding Liabilities at 1.65%	6,073,867
(4) Interest Rate Margin	191,363
Claims Development Margin	
(5) Selected Margin on Development	10.00%
(6) Required Margin	588,250
Reinsurance Margin	
(7) Selected Margin on Reinsurance	3.50%
(8) Required Margin	n/a
(9) Total Provision for Adverse Deviation	779,613
(10) Selected Outstanding Liabilities	6,662,117

Net

(11) Undiscounted Outstanding Liabilities	378,094
(12) Discounted Outstanding Liabilities at 2.15%	328,247
(13) Discounted Outstanding Liabilities at 1.65%	338,925
(14) Interest Rate Margin	10,678
Claims Development Margin	
(15) Selected Margin on Development	10.00%
(16) Required Margin	32,825
Reinsurance Margin	
(17) Selected Margin on Reinsurance	3.50%
(18) Required Margin	194,399
(19) Total Provision for Adverse Deviation	237,902
(20) Selected Outstanding Liabilities	566,149

- (1) = Exh. 14.1, line (5)
(2) = (1) x discount factor at 2.15% per selected payment pattern
(3) = (1) x discount factor at 1.65% per selected payment pattern
(4) = (3) - (2)
(5) From Exh. 9
(6) = (2) x (5)
(7) From Exh. 9
(8) Not applicable
(9) = (4) + (6) + (8)
(10) = (2) + (9)
(11) = Exh. 14.1, Line (18)
(12) = (11) x discount factor at 2.15% per selected payment pattern
(13) = (11) x discount factor at 1.65% per selected payment pattern
(14) = (13) - (12)
(15) From Exh. 9
(16) = (12) x (15)
(17) From Exh. 9
(18) = (17) x [(2) - (12)]
(19) = (14) + (16) + (18)
(20) = (12) + (19)

Exhibit 15.1
Canadian Lawyers Liability Assurance Society

Unpaid Claims and Loss Ratio Analysis Exhibit
Net of Reinsurance and in Thousands of Dollars
As at December 31, 2017

Actuary's Category : Professional Liability - Total
Exhibit Category : Liability
Accident or U/W Year: Accident Year

		Paid Losses		Unpaid Claim Analysis									Loss Ratio Analysis				
Line	Accident Year	Current Year (2017)	Cumulative (2017 and prior)	Undiscounted Unpaid Claims and Adjustment Expenses			Present Value of Unpaid Claims and Adjustment Expenses - Total	Provision and Margin for Adverse Deviation (PfAD and MfAD)				Discounted Reserves including PfAD	Income		Cumulative Investment Income from Unpaid Claim Reserves	Loss Ratio (%)	
				Case Reserves	IBNR	Total		PfAD: Claims (000\$)	MfAD: Claims (%)	PfAD: Reinsurance (000\$)	PfAD: Interest Rate (000\$)		Earned Premiums	Invest. Income from UPR		Undiscounted	Discounted
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1	2007 & Prior	(118)	43,404	0	0	0	-1	0	10.0%	105	-1	103					
2	2008	(115)	3,875	0	0	0	0	0	10.0%	73	0	73	9,967	187	720	38.9%	31.8%
3	2009	0	12	0	0	0	0	0	10.0%	572	0	572	9,831	123	619	0.1%	-0.4%
4	2010	0	1,047	0	0	0	0	0	10.0%	769	0	769	8,945	115	559	11.7%	13.9%
5	2011	0	1,090	0	0	0	0	0	10.0%	229	0	229	6,571	113	288	16.6%	15.4%
6	2012	0	155	9	30	39	36	4	10.0%	64	1	105	4,227	210	13	4.6%	5.6%
7	2013	0	102	9	95	104	96	10	10.0%	169	2	277	3,254	10	8	6.3%	11.4%
8	2014	6	9	28	171	199	182	18	10.0%	235	4	439	2,803	11	7	7.4%	15.7%
9	2015	6	9	28	246	274	249	25	10.0%	242	5	521	2,433	8	5	11.6%	21.5%
10	2016	15	15	310	347	657	591	59	10.0%	349	14	1,013	2,295	7	4	29.3%	44.5%
11	2017	15	15	310	399	709	635	63	10.0%	397	17	1,112	2,104	7	2	34.4%	53.3%
12	Total	(191)	49,733	694	1,288	1,982	1,788	179	10.0%	3,204	42	5,213	52,430	791	2,225	15.9%	17.3%
17	MfAD: Reinsurance (%)											3.50%					
18	MfAD: Interest Rate (%)											0.50%					
19	Interest Rate to Discount Unpaid Claims and Adjustment Expenses (%)											2.15%					

Unpaid Claims and Loss Ratio Analysis Exhibit
Net of Reinsurance and in Thousands of Dollars
As at December 31, 2017

Actuary's Category :	Total
Exhibit Category :	Total
Accident or U/W Year:	Accident Year

		Paid Losses		Unpaid Claim Analysis								Loss Ratio Analysis					
Line	Accident Year	Current Year (2017)	Cumulative (2017 and prior)	Undiscounted Unpaid Claims and Adjustment Expenses			Present Value of Unpaid Claims and Adjustment Expenses - Total	Provision and Margin for Adverse Deviation and MFAD)				Discounted Reserves including PfAD	Income		Cumulative Investment Income from Unpaid Claim Reserves	Loss Ratio (%)	
				Case Reserves	IBNR	Total		PfAD: Claims (000\$)	MFAD: Claims (%)	PfAD: Reinsurance (000\$)	PfAD: Interest Rate (000\$)		Earned Premiums	Invest. Income from UPR		Undiscounted	Discounted
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1	2007 & Prior	(118)	43,404	0	0	0	-1	0	10.0%	105	-1	103					
2	2008	(115)	3,875	0	0	0	0	0	10.0%	73	0	73	9,967	187	720	38.9%	31.8%
3	2009	0	12	0	0	0	0	0	10.0%	572	0	572	9,831	123	619	0.1%	-0.4%
4	2010	0	1,047	0	0	0	0	0	10.0%	769	0	769	8,945	115	559	11.7%	13.9%
5	2011	0	1,090	0	0	0	0	0	10.0%	229	0	229	6,571	113	288	16.6%	15.4%
6	2012	0	155	9	30	39	36	4	10.0%	64	1	105	4,227	210	13	4.6%	5.6%
7	2013	0	102	9	95	104	96	10	10.0%	169	2	277	3,254	10	8	6.3%	11.4%
8	2014	6	9	28	171	199	182	18	10.0%	235	4	439	2,803	11	7	7.4%	15.7%
9	2015	6	9	28	246	274	249	25	10.0%	242	5	521	2,433	8	5	11.6%	21.5%
10	2016	15	15	310	347	657	591	59	10.0%	349	14	1,013	2,295	7	4	29.3%	44.5%
11	2017	15	15	310	399	709	635	63	10.0%	397	17	1,112	2,104	7	2	34.4%	53.3%
12	Total	(191)	49,733	694	1,288	1,982	1,788	179	10.0%	3,204	42	5,213	52,430	791	2,225	15.9%	17.3%
13	ULAE - Total											2,718					
14	"Facility Association" and "Plan"											0					
15	Other reserves											0					
16	Grand Total											7,931					



Actuaries & Insurance Management Advisors

Canadian Lawyers Liability Assurance Society

Actuarial Valuation of Policy Liabilities as at December 31, 2017

Presentation to the Audit Committee
February 15, 2018

CLLAS

Scope of the Actuarial Valuation

- Disclosure – Draft Results
- Valuation of policy liabilities
 - Claim liabilities
 - Liabilities in connection with unearned premium
 - Other policyholder liabilities
- Consideration of various components of the liabilities
 - Amounts gross of reinsurance
 - Amounts recoverable from reinsurers
 - Proportional reinsurance
 - Aggregate reinsurance
 - Loss portfolio transfer
 - Amounts net of reinsurance

CLLAS

- Please note that the Valuation results presented herein are draft. Our final signed Valuation results will be provided once we receive the following:
 - Receipt of auditor letter on specified audit procedures and data reliance
 - Confirmation from management that there are no subsequent events which would cause a deviation in the Valuation results in excess of our materiality standard
- Per the Canadian Actuarial Standards of Practice, changes having an impact in excess of our standard of materiality as of December 31, 2017 may need to be reflected and/or disclosed in the Valuation report and may result in a change in the financial statements

CLLAS

Case Reserves vs. Actuarial Reserves

- Case Reserves
 - Individual estimates
 - Based on known facts at time reserves are established
- Actuarial Reserves
 - Aggregate estimates
 - Recognize reserving/settlement patterns and project unknown events
- Incurred But Not Reported (IBNR) is the difference between actuarial reserves and case reserves
 - Emergence of unknown claims
 - Loss development on known claims

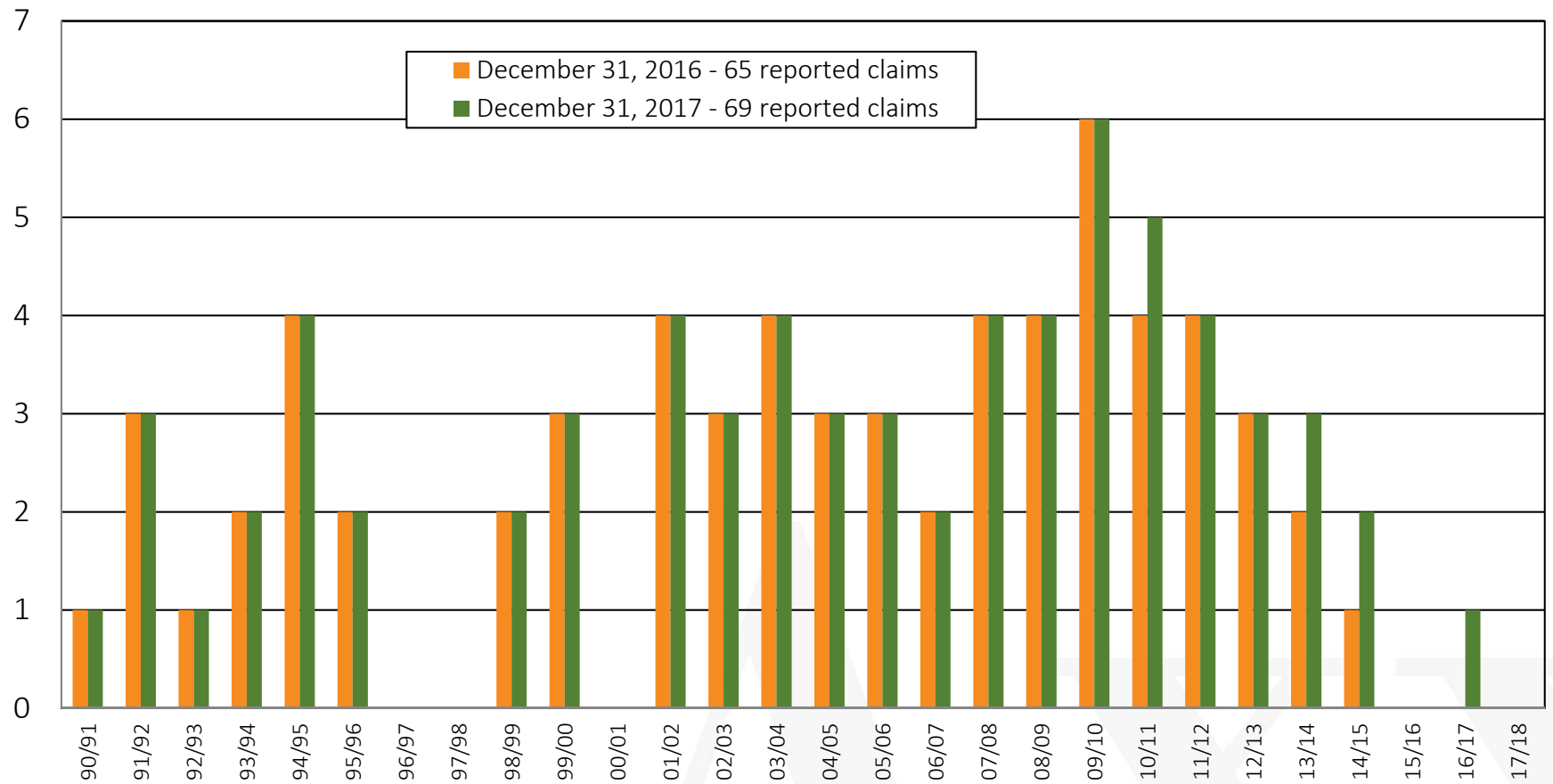
CLLAS

Actuarial Methodology

- Gross liabilities are estimated using loss data by layer
- Liabilities ceded to reinsurers are estimated based on the reinsurance arrangements in effect in each historical policy period
- Claim liabilities include:
 - Case reserves
 - Incurred but not reported (IBNR) reserves
 - Unallocated loss adjustment expenses (ULAE) reserves
- Claim liabilities are discounted and include a provision for adverse deviation

CLLAS

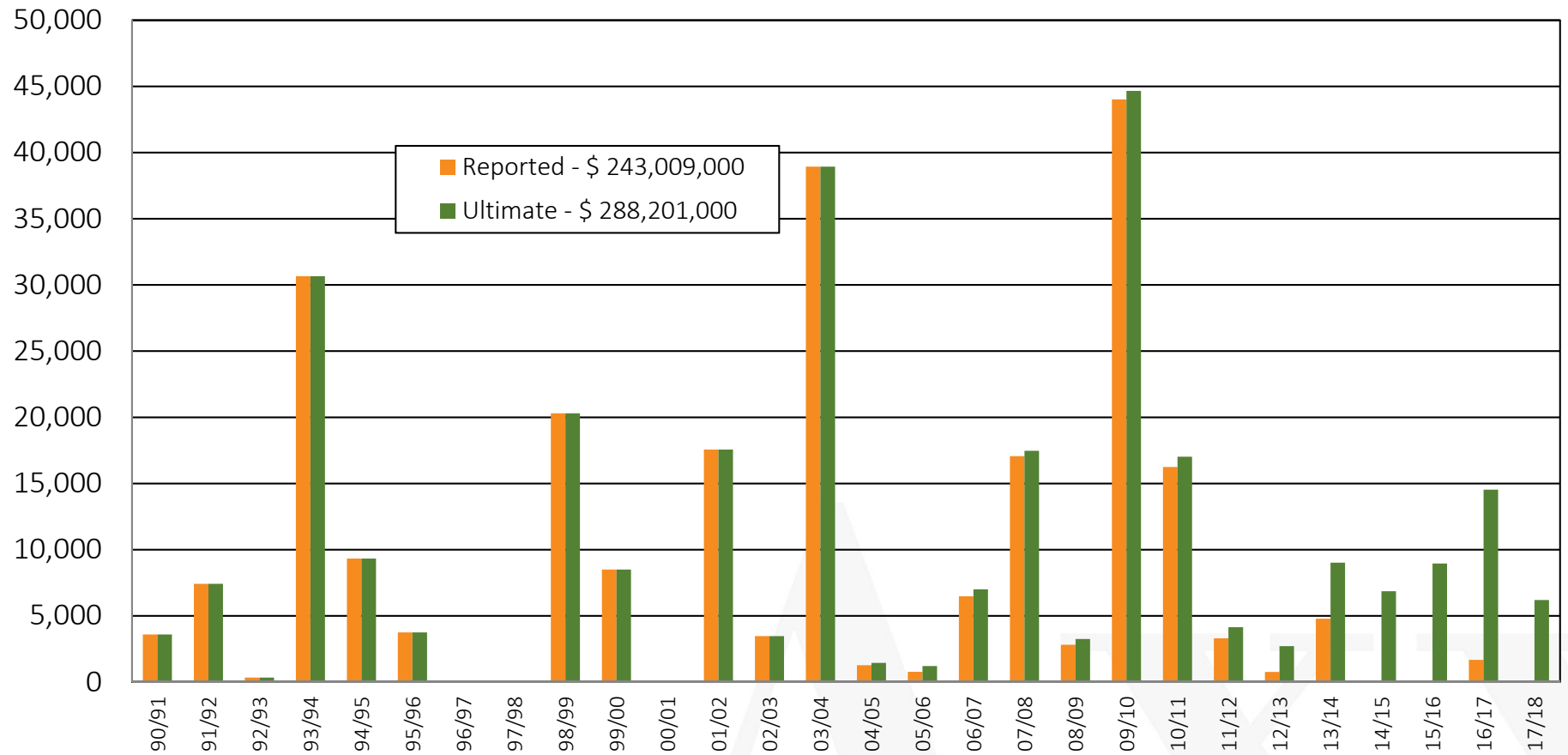
Reported Incurred Loss Activity – Claim Counts *



* Includes non-zero claims only

CLLAS

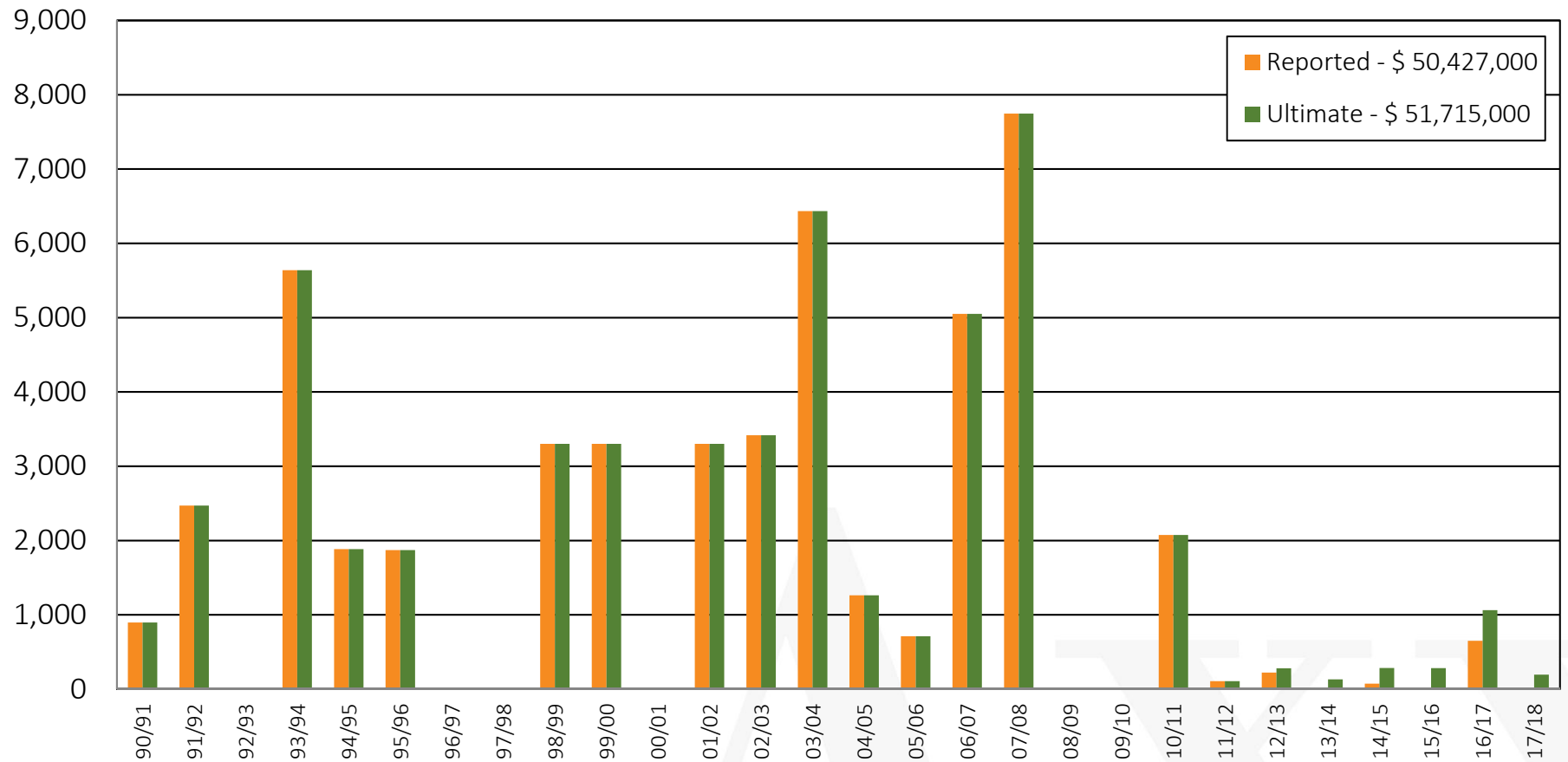
Gross Reported vs. Ultimate Losses* (in \$000's)



* Excluding ULAE

CLLAS

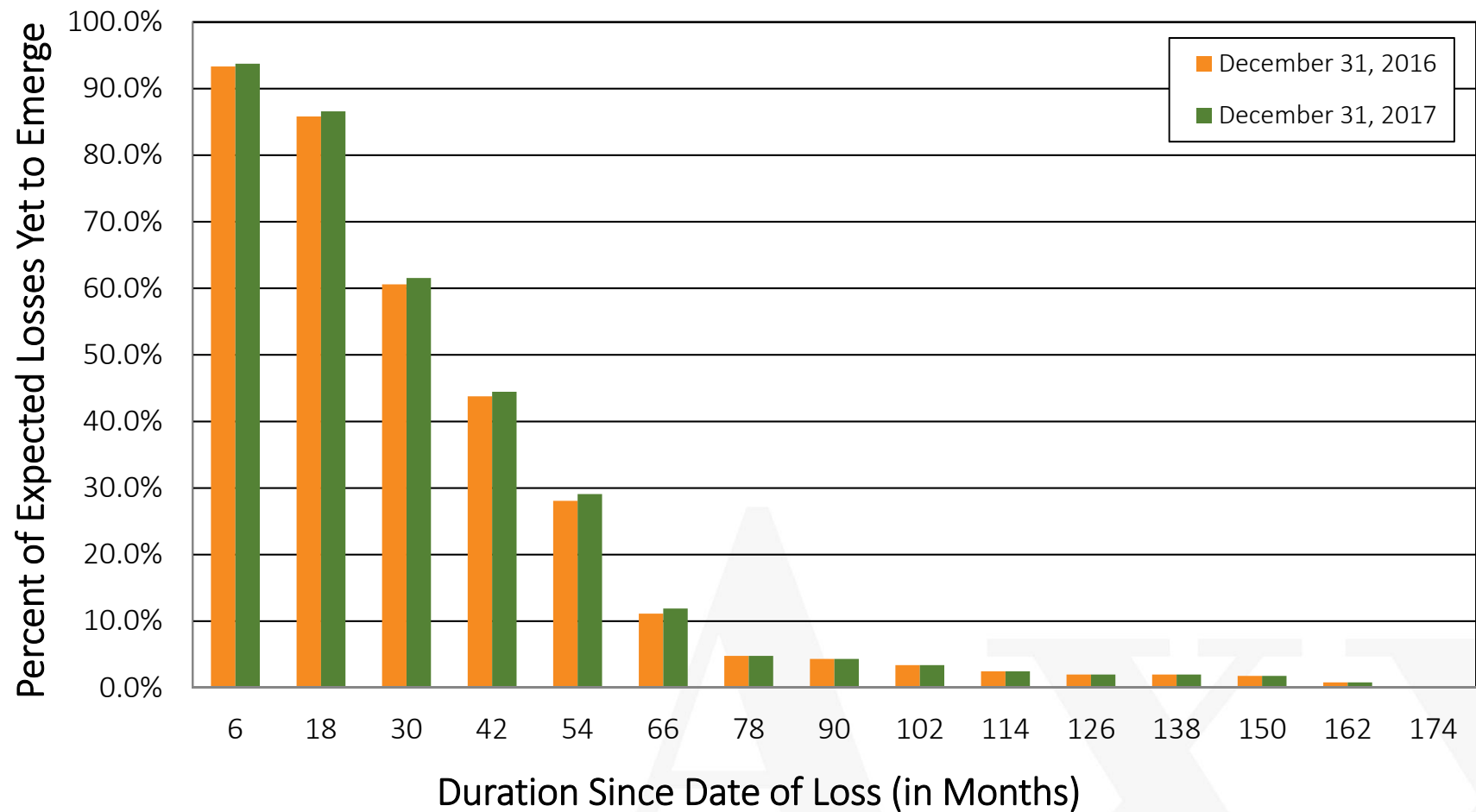
Net Reported vs. Ultimate Losses* (in \$000's)



* Excluding ULAE; Ultimate losses are fixed for policy periods prior to June 30, 2012 due to the Loss Portfolio Transfer with Colchester Reinsurance Ltd.

CLLAS

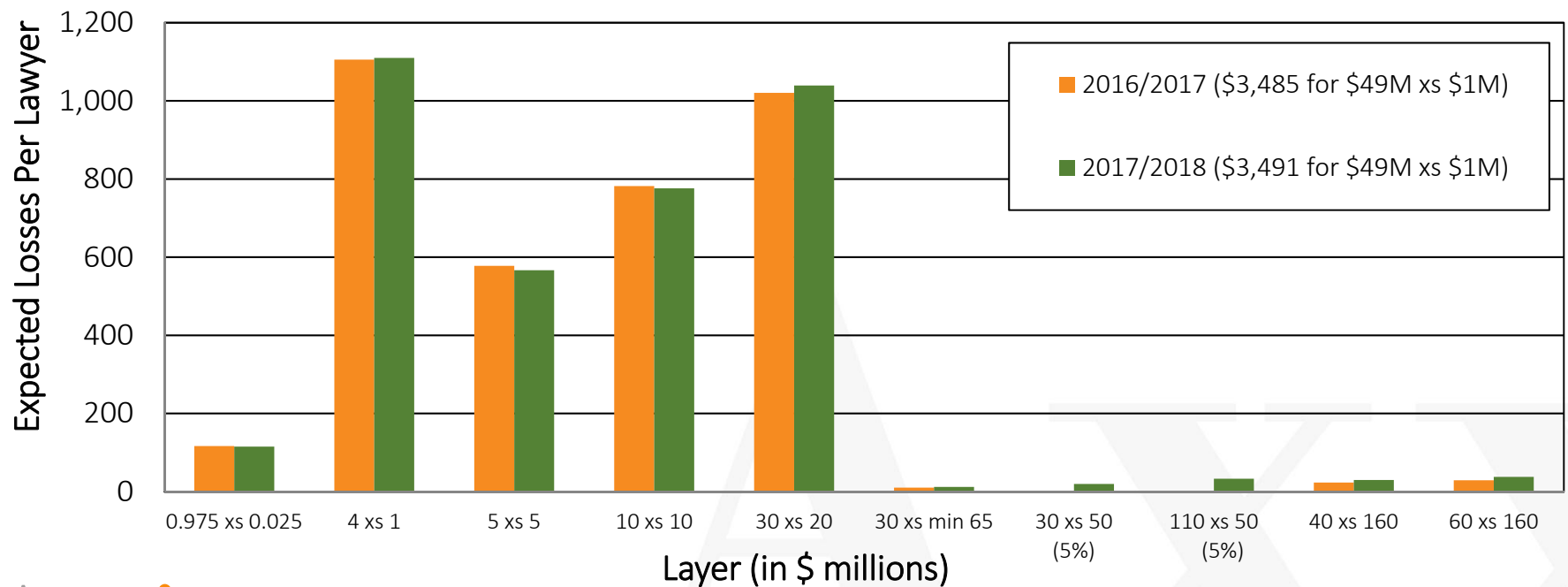
Loss Development Factors



CLLAS

2017/2018 Expected Loss Costs

- Revision of expected loss costs for 2017/2018 reflects emerging expectations of expected losses in each layer.
- The \$49M xs \$1M layer is broken down into smaller layers for valuation purposes: \$4M xs \$1M, \$5M xs \$5M, \$10M xs \$10M and \$30M xs \$20M.



CLLAS

Arrangement between CLLAS and Colchester for 2017/2018

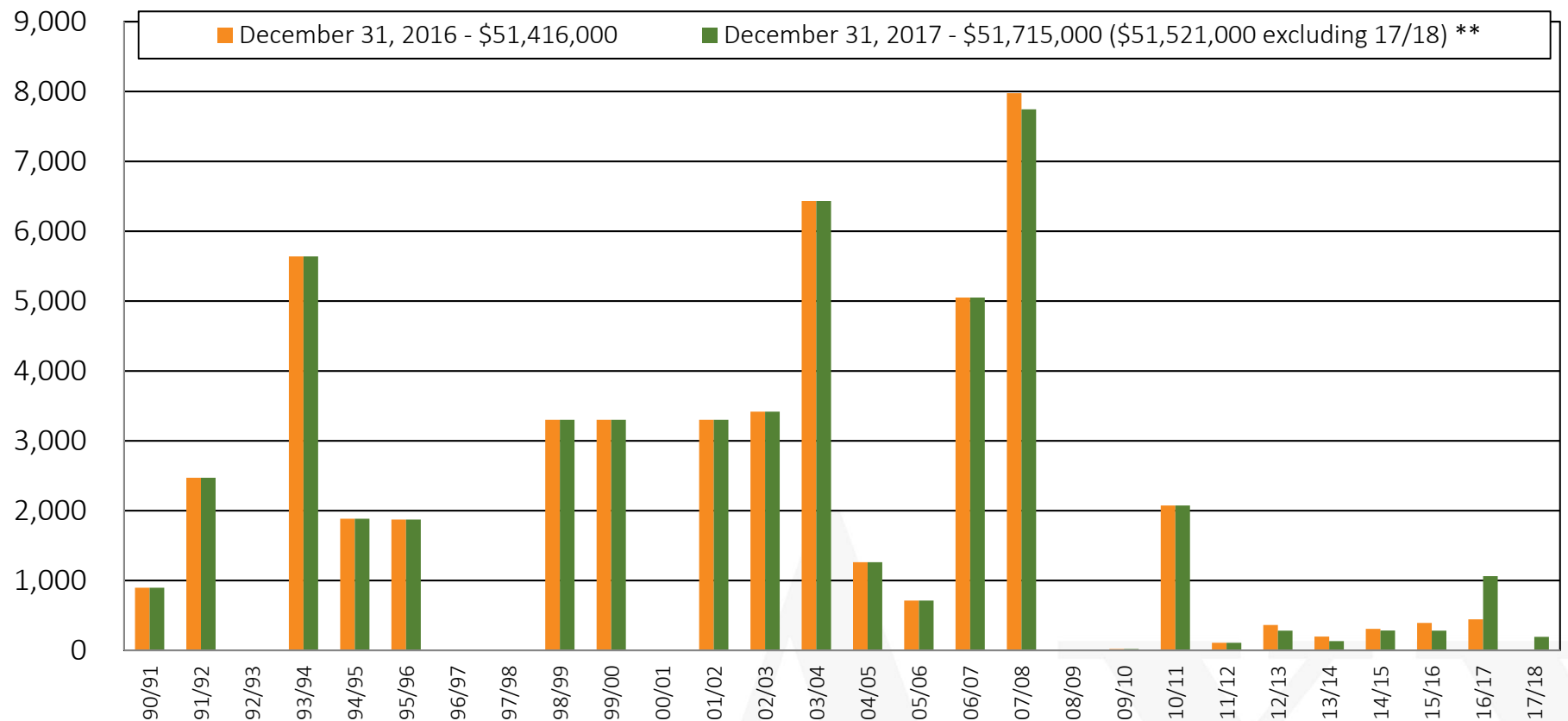
- Colchester retains 20% of the layer \$49,000,000 xs \$1,000,000 and 7.5% of the layer \$60,000,000 xs \$160,000,000
- The per-claim retention for CLLAS subject to the aggregate limit includes:
 - 100% of the layer \$975,000 xs \$25,000
 - 0% of the layer \$49,000,000 xs \$1,000,000
- Colchester provides aggregate reinsurance coverage of \$10,000,000 in excess of a \$5,000,000 limit

Loss Portfolio Transfer to Colchester on June 30, 2012

- Colchester purchased net outstanding claims obligations on policies written between July 1, 1987 and June 30, 2012
- CLLAS's remaining net claim liabilities attributable to the business written prior to June 30, 2012 are provisions for ULAE

CLLAS

Evolution of Net Ultimate Losses* (in \$000's)



* Excluding ULAE

**There is no development on policy periods prior to June 30, 2012 due to the loss portfolio transfer with Colchester Reinsurance Ltd, except for recoveries such as for policy year 2007/2008.

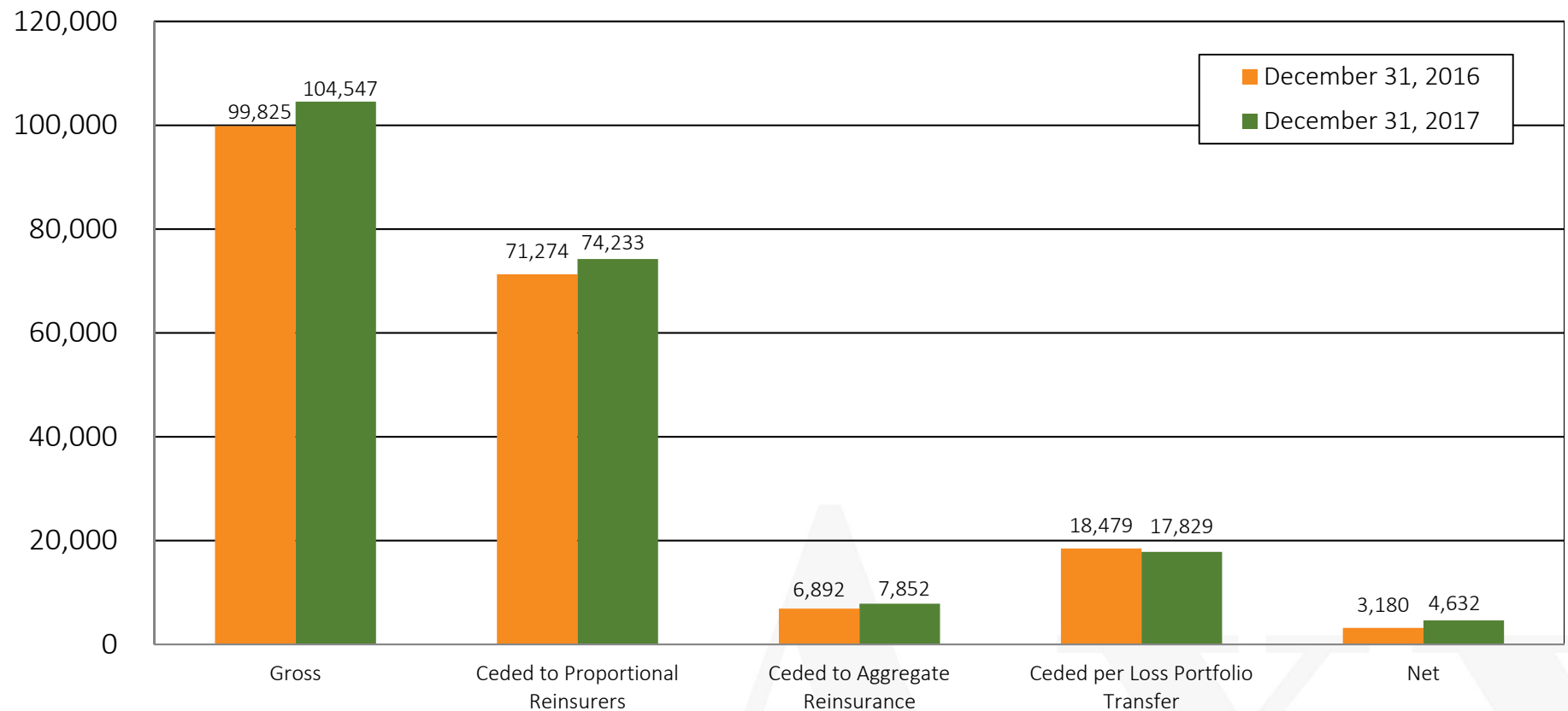
CLLAS

Unallocated Loss Adjustments Expenses (ULAE)

- Represents the provision for the claims management function to service existing obligations if CLLAS were to cease writing business on December 31, 2017
- Loading of 2.60% applied to gross case reserves and gross provisions for IBNR (increase from 1.95% as of December 31, 2016 due to lengthening of ULAE period from 7 to 10 years)
- Provision for ULAE at December 31, 2017: \$2,650,000
- The provision for ULAE is entirely retained by CLLAS

CLLAS

Breakdown of Outstanding Claim Liabilities* (in \$000's)



* On an undiscounted basis

CLLAS

Valuation Basis

- Statutory Purposes and Professional Requirements:
Discounted Liabilities
+
Provision for Adverse Deviation (PFAD)

Discounted Liabilities

- The discount rate is used for the discounting of future claims payments
- A discount rate of 2.15% (1.75% in 2016) was selected based on the market yield of CLLAS' fixed income portfolio at December 31, 2017 since CLLAS has classified its fixed income portfolio as available-for-sale per IFRS 9

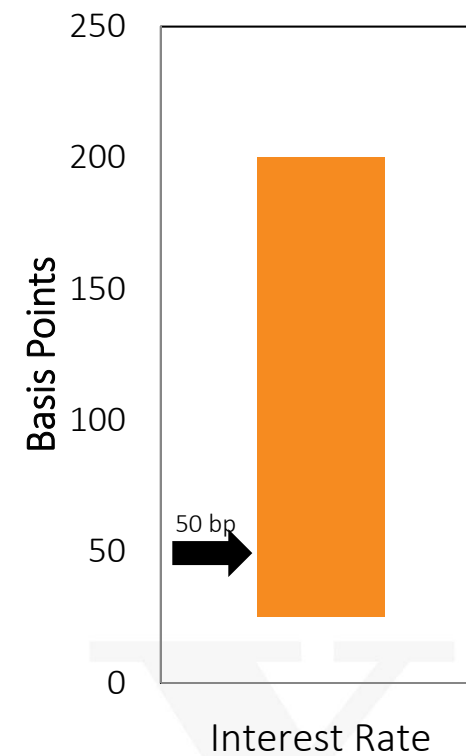
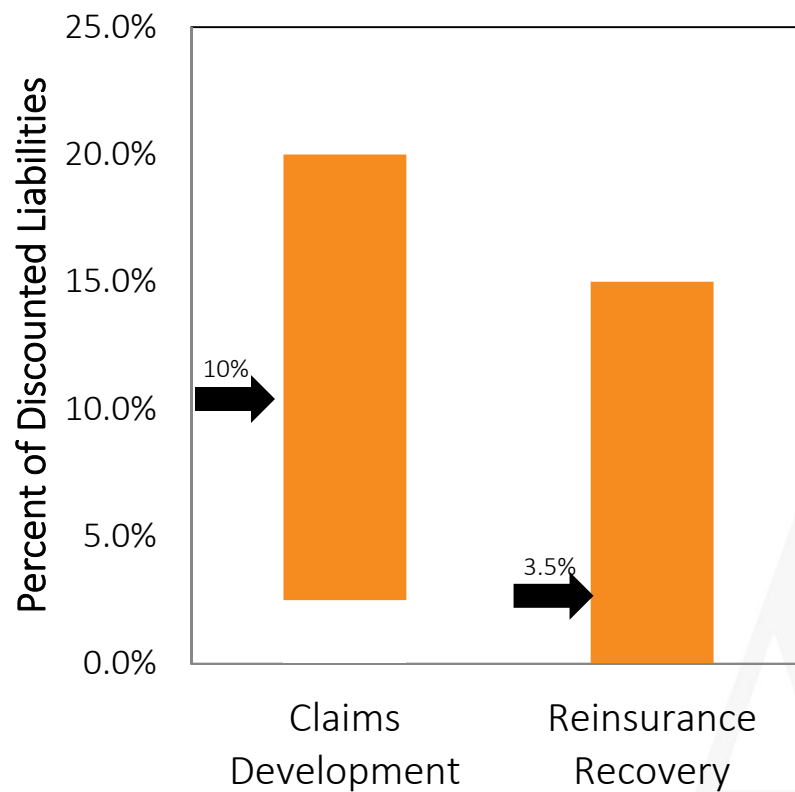
CLLAS

PFAD reflects three variables:

- **Claims development:**
Claims experience worse than expected
- **Reinsurance recovery:**
Reinsurers default on their obligations
- **Interest rate:**
Investment yield below expectations

CLLAS

Selected Margins for Adverse Deviation



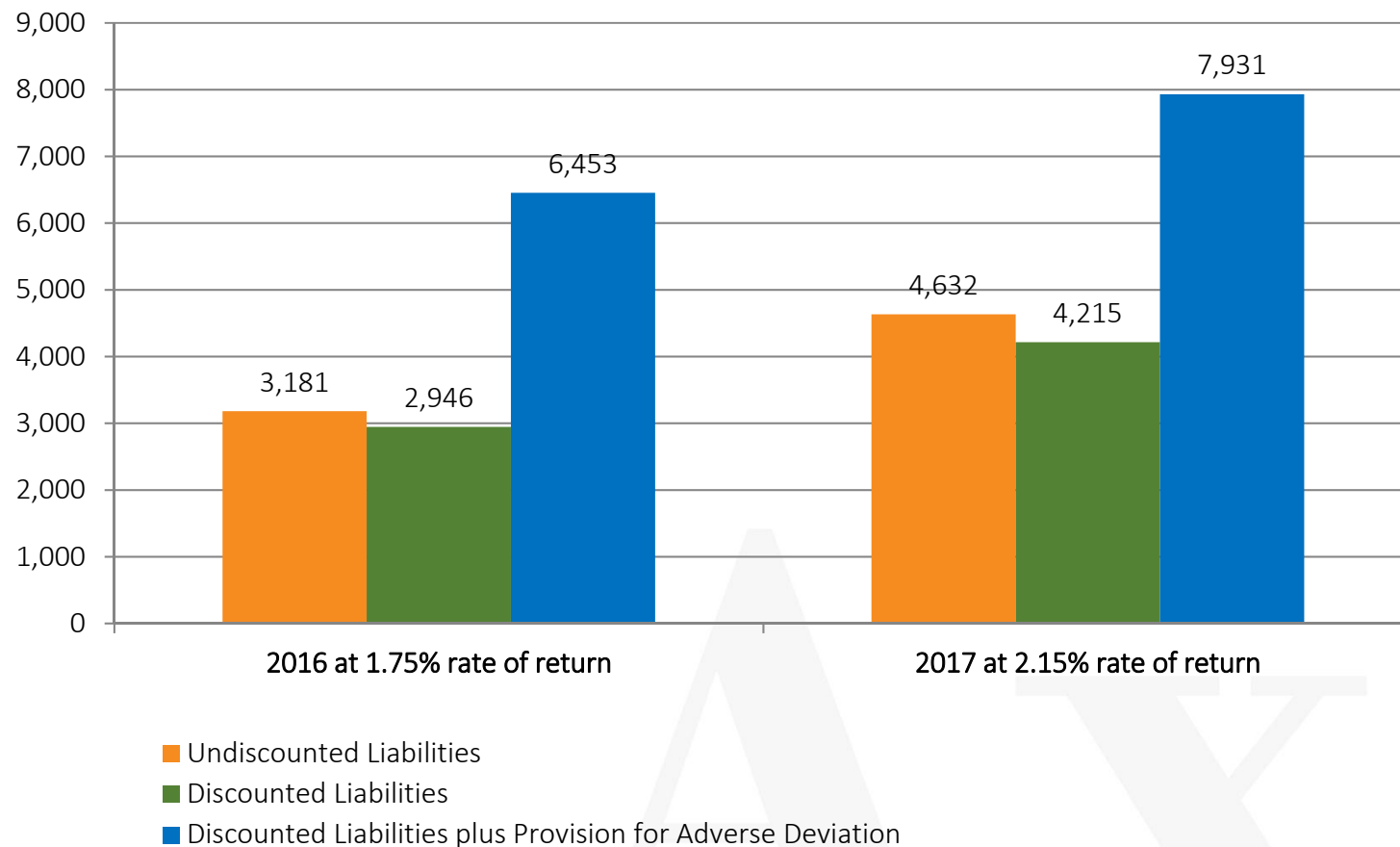
CLLAS

Impact of changes in methodology and assumptions

- There was no change in methodology in the valuation at December 31, 2017 other than the lengthening of the ULAE period.
- The impact of the change in loss development factors, ULAE load, discount rate and reinsurance PFAD led to an increase of \$533,000 in net discounted claim liabilities

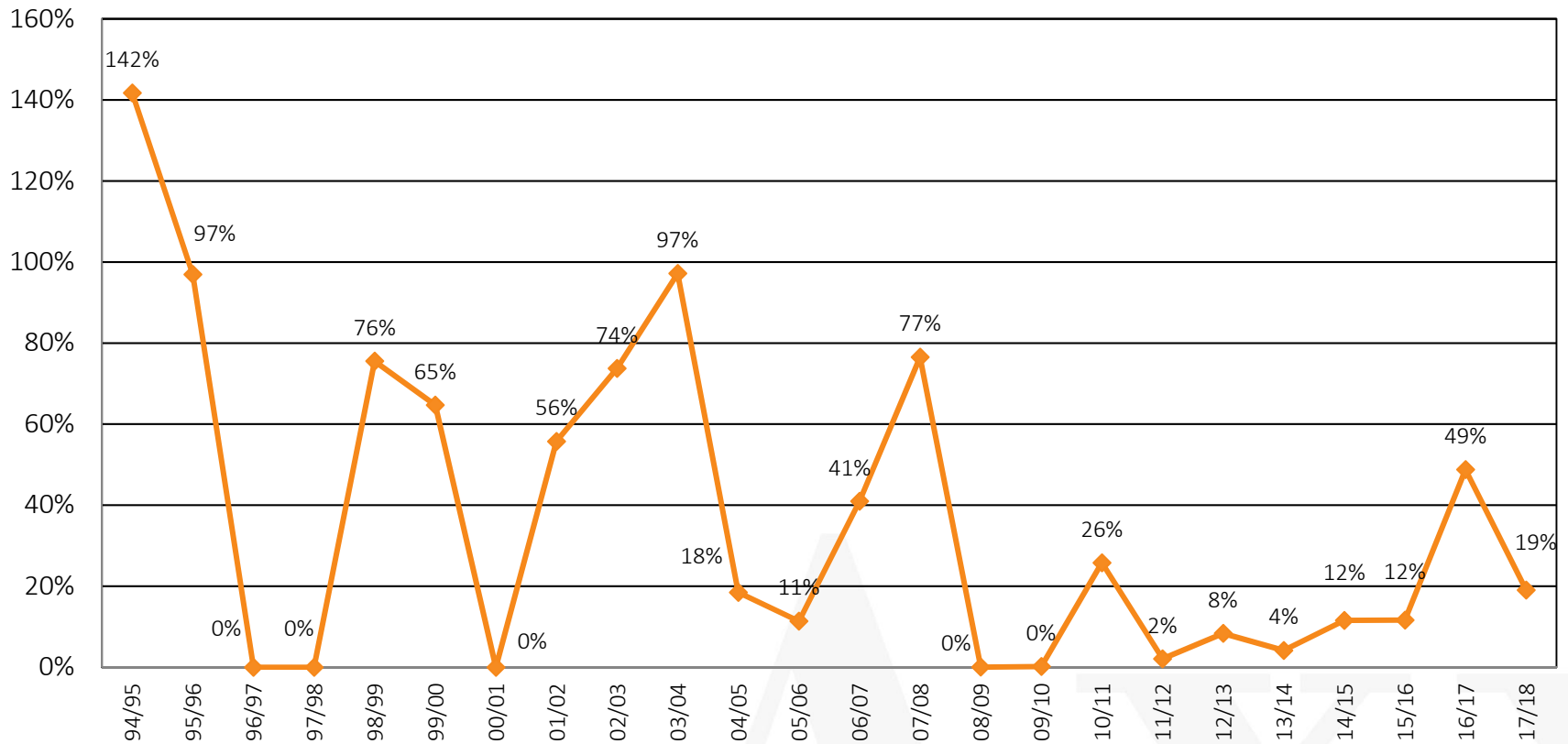
CLLAS

Summary of Net Provision for Unpaid Claims (in \$'000s)



CLLAS

Net Ultimate Loss Ratio*



* Excluding ULAE

CLLAS

Premium Liabilities

- A premium deficiency is generated if the premiums yet to be earned are not expected to sustain the expected expenses associated with earning them, i.e., if

Net unearned premiums

- Net liabilities in connection with unearned premiums
- Deferred policy acquisition expenses
- = Less than zero

- The premium deficiency is \$0
- The deferred policy acquisition expense asset is \$103,000

CLLAS External Peer Review

The peer reviewer had the following recommendations:

- In the Expression of Opinion, line 9 shows only “Unearned Commissions” in the table of premium liabilities. According to the OSFI Memorandum for the Appointed Actuary, line 9 also includes “Ceded Deferred Premium Taxes” and “Ceded Deferred Insurance Operations Expenses”. Please change the line name and add those amounts to line 9, if any.
- adding a comment on how you derive the investment expenses in the section of Discounting and Provision for Adverse Deviation (page 16) (the discount rate is reduced by the investment expenses of 0.17%)
- adding some comments on the explicit margin for expected credit-related events in the discount rate section.
- adding more uncertainty to MfAD for premium liability or comment on your reasoning to select the same level of margins.
- adding commentary on the differences between page 60.40 and AAR’s runoff exhibit.
- including the supplementary information supporting the Opinions.

As a result of these recommendations, additional commentary and Part 10 can be found in our report.



discussion

Canadian Lawyers Liability Assurance Society

External Actuarial Peer Review of the Appointed Actuary's
Report as at December 31, 2017

February 2, 2018





February 2, 2018

Mr. Patrick Mahoney
General Manager
Canadian Lawyers Liability Assurance Society
36 Toronto Street, Suite 510
Toronto, Ontario M5C 2C5

Dear Mr. Mahoney:

It is with pleasure that we submit our External Actuarial Peer Review of the Appointed Actuary's Report for Canadian Lawyers Liability Assurance Society (CLLAS) as at December 31, 2017. The enclosed report contains our Expression of Regulatory Opinion, as well as documentation supporting the opinion.

Please contact me if you have any questions regarding this report.

Yours truly,

A handwritten signature in blue ink, appearing to read "Bourassa", with a stylized flourish at the end.

Pierre Bourassa FCIA FCAS

Actuarial Services

Enclosure

*PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502, www.pwc.com/ca*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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Executive Summary

I have completed the external peer review of the work of the Appointed Actuary of Canadian Lawyers Liability Assurance Society (CLLAS), Julie-Linda Laforce, for the year ending December 31, 2017. The scope of the review included the valuation assumptions and methods subject to the Reliance and Limitations described in this report.

In my opinion, the valuation methodology and assumptions employed in the year-end 2017 valuation are consistent with the Canadian Institute of Actuaries (CIA) Standards of Practice and accepted actuarial practice.

This external review was completed concurrently with the external audit of CLLAS by Deloitte. The Appointed Actuary requested that the auditor perform specified procedures over the Appointed Actuary's valuation process controls and the integrity of the data used in the administration and valuation systems.

The Appointed Actuary uses a materiality of \$250,000. For the materiality level of this review, I used the Appointed Actuary's materiality. This report was issued on a pre-release basis.

I had some recommendations to the Appointed Actuary as part of my external peer review of the draft Appointed Actuary's Report. All my recommendations have been included in the revised report.

Introduction and Scope

Purpose

I have been appointed by the Canadian Lawyers Liability Assurance Society (CLLAS) to complete an external actuarial peer review of the valuation of the policy liabilities completed by Ms. Julie-Linda Laforce, FCIA, the Appointed Actuary (AA) of CLLAS, for the year ending December 31, 2017. This external review is dictated by the Superintendent of Insurance, Alberta Treasury Board and Finance which has adopted the statutory requirement as per Guideline E-15 issued by the Office of the Superintendent of Financial Institutions (OSFI).

OSFI has identified the following goals for the external review of any company under its jurisdiction:

- Assist OSFI in its assessment of the insurer's safety and soundness;
- Maintaining and strengthen confidence in the work of the AA by the public, by insurance company management and directors, and by supervisory authorities;
- Be of benefit to the AA by providing (i) a source of independent consultation advice, and (ii) an additional source of professional education. This aids in narrowing the range of practice by AA's and improving the quality of their work. OSFI recognized that this is not the only source of professional development for the AA.

In order to achieve OSFI's objective to assess insurers' safety and soundness, the reviewer is expected to:

- Ascertain that the work of the AA for the valuation of policy liabilities and ceded reinsurance assets is in compliance with accepted actuarial practice, as established by the Actuarial Standards Board and the CIA, and is consistent with any objectives or requirements established by OSFI in Regulations, Guidelines or the Memorandum to the AA;
- Review the appropriateness of external and internal material changes affecting the valuation of policy liabilities and ceded reinsurance assets. The reviewer should assess the risk of material misstatement or omissions arising from each change, as opposed to just the net effect of off-setting changes;
- Review the adequacy of procedures, systems and the work of others relied on by the AA, to the extent that these are not reviewed by the external auditor. This includes checks on data integrity and checks on procedures and methodologies used to validate the valuation calculations and results;
- Discuss with the AA the appropriateness of each of the assumptions used and the methods employed in the valuation of actuarial policy liabilities and ascertain that the assumptions are at the appropriate point in the range of accepted actuarial practice, given the circumstances of the company;
- Determine whether the Appointed Actuary's Report (AAR) sufficiently describes the valuation assumptions and valuation methodology employed by the AA;
- Review the work of the AA in the areas that require actuarial assumptions and calculations related to the MCT/BAAT returns and ensure that the work is consistent with the report; and
- Produce a written report documenting the findings of the review.

My name is Pierre Bourassa, the author of this report. I am a Fellow in good standing of the Canadian Institute of Actuaries and the Casualty Actuarial Society. In rendering this opinion I have followed the Accepted Actuarial Practice of the Canadian Institute of Actuaries, and the guidelines of the Office of the Superintendent of Financial Institutions.

My business address is:

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, suite 2500
Montréal, Québec H3B 4Y1

Telephone: (514) 205-5076
Fax: (514) 205-5675
Email: pierre.bourassa@pwc.com

This valuation report answers the requirement of OSFI's Guideline E-15. The results of our analysis are presented on the Expression of Opinion and are supported by the remainder of this document.

Distribution and Use

This report should be read in its entirety. This statement of opinion is given to CLLAS's management, the AA, and to the Alberta regulator for the purpose of satisfying the Guideline E-15 requirement for an external actuarial peer review of the policy liabilities of CLLAS as at December 31, 2017. It is not to be relied upon by any other person or entity or used for any other purpose. PricewaterhouseCoopers LLP assumes no responsibility for the information provided to it by the AA or for use by or disclosure to any other persons or entities of this opinion for any other purpose.

Reliance and Limitations

In completing this external review, PwC relied on work performed and information provided by the AA. The Appointed Actuary requested that the external auditor perform specified procedures that included testing a sample of premiums and claims data, reviewing year-end bank reconciliations for any large unusual reconciling items, confirming investments held with the custodian, testing the market value of a sample of investments and testing the calculation of accrued investment income.

The ultimate claim and policy liabilities estimated by the Appointed Actuary are subject to variability, and this variability can have a material impact in the near term. The possibility of this variability arises because all factors affecting the ultimate liability for loss and loss adjustment expense have not yet taken place and cannot be evaluated with absolute certainty. Such factors may include, but are not limited to, change in judicial interpretation of policy provisions and expected future inflationary trends.

Expression of Opinion

To the Superintendent of Insurance, Alberta Treasury Board and Finance:

I have completed an external peer review of the Appointed Actuary's Report by Ms. Julie-Linda Laforce for Canadian Lawyers Liability Assurance Society as at December 31, 2017 in accordance with the Standards of Practice of the Actuarial Standards Board. My review of Ms. Laforce's work was in compliance with Section 3 of OSFI's Guideline E-15, dated August 2003 and updated September 2012.

It is my opinion that:

1. The work of the Appointed Actuary for the valuation of policy liabilities and ceded reinsurance assets is within the range of accepted actuarial practice, as established by the CIA, and is consistent with objectives and requirements established by OSFI in Regulations, Guidelines and Memorandum to the Appointed Actuary;
2. The assumptions and methods employed are appropriate to the overall circumstances of the CLLAS;
3. I have reviewed the appropriateness and extent of internal and external material changes affecting the valuation of policy liabilities and ceded reinsurance assets and agree that no additional material changes should be made;
4. The procedures, systems and the work of others relied upon by the Appointed Actuary are adequate;
5. The 2017 AAR sufficiently describes the valuation assumptions and valuation methodology employed by the Appointed Actuary; and
6. For MCT returns, the work of the Appointed Actuary is consistent with the report.

Signature



Pierre Bourassa, FCIA FCAS
February 2, 2018

CLLAS Overview

CLLAS was formed in 1986 and licensed in Ontario as an insurer in 1987 and the first policies were issued with an effective date of July 1, 1987. Effective July 1, 2012, CLLAS's lead regulator was changed from Ontario to Alberta. CLLAS is licensed in Alberta, British Columbia and Ontario, and since March 4, 2015, it is also licensed in Nova Scotia.

CLLAS provides professional liability insurance to subscribing law firms in excess of the compulsory coverage provided by the various law societies. Coverage provided by CLLAS has been on a claims made basis since inception. For the first policy term (July 1, 1987 to June 30, 1988), coverage was in excess of \$600,000 and in subsequent policy terms the coverage is in excess of \$1,000,000.

Commentary

Procedures, Systems and Work of Others

The external reviewer is not required to perform any detailed recalculations, as long as the reviewer determines that the controls and procedures used by the AA are adequate to identify potential errors in the valuation results.

Data

The loss, expense, premium, and investment data for this analysis were provided by the AA of CLLAS. I relied on her for the quality of this information.

My review included an evaluation of the AA's procedures for assuring the valuation data was reliable and sufficient for the purpose of the work. The AA has included in her report a reconciliation of the gross paid and gross case reserves in CLLA's claims bordereaux to CLLAS's financial records.

In summary, the AA's procedures for assuring the reliability and sufficiency of data are reasonable.

Methods and Assumptions

Undiscounted Claims Liabilities

- **Loss Development Factors**

The AA selected loss development factors based on the observed development for lawyers professional liability excess loss experience from a number of the law societies as a guide. This approach is reasonable.

- **Expected Loss Cost per Lawyer**

The expected loss cost per lawyer is based on rating studies performed annually since 1995. The loss cost varies by layer of coverage. This approach is reasonable.

- **Selection of Ultimate Losses**

The AA used the Incurred Bornhuetter-Ferguson Loss Cost (LC) method to determine the ultimate loss. This method is reasonable and standard among peer group companies. The AA selected the Incurred Bornhuetter-Ferguson LC method for all policy periods. I found the valuation method used by the AA to be consistent with CIA Standards of Practice and accepted actuarial practice.

Internal Loss Adjustment Expense (ILAE)

The AA used a non-traditional method for determining ILAE for CLLAS. The AA used estimates of the claims management expenses for 2018 and assumes this expense will decrease at an annual rate of 1/10 from 2018 to 2027 and also indexes the expenses at 2% per year for the future years. To determine the

ILAE for CLLAS, the AA then sums up the estimated future expenses from 2018 to 2027. The provision for the ILAE is reasonable and appropriate for CLLAS.

Actuarial Claims Liabilities

- **Provision For Adverse Deviation**

The Provision For Adverse Deviation (PFAD) separately covers claims development, reinsurance (retrocession in the case of a reinsurer) recovery, and interest rate.

For the claims development PFAD, the CIA's recommended Margin For Adverse Deviation (MFAD) range is from 2.5% to 20.0%. The AA's selected MFAD for claims development is 10.0%. The selected margin is reasonable.

For the reinsurance recovery PFAD, the CIA's recommended MFAD range is between 0.0% and 15.0%. The AA's selected MFAD for reinsurance recovery is 3.5%. The selected margin is reasonable.

For the interest rate PFAD, the CIA's recommended MFAD is between 25 and 200 basis points. The AA's selected MFAD for interest rate is 50 basis points. The selected margin is reasonable.

- **Discount Rate**

I reviewed the derivation of the interest rate used to discount the policy liabilities. The discount rate selected by the AA is 2.15%(1.75% last year), which is net of an investment management expense of 0.17%. The selected discount rate is calculated using the weighted effective yield of the investment portfolio as at December 31, 2017. The portfolio yield is a weighted average of each individual security in the portfolio, with the duration and market value used as weights.

Recommendation: I recommend adding a comment on how to derive the investment expenses of 0.17%.

Recommendation: According to 6.7.4 Discounted Claim Liabilities of the 2017 OSFI Memorandum for the Appointed Actuary,

“In particular, the selected discount rate(s) should be reduced by an explicit margin for expected credit-related events, including expected asset default. This reduction is in addition to the unexpected credit risks within the investment return rate margin. The Appointed Actuary should clearly document the rationale for the selections including where the explicit margin is zero.”

I would recommend adding some comments on the explicit margin for expected credit-related events in the discount rate section.

Premium Liabilities

Unearned premiums are expected to be sufficient to cover losses and associated expenses incurred as the premium is earned. The AA's procedures and estimates for premium liabilities were reasonable and CLLAS has booked a deferred policy acquisition asset (DPAC) of \$103,000 which is lower than the maximum allowable of \$255,000.

The AA states on page 25 of her report that she knows of no unusual problems or delays, which should be expected in the collection of reinsurance recoverable. The AA reviewed the list of reinsurers, and the reinsurance was placed with reputable companies. The AA made no further allowance for uncollectible reinsurance.

Recommendation: In the premium liability calculation in Part 6, the margin for adverse deviation (MfAD) for claims development is the same as MfAD used in claims liability. According to the CIA educational note on premium liability and discounting, generally there would be greater uncertainty for claims that have yet to occur, such as those arising from the unexpired portion of in-force business (premium liability), than for claims that occurred in a prior period (claims liability). I would consider adding more uncertainty to MfAD for premium liability or comment on your reasoning to select the same level of margins.

Comparison of Actual with Expected Experience in Prior-Year-End Valuations

OSFI requires that a comparison of actual experience with expected experience on an undiscounted basis for 10 years on a gross and net basis. The AA provides a comparison of the actual experience with expected experience for the last 10 years on a gross and net basis. CLLAS had favourable development on a gross basis and unfavourable development on a net basis during 2017.

Recommendation: Part 4 shows the Comparison of Actual Experience with Expected Experience. OSFI requires that the AA include a discussion of the differences between page 60.40 of the Annual Report and that shown in the Comparison of Actual Experiences, which can arise from such items as ULAE, FA and other reserves. I recommend adding commentary on the differences between page 60.40 and AAR's runoff exhibit.

Actuarial Assumptions Used in the MCT

The AA provided her estimates of the durations of claims and premium liabilities to CLLAS to be used in preparing the Interest Rate Risk margin in the MCT. I found the AA's estimate of the claims and premium liability durations reasonable.

Compliance with Office of the Superintendent of Financial Institutions Memorandum to the Appointed Actuary

The report is compliant with the 2017 OSFI memorandum to the Appointed Actuary, except for the recommendations mentioned above and below.

Recommendation: In the Expression of Opinion, line 9 shows only “Unearned Commissions” in the table of premium liabilities. According to the OSFI Memorandum for the Appointed Actuary, line 9 also includes “Ceded Deferred Premium Taxes” and “Ceded Deferred Insurance Operations Expenses”. Please change the line name and add those amounts to line 9, if any.

Recommendation: OSFI requires that the AAR contain the references to the report sections, exhibits and/or appendices on how to derive the Appointed Actuary’s figures. I would consider including the supplementary information supporting the Opinions.

Communication with the Appointed Actuary

Throughout my review, I have been communicating with the AA regarding CLLAS's experience and the various actuarial assumptions used in her analysis. The AA answered all my questions promptly and clearly, and the explanations provided resolved any outstanding queries to my satisfaction.

Recommendations

This review uncovered no material errors or issues. I have the following recommendations for the Appointed Actuary:

1. In the Expression of Opinion, line 9 shows only “Unearned Commissions” in the table of premium liabilities. According to the OSFI Memorandum for the Appointed Actuary, line 9 also includes “Ceded Deferred Premium Taxes” and “Ceded Deferred Insurance Operations Expenses”. Please change the line name and add those amounts to line 9, if any.
2. In the section of Discounting and Provision for Adverse Deviation (page 16), the discount rate is reduced by the investment expenses of 0.17%. I would recommend adding a comment on how you derive the investment expenses.
3. According to 6.7.4 Discounted Claim Liabilities of the 2017 OSFI Memorandum for the Appointed Actuary,

“In particular, the selected discount rate(s) should be reduced by an explicit margin for expected credit-related events, including expected asset default. This reduction is in addition to the unexpected credit risks within the investment return rate margin. The Appointed Actuary should clearly document the rationale for the selections including where the explicit margin is zero.”

I would recommend adding some comments on the explicit margin for expected credit-related events in the discount rate section.
4. In the premium liability calculation in Part 6, the margin for adverse deviation (MfAD) for claims development is the same as MfAD used in claims liability. According to the CIA educational note on premium liability and discounting, generally there would be greater uncertainty for claims that have yet to occur, such as those arising from the unexpired portion of in-force business (premium liability), than for claims that occurred in a prior period (claims liability). I would consider adding more uncertainty to MfAD for premium liability or comment on your reasoning to select the same level of margins.
5. Part 4 shows the Comparison of Actual Experience with Expected Experience. OSFI requires that the AA include a discussion of the differences between page 60.40 of the Annual Report and that shown in the Comparison of Actual Experiences, which can arise from such items as ULAE, FA and other reserves. I recommend adding commentary on the differences between page 60.40 and AAR’s runoff exhibit.
6. OSFI requires that the AAR contain the references to the report sections, exhibits and/or appendices on how to derive the Appointed Actuary’s figures. I would consider including the supplementary information supporting the Opinions.

All my recommendations above have been included in the revised report.

Financial statements of

Canadian Lawyers Liability Assurance Society

December 31, 2017

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Independent Auditor's Report

To the Advisory Board of
Canadian Lawyers Liability Assurance Society

We have audited the accompanying financial statements of Canadian Lawyers Liability Assurance Society, which comprise the statement of financial position as at December 31, 2017, and the statements of comprehensive income (loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We believe that the audit evidence we have obtained in our audit(s) is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Lawyers Liability Assurance Society as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

[To be signed Deloitte LLP]

Chartered Accountants
Licensed Public Accountants
_____, 2018

Canadian Lawyers Liability Assurance Society**Statement of financial position**

As at December 31

	2017	2016
	\$	\$
Assets		
Cash at bank	3,140,371	4,731,655
Short term investments (Note 4)	11,745,460	11,587,109
Bonds (Note 4)	5,091,893	5,150,585
Interest income due and accrued	18,532	21,121
Premiums receivable (Note 6)	1,782,634	2,520,380
Prepaid expenses	139,500	139,500
Deferred policy acquisition costs	103,310	154,221
Reinsurers' share of unearned premiums	2,541,253	4,182,181
Reinsurance receivable	617,756	837,614
Provision for unpaid claims and adjustment expenses recoverable from reinsurers (Note 5)	96,568,000	94,794,000
Total assets	121,748,709	124,118,366
Liabilities		
Accounts payable and accrued charges	513,612	643,905
Unearned premiums	3,539,875	5,261,568
Due to reinsurers	1,649,031	2,514,054
Provision for unpaid claims and adjustment expenses (Note 5)	104,499,000	101,247,000
Total liabilities	110,201,518	109,666,527
Equity		
Minimum surplus (Note 12)	50,000	50,000
Additional surplus (Note 12)	11,518,960	14,340,229
Accumulated other comprehensive (loss) income	(21,769)	61,610
Total equity	11,547,191	14,451,839
Total liabilities and equity	121,748,709	124,118,366

Accompanying notes are an integral part of the financial statements.

On behalf of the Advisory Board

Chair of the Audit Committee

Director

Canadian Lawyers Liability Assurance Society**Statement of comprehensive income (loss)**

Years ended December 31

	2017	2016
	\$	\$
Premiums		
Written premiums	7,138,422	10,610,344
Reinsurance ceded	5,124,626	8,433,679
Net written premiums	2,013,796	2,176,665
Change in unearned premiums	80,765	121,054
Earned premiums	2,094,561	2,297,719
Expenses		
Claims (Note 5)	1,286,787	(155,233)
Premium deficiency adjustment	-	-
Operating expenses (Note 7)	2,072,921	1,965,608
Premium taxes	257,531	327,434
	3,617,239	2,137,809
Underwriting (loss) income for the year	(1,522,678)	159,910
Investment income (Note 4)	201,409	170,280
Net (loss) income for the year	(1,321,269)	330,190
Change in unrealized losses on available-for-sale financial assets arising during the year	(83,379)	(65,817)
Other comprehensive loss	(83,379)	(65,817)
Comprehensive (loss) income	(1,404,648)	264,373

Accompanying notes are an integral part of the financial statements.

Canadian Lawyers Liability Assurance Society**Statement of changes in equity**Years ended December 31

	Minimum surplus	Additional surplus	Accumulated other comprehensive income	Total equity
	\$	\$	\$	\$
Balance December 31, 2015	50,000	14,010,039	127,427	14,187,466
Net income (loss)	-	330,190	-	330,190
Other comprehensive income (loss)	-	-	(65,817)	(65,817)
Balance December 31, 2016	50,000	14,340,229	61,610	14,451,839
Net income (loss)				
Other comprehensive income (loss)	-	(1,321,269)	(83,379)	(1,404,648)
Distribution of premium surplus	-	(1,500,000)		(1,500,000)
Balance December 31, 2017	50,000	11,518,960	(21,769)	11,547,191

Accompanying notes are an integral part of the financial statements.

Canadian Lawyers Liability Assurance Society**Statement of cash flows**

Years ended December 31

	2017	2016
	\$	\$
Operating activities		
Net (loss) income for the year	(1,321,269)	330,190
Changes in non-cash items:		
Interest income due and accrued	2,589	(1,185)
Premiums receivable	737,746	1,539,211
Reinsurers' share of unearned premiums	1,640,928	802,666
Deferred policy acquisition costs	50,911	18,992
Reinsurance receivable	219,858	759,678
Provision for unpaid claims and adjustment expenses recoverable from reinsurers	(1,774,000)	1,326,000
Provision for unpaid claims and adjustment expenses	3,252,000	(1,261,000)
Premium deficiency liability		
Unearned premiums	(865,023)	(923,721)
Due to reinsurers	(1,721,693)	1,004,716
Accounts payable and accrued charges	(130,292)	(266,784)
Amortization of bond premium	(40,908)	(26,740)
Amortization of bond discount	8,885	8,408
Cash (used in) provided by operating activities	59,732	3,310,431
Financing activities		
Refund of premium surplus	(1,500,000)	0
Investing activities		
Purchase of bonds	(559,485)	(1,227,445)
Disposal of bonds	530,000	800,000
Purchase of short term investments	(70,356,401)	(60,702,487)
Disposal of short term investments	70,234,870	57,542,744
Cash provided by (used in) investing activities	(151,016)	(3,587,188)
Net (decrease) increase in cash	(1,591,284)	(276,757)
Cash balance, beginning of year	4,731,655	5,008,412
Cash balance, end of year	3,140,371	4,731,655
Cash balance comprises		
Cash at bank	3,140,371	4,731,655
Interest received	171,976	150,763

Accompanying notes are an integral part of the financial statements.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

1. Description of business

The Canadian Lawyers Liability Assurance Society (the "Society") was formed under the Reciprocal Insurance Exchange Agreement for select Canadian Law Firms dated December 22, 1986 ("Subscription Agreement"). The Society is licensed by the Superintendent of Insurance, Alberta and other provinces in Canada to provide lawyers professional liability insurance to its subscribers. The Society commenced operations on June 30, 1987.

The address and registered office is RBC Centre, 155 Wellington Street West, 40th Floor, Toronto, Ontario, M5V 3J7.

The Society does not have any employees and is managed by an independent third party that reports to the Advisory Board. The Advisory Board has the authority and responsibility for planning, directing and controlling the activities of the entity. The Chair of the Advisory Board receives an annual honorarium of \$150,000 (2016 - \$150,000) and the other members of the Advisory Board receive no compensation.

2. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as defined by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments which are measured at fair value and outstanding claims and reinsurance are measured at discounted amounts

3. Significant accounting policies

These financial statements reflect the following policies:

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about the reported amounts of revenues, expenses, assets, and liabilities and the disclosure of contingent liabilities, at the reporting date. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected. Information about judgments, estimates and assumptions that have the most significant effect on the amounts reflected in the financial statements are reflected in the following notes:

Notes 8: Reinsurance Program

Notes 5: Provision for unpaid claims and adjustment expenses

Insurance premiums and deferred acquisition costs

Insurance premiums are recorded as written at the inception date of the policies and deferred as unearned premiums to be taken into income as earned on a pro-rata basis over the terms of the underlying policies. Retro-assessment calls are recorded as written and earned at the date of approval by the Society's Advisory Board. Premium taxes are recorded as deferred policy acquisition costs and expensed in the periods in which related premiums are earned.

3. Significant accounting policies (continued)

Insurance premiums and deferred acquisition costs (continued)

At each reporting period, liability adequacy tests are performed to ensure that the unearned premiums are sufficient to pay expected claims and expenses. If not, a premium deficiency will occur. Premium deficiencies are recognized initially by reducing the deferred acquisition cost asset and, if necessary, establishing an additional provision.

Reinsurance

The Society participates in, and enters into, reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Reinsurance premiums are recognized in the same period as the related insurance premiums that are earned as described above.

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses. Amounts recoverable from reinsurers are estimated and recognized in a manner consistent with the reserve for losses associated with the related reinsurance contract. The Society reflects reinsurance balances on a gross basis in the statement of financial position to reflect the credit risk related to reinsurance.

Certain of the Society's reinsurance contracts contain additional premium liability clauses which require that the Society pay additional premiums if paid claims and case reserves exceed certain pre-determined levels. The Society accrues such additional premiums based upon current actuarial estimates of ultimate loss experience.

Provision for unpaid claims and adjustment expenses

The provision for unpaid claims and adjustment expenses represents an estimate of the ultimate gross amounts payable for all claims, including investigation costs and the projected final settlement of claims incurred prior to the statement of financial position date. The provision for unpaid claims and adjustment expenses is calculated in accordance with accepted actuarial practice in Canada taking into consideration the time value of money and explicit provisions for adverse deviation ("PFAD"). The estimates of loss activity are, by necessity, subject to uncertainty and are derived from a wide range of possible outcomes. These estimates are continually reviewed as additional information affecting the estimated quantum of claims settlement is obtained. All changes in estimated claim amounts are recorded as incurred claims in the period in which the change in estimate is determined.

The amounts recoverable from reinsurers are calculated based upon the same principles as the gross liability and are reflected as an asset in the statement of financial position.

Investments

The investment portfolio is comprised of bonds and short term investments which are classified as available-for-sale ("AFS") and their fair value is determined using quoted market bid prices. The Society does not have investments in bonds or other investments for which the fair value is determined using a valuation technique based on assumptions that are not supported by observable market prices or rates.

AFS investments are recorded at fair value with changes in the fair value recorded as unrealized gains and losses, which is included in other comprehensive income ("OCI"). Realized gains and losses on sale, as well as losses from impairment are recorded in net investment income in the statement of comprehensive income.

The Society accounts for the purchase and sale of investments using trade date accounting. Realized gains or losses on sale of investments are determined on a first in first out basis. Transaction costs related to the purchase of these bonds are recorded as part of the carrying value of the bond at the date of purchase. Discounts or premiums on the purchase of bonds are deferred and amortized over the remaining term of the bonds using the effective interest method.

3. Significant accounting policies (continued)

Impairments

AFS bonds are assessed for impairment on at least a quarterly basis. Objective evidence of impairment includes financial difficulty of the issuer, bankruptcy or defaults and delinquency in payments of interest or principal. When an investment is impaired it is written down to its fair value and associated unrealized gains or losses accumulated in OCI are reclassified to net investment income in the statement of comprehensive income. Once an impairment loss is recorded to income, the loss can only be reversed for fixed income securities to the extent a subsequent increase in fair value can be objectively correlated to an event occurring after the loss was recognized. Recovery in the fair value of a previously impaired AFS fixed income security up to the original amortized cost is recognized in net income. Following the impairment loss recognition, these assets will continue to be recorded at fair value with changes in fair value recorded to OCI, and tested for further impairment quarterly.

Insurance and reinsurance assets are reviewed for impairment on a quarterly basis. If objective evidence arises indicating a receivable from a policyholder or reinsurer is uncollectible, the carrying amount of the asset is reduced to its expected recoverable amount. The impairment loss is recognized as an expense in the net income.

Future accounting changes

- (i) Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4):

On September 12, 2016, the IASB issued amendments to IFRS 4 to address accounting mismatches and volatility that may arise in profit or loss in the period between the effective date of IFRS 9, Financial Instruments ("IFRS 9") and the new insurance contracts standard, IFRS 17 Insurance Contracts, issued May 2017. The amendments apply in the same period in which an insurer adopts IFRS 9.

The amendments introduce two approaches that may be adopted by insurers in the period between the effective date of IFRS 9 and IFRS 17, effective January 1, 2021:

- overlay approach – an option for all issuers of insurance contracts to reclassify amounts between profit or loss and other comprehensive income for eligible financial assets by removing any additional accounting volatility that may arise from applying IFRS 9; and
- temporary exemption – an optional temporary exemption from IFRS 9 for entities whose activities are predominately connected with insurance. This exemption allows an entity to continue to apply existing financial instrument requirements in International Accounting Standards ("IAS") 39, Financial Instruments: Recognition and Measurement ("IAS 39") to all financial assets until the earlier of the application of IFRS 17 or January 1, 2021.

The Society intends to adopt the temporary exemption, and adopt amendments to IFRS 4 in its financial statements for the annual period beginning on January 1, 2018. The Society does not expect the amendments to have a material impact on the financial statements.

Future accounting changes (continued)

(ii) IFRS 9, Financial Instruments ("IFRS 9"):

On July 24, 2014 the IASB issued the complete IFRS 9 standard. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model.

The Society intends to adopt the temporary exemption described previously, and will adopt the amendments to IFRS 9 in its financial statements for the annual period beginning on January 1, 2021. The Society continues to assess the impact of these changes on the financial statements.

(iii) IFRS 17, Insurance Contracts ("IFRS 17"):

On May 18, 2017 the IASB issued IFRS 17 Insurance Contracts. The new standard is effective for annual periods beginning on or after January 1, 2021. IFRS 17 will replace IFRS 4 Insurance Contracts.

This standard introduces consistent accounting for all insurance contracts. The standard requires a company to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. Additionally, IFRS 17 requires a company to recognize profits as it delivers insurance services, rather than when it receives premiums.

The Society intends to adopt IFRS 17 in its financial statements for the annual period beginning on January 1, 2021. The extent of the impact of adoption of the standard has not yet been determined.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

4. Investments

a) The Society's investments consist of the following:

	December 31, 2017		December 31, 2016	
	Fair value and carrying value	Amortized cost	Fair value and carrying value	Amortized cost
	\$	\$	\$	\$
Short term investments	11,745,460	11,757,685	11,587,109	11,595,247
Bonds	5,091,893	5,101,437	5,150,585	5,080,837
	16,837,353	16,859,122	16,737,694	16,676,084

The difference between amortized cost and market value of the AFS investments consists of gross unrealized gains of \$ 61,665 (2016: \$98,851) and gross unrealized losses of \$ 39,896 (2016: \$37,241).

The Society limits its bonds to securities issued or guaranteed by the Government of Canada, any province of Canada or Canadian corporations having a rating of A or better.

Short term investments are invested in securities issued by the Government of Canada or a Canadian Province having a rating of A or better, or a Canadian Chartered Bank having a rating of R-1 or better. These securities have a maturity of less than 1 year from the purchase date.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

4. Investments (continued)

b) Maturity profile of investments as at December 31:

2017	Term to maturity			Total
	Within 1	1 - 5	Over	
	year	years	5 years	
	\$	\$	\$	\$
Short-term investments	11,745,460			11,745,460
Government of Canada bonds	250,531	453,264	499,246	1,203,041
Canadian public authorities bonds	351,463	521,034	1,106,356	1,978,853
Canadian corporate bonds	200,316	1,357,907	351,776	1,909,999
Total fair value	12,547,770	2,332,205	1,957,378	16,837,353

2016	Term to maturity			Total
	Within 1	1 - 5	Over	
	year	years	5 years	
	\$	\$	\$	\$
Short-term investments	11,587,109			11,587,109
Government of Canada bonds	-	509,035	716,642	1,225,677
Canadian public authorities bonds	332,638	625,574	1,020,583	1,978,795
Canadian corporate bonds	201,684	1,188,386	556,043	1,946,113
Total fair value	12,121,431	2,322,995	2,293,268	16,737,694

c) Net investment income has the following components:

	2017	2016
	\$	\$
Interest income		
Bonds	84,177	114,354
Cash, cash equivalents and short term investments	85,209	37,594
	169,386	151,948
Amortization of discount (premium) on investments	32,023	18,332
Realised gain (loss) on disposal	-	-
Total net investment income	201,409	170,280

d) Fair value measurements

The Society measures certain assets and liabilities using fair value. Fair value is a market-based measurement and not an entity-specific measurement, and requires the use of a fair value hierarchy with the highest priority given to quoted prices in active markets. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

4. Investments (continued)

The following table presents the Society's financial instruments that have been measured at fair value, on a recurring basis, as at December 31.

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash at bank	3,140,371	-	-	3,140,371
Investments - available-for-sale				
Short term investments		11,745,460		11,745,460
Bonds		5,091,893		5,091,893
	3,140,371	16,837,353	-	19,977,724

December 31, 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash at bank	4,731,655	-	-	4,731,655
Investments - available-for-sale				
Short term investments	-	11,587,109	-	11,587,109
Bonds	-	5,150,585	-	5,150,585
	4,731,655	16,737,694	-	21,469,349

The Society did not have any transfers between any levels during the year.

5. Unpaid claims and adjustment expenses

a) Nature of unpaid claims and adjustments expenses

The establishment of the provision for unpaid claims and adjustment expenses is based on known facts and interpretation of circumstances and is therefore a complex and dynamic process influenced by a large variety of factors. These factors include the Society's experience with similar cases and historical trends involving claim payment patterns, loss payments, pending levels of unpaid claims, claims severity and claim frequency patterns.

Other factors include the continually evolving and changing regulatory and legal environment, actuarial studies, professional experience and expertise of the Society's consultants retained to handle individual claims, the quality of the data used for projection purposes, existing claims management practices including claims handling and settlement practices, the effect of inflationary trends on future claims settlement costs, court decisions, economic conditions and public attitudes. In addition, time can be a critical part of the provision determination. The longer the span between the incidence of a loss and the payment or settlement of the claims, the more variable the ultimate settlement amount can be.

Consequently, the establishment of the provision for unpaid claims and adjustment expenses process relies on the judgment and opinions of a large number of individuals, on historical precedent and trends, on prevailing legal, economic, social and regulatory trends and on expectations as to future developments. The process of determining the provisions necessarily involves risks that the actual results will deviate, perhaps materially, from the best estimates made.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

5. Unpaid claims and adjustment expenses (continued)

b) Activity in the provision for unpaid claims and adjustment expenses is summarized as follows:

	Gross \$	Ceded \$	Net \$
Provision for unpaid claims and adjustment expenses, December 31, 2015	102,508,000	96,120,000	6,388,000
Incurring claims and claim adjustment expenses			
Provision for current year claims	7,315,000	6,730,000	585,000
Increase (decrease) in provision for claims of prior years	(6,037,231)	(5,363,998)	(673,233)
Increase (decrease) in provision due to discount rate change	(1,036,000)	(969,000)	(67,000)
Total incurred	241,769	397,002	(155,233)
Payments and recoveries attributable to			
Current year claims	-	-	-
Prior years claims	(1,502,769)	(1,723,002)	220,233
Provision for unpaid claims and adjustment expenses, December 31, 2016	101,247,000	94,794,000	6,453,000
Incurring claims and claim adjustment expenses			
Provision for current year claims	6,483,000	5,931,000	552,000
Increase (decrease) in provision for claims of prior years	(390,707)	(1,259,494)	868,787
Increase (decrease) in provision due to discount rate change	(1,702,000)	(1,568,000)	(134,000)
Total incurred	4,390,293	3,103,506	1,286,787
Payments and recoveries attributable to			
Current year claims	-	-	-
Prior years claims	(1,138,293)	(1,329,506)	191,213
Provision for unpaid claims and adjustment expenses, December 31, 2017	104,499,000	96,568,000	7,931,000

c) Provision for unpaid claims and adjustment expenses

Under accepted actuarial practice in Canada, the appropriate value of the claims liabilities is the discounted value of such liabilities plus the provision for adverse deviation ("PFAD").

December 31, 2017

	Undiscounted \$	Discounted at 2.15% \$	Provisions for adverse deviation \$	Value per accepted actuarial practice \$
Provision for unpaid claims and adjustment expenses				
Gross	104,547,000	95,756,000	8,743,000	104,499,000
Recoverable from reinsurers	99,915,000	91,541,000	5,027,000	96,568,000
Net	4,632,000	4,215,000	3,716,000	7,931,000

December 31, 2016

	Undiscounted \$	Discounted at 1.75% \$	Provisions for adverse deviation \$	Value per accepted actuarial practice \$
Provision for unpaid claims and adjustment expenses				
Gross	99,825,000	92,907,000	8,340,000	101,247,000
Recoverable from reinsurers	96,644,000	89,961,000	4,833,000	94,794,000
Net	3,181,000	2,946,000	3,507,000	6,453,000

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

5. Unpaid claims and adjustment expenses (continued)

d) Key assumptions

The best estimate of the provision for unpaid claims and adjustment expenses as reported in these financial statements has been determined by the Society's appointed actuary in accordance with accepted actuarial practice as determined by the Standards of Practice of the Canadian Institute of Actuaries ("CIA"), including the selection of appropriate assumptions and methods.

The Incurred But Not Reported ("IBNR") liabilities have been estimated for each coverage period using the Bornhuetter-Ferguson Method which is based on expected claims development patterns and expected losses.

The estimated undiscounted outstanding liabilities are discounted to reflect the time value of money using a selected discount rate of 2.15% (2016: 1.75%) which is based on the expected market yield of the Society's investment portfolio of bonds and short term assets.

Based on the recommended margin for adverse deviation ranges prescribed by the CIA, a provision for adverse deviation is selected for the following variables: claims development, reinsurance recovery and interest rate.

Changes in the assumptions used in the December 31, 2016 actuarial valuation resulted in a total decrease in net liabilities of \$745,000 (2016: decrease of \$70,000), which is due to the change in loss development factors used in the Bornhuetter-Ferguson method and unallocated loss adjustment expense load increased from 1.95% to 2.60% (2016: Remained at 1.95%). The change in the discount rate and provisions for adverse deviation assumptions led to a further increase in the net liabilities of \$134,000 (2016: increase of \$67,000).

Sensitivities regarding these assumptions are provided in Note 11 Insurance Risk Management.

6. Premiums receivable

All subscribers are large reputable Canadian law firms, and no significant credit risk is expected. All amounts are due by January 1, 2018.

7. Expenses by nature

The following table presents the Society's expenses by nature:

	2017	2016
	\$	\$
Management services	997,006	992,220
Legal and professional	843,829	686,964
Other expenses	232,086	286,424
Total	2,072,921	1,965,608

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

8. Reinsurance program

- a) The Society has obtained proportional reinsurance coverage which limits its net liability to a maximum amount of \$975,000 effective for the annual coverage period beginning on July 1, 2017 (July 1, 2016: \$975,000) on any one loss.
- b) Colchester Reinsurance Limited (Colchester) is an off-shore captive reinsurer domiciled in Barbados. The shareholders of Colchester are twelve Toronto based legal firms or their related service corporations. Those twelve shareholders are unrelated to each other. However, each of Colchester's shareholders is, or is related to the Society's current and past subscribers. For the annual coverage period beginning on July 1, 2017, Colchester received from the Society premiums of \$209,798 (July 1, 2016: \$1,594,237).

Colchester provides aggregate stop-loss reinsurance protection for a portion of the Society's retained risk. On July 1, 2017 this reinsurance had an attachment point of \$5,000,000 (July 1, 2016: \$5,000,000), and an annual aggregate limit of \$10,000,000 (July 1, 2016: \$10,000,000). Starting July 1, 2011, the attachment point and limit were determined with reference to the combined net claim liabilities of the Society and Colchester. Starting on July 1, 2012 the attachment point and limit are solely determined with reference to the net claim liabilities of the Society.

- c) In 2012, the Society initiated a Loss Portfolio Transfer (LPT) with Colchester to transfer the outstanding net retained liabilities for the policy year periods from inception to the period ended June 30, 2012 for a premium of \$44,260,000. The net retained liability was estimated as \$33,103,000 at the time of LPT.

As at December 31, 2017, the total reserves held and recoverable on the Society's financial statements relating to LPT was \$17,961,185 (2016 - \$18,872,183). A Reinsurance Security Agreement (RSA) is in place which requires Colchester to set up on behalf of the Society deposits equal to 115% of Colchester's share of claim liabilities. At December 31, 2017 the value of the security deposits exceeds the required amount.

- d) Reinsurance does not discharge the primary liability of the Society.

9. Income taxes

The Society is a reciprocal as defined under Part 1 of the Alberta Insurance Act, RSA 2000, c I-3. Accordingly, no provision for income taxes is made in these financial statements.

10. Equity

In accordance with the Reciprocal Insurance Exchange Agreement, subscribers were not obliged to contribute any amounts to the Society in the form of a capital contribution. The subscribers' surplus therefore represents cumulative surplus and may be used to cover potential future catastrophe claims or reduce future premiums, if appropriate. The Agreement provides that additional assessments may be made to cover the actual loss, claims and costs experienced by the Society.

Under the terms of the Society's Reciprocal Insurance Exchange Agreement, the Society is obligated to return a share of the Society's surplus (if any) to a departed Subscriber subsequent to the fifth anniversary of its departure, based on that Subscriber's participation in the Society. A Subscriber withdrew from the Society on June 30, 2012. As a result, an initial refund of premium surplus of \$1,500,000 was made to that Subscriber at December 31, 2017.

11. Risk management

Insurance risk management

The Society accepts insurance risks through its insurance contracts where it assumes the risk of loss from persons or organizations subject to the underlying loss. The Society is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts and the principal risk that the actual claims payments exceed the carrying amount of the insurance liabilities or that claims are under-reserved.

The Society manages insurance risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and rating criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Society from individual large events. Reinsurance policies are written with approved reinsurers (two of the current reinsurers are unlicensed) on either a proportional, aggregate or excess of loss treaty basis.

There is some concentration of risk since all coverage is related to professional liability and the underlying insured's are a homogeneous group since all are engaged in the practice of law in Canada. There is some risk of increased claim activity due to the occurrence of events that could increase the number of or value of legal actions against lawyers. Examples could be changes in legislation or a severe economic downturn. This risk is mitigated to some extent by the use of aggregate and excess of loss reinsurance. Concentration risk regarding reinsurance is mitigated by the use of multiple reinsurers with varying participations and an annual assessment of the financial strength of all reinsurers.

Claim development

Uncertainty exists on reported claims in that all information may not be available at the reporting date; therefore, the claim cost may rise or fall at some date in the future when the information is obtained. In addition, claims may not be reported to the Society immediately; therefore, estimates are made as to the value of claims incurred but not yet reported, a value which may take some months to finally determine. In order to determine the liability, assumptions are developed considering the characteristics of the line of business, the historical pattern of payments, the amount of data available and any other pertinent factors. In general, the longer the term required for the settlement of a group of claims, the more variable the estimates. Short settlement term claims are those which are expected to be substantially paid within a year of being reported. The following table shows the development of claims over a 10 year period, on both a gross and net of reinsurance basis:

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

11. Risk management (continued)

Analysis of claims development - net and gross

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimate of ultimate (by underwriting year):											
End of year	8,150,000	8,797,000	8,322,000	4,665,000	463,000	411,000	440,000	424,000	444,000	192,000	
One year later	7,626,000	9,329,000	9,795,000	107,000	423,000	380,000	413,000	392,000	1,062,000		
Two years later	5,524,000	8,299,000	2,073,000	107,000	334,000	269,000	308,000	281,000			
Three years later	4,419,000	20,000	2,073,000	107,000	435,000	197,000	284,000				
Four years later	5,000	20,000	2,073,000	107,000	362,000	131,000					
Five years later	5,000	20,000	2,073,000	107,000	281,000						
Six years later	5,000	20,000	2,073,000	107,000							
Seven years later	5,000	20,000	2,073,000								
Eight years later	5,000	20,000									
Nine years later	5,000										
Current estimate of ultimate	5,000	20,000	2,073,000	107,000	281,000	131,000	284,000	281,000	1,062,000	192,000	4,436,000
Cumulative payments	(5,000)	(20,000)	(2,073,000)	(107,000)	(203,000)	-	(17,000)	-	(29,000)	-	(2,454,000)
Net liability	-	-	-	-	78,000	131,000	267,000	281,000	1,033,000	192,000	1,982,000

Provision for unpaid claims and adjusting expenses recoverable from insurers

Nine year net liability	1,982,000
Effect of discounting and PFAD	3,299,000
Unallocated loss adjustment expense	2,650,000
Provision for unpaid claims and adjusting expenses recoverable	96,568,000

Gross liability in statement of financial position

104,499,000

11. Risk management (continued)

Sensitivities

The insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The table below shows the effect on net income and equity of a +/- 5% change in the expected losses and the effect of a +/- 0.5% change in the discount rate applied to claims provisions for the year ended December 31, 2017.

	Net income for the year	Equity	Net income for the year	Equity
	\$	\$	\$	\$
5% increase in expected losses	141,000	141,000	130,000	130,000
5% decrease in expected losses	(92,000)	(92,000)	(133,000)	(133,000)
0.5% increase in discount rate	(161,000)	(161,000)	(131,000)	(131,000)
0.5% decrease in discount rate	168,000	168,000	136,000	136,000

Financial risk management

The Society has policies related to the identification, monitoring and mitigation of risks associated with financial instruments. The key risks related to financial instruments are credit risk, liquidity risk and market risk (interest rate, equity and currency). The following describes how the Society manages each of these risks.

a) Credit risk

Credit risk is the risk of loss due to the failure of debtors to make payments when due. Credit risks are primarily associated with invested assets and amounts due from policyholders and reinsurance counterparties. The investment portfolio's exposure to credit risk is managed through policies and procedures including a credit evaluation by the investment manager and investment guidelines which specify investment quality and exposure limits. The portfolio is monitored and reviewed regularly by the Board. Premiums due from policyholders present minimal risk due to the short term nature of the receivable and the historic/financial relationship with the Society as a Reciprocal Insurance Exchange. The Society evaluates the financial condition of its reinsurers and monitors concentrations of credit risk of the reinsurers to minimize its exposure to significant losses from their insolvency. The Society believes that it has taken appropriate steps to manage credit risk and has made appropriate provision for any such exposures. One of the primary reinsurers is Colchester Reinsurance Limited as discussed in Note 8. The credit risk related to Colchester is managed by maintaining a security account pursuant to the RSA and a quarterly review of Colchester's financial condition. The balance held in the account at December 31, 2017 is \$62,034,333 (2016 - \$66,799,000).

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

11. Risk management (continued)

a) Credit risk (continued)

i) Exposure to credit risk

The following table summarizes the exposure to credit risk related to financial instruments and certain insurance assets at carrying value.

	2017	2016
	\$	\$
Cash	3,140,371	4,731,655
Short term investments	11,745,460	11,587,109
Bonds	5,091,893	5,150,585
Interest income due and accrued	18,532	21,121
Premiums receivable	1,782,634	2,520,380
Reinsurance recoverable	617,756	837,614
Provision for unpaid claims and adjustment expenses recoverable from reinsurers	96,568,000	94,794,000
Total credit exposure	118,964,646	119,642,464

ii) Concentration of credit risk

The Society utilizes an investment policy to minimize the concentration of credit risk by ensuring diversification across asset classes. The following table summarizes the distribution of investments by credit risk:

	2017	2016
R-1 (high)	70%	70%
AAA	7%	7%
AA	23%	23%
	100%	100%

b) Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet all cash outflow obligations as they come due. The primary potential cash outflow is the payment of insurance claims and is represented by the provision for unpaid claims and adjustment expenses liability on the statement of financial position. In order to manage the liquidity risk associated with this liability, an investment policy is in place. A summary of the invested assets by term to maturity is provided in Note 4. The following table summarizes the exposure to liquidity risk:

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

11. Risk management (continued)

b) Liquidity risk (continued)

	December 31, 2017			
	Due within 1 year	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
Provision for unpaid claims and adjustment expenses (net)	1,159,000	3,918,000	2,854,000	7,931,000
Due to reinsurers	1,649,031			1,649,031
Accounts payable and accrued charges	513,612			513,612
Total	3,321,643	3,918,000	2,854,000	10,093,643

	December 31, 2016			
	Due within 1 year	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
Provision for unpaid claims and adjustment expenses (net)	1,097,000	3,014,000	2,342,000	6,453,000
Due to reinsurers	2,514,054	-	-	2,514,054
Accounts payable and accrued charges	643,905	-	-	643,905
Total	4,254,959	3,014,000	2,342,000	9,610,959

c) Market risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, equity markets and foreign currency rates. The primary market risk exposures are discussed below.

i) Interest rate risk

Interest rate risk is the risk of financial loss arising from changes in interest rates. Fluctuations in interest rates will impact the market value of the fixed income portion of the investment portfolio. Interest rate fluctuations may create unrealized gains or losses which are recorded as OCI, however, these assets are ordinarily held until maturity which would result in a recovery of par value. A portion of these assets support the net provision for unpaid claims and adjustment expenses which is calculated, in part, using a discount factor based on the market rate of return of the investment portfolio.

The Society is exposed to interest rate risk if the cash flows from the investments are not matched to the liabilities that they support. This risk is partially mitigated by the investment policy which specifies that the timing of the settlement of unpaid claims be considered when selecting the duration of invested assets.

The estimated impact of a 1% increase in interest rates would decrease the market value of the fixed income portion of the investment portfolio by \$301,584 (2016: \$291,878) which would be recorded in OCI. This impact would be more than offset on an economic basis by a decrease in the estimated unpaid claims and adjustment expense of \$317,000 (2016: \$258,000) recorded through income. Conversely, a 1% decrease in interest rates would increase the market value of the fixed income portion of the investment portfolio by \$232,419 (2016: \$250,135) which would be recorded in OCI. This impact would be more than offset on an economic basis by an increase in the estimated unpaid claims and adjustment expense of \$342,000 (2016: \$278,000) recorded through net income.

11. Risk management (continued)

c) Market risk (continued)

ii) Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. To mitigate this risk, the Society's investment policy does not allow exposure to equity markets.

iii) Currency risk

The Society does not have any material exposure to foreign currency.

12. Surplus management and adequacy

Equity is comprised of minimum and additional surplus and AOCI. At December 31, 2017, the equity was \$11,547,191 (2016: \$14,451,839). The Society's objectives for the management of surplus are for the prudent operation of the reciprocal and to provide relatively predictable premium costs for its members over time. A surplus management policy is approved by the Advisory Board which oversees the surplus management process.

As a reciprocal insurance exchange, the requirement for surplus is lower than that of an incorporated insurance company. A reciprocal may rely on the contractual agreement among its members to contribute to the losses incurred by other members and to make assessments for additional contributions to surplus if required and accordingly, can rely on the credit worthiness of its subscribers.

The Society is regulated by the Superintendent of Insurance, Alberta and in British Columbia, Ontario and Nova Scotia where licenses are held, all of which expect incorporated insurance companies to meet a Minimum Capital Test ("MCT") ratio of capital available to capital required of at least 150%. As of December 31, 2017, the Society's MCT was 451.27% (2016: 464.23%). However, the minimum regulatory standard for reciprocals in Alberta is adjusted equity exceeding \$50,000. The Society's practice is to maintain a surplus level which is significantly higher than the regulatory minimum. The Society's surplus adequacy is evaluated regularly and this evaluation takes into account the gross exposure to risk, the level and nature of reinsurance purchased and the resulting net exposure to members. Input from the appointed actuary, which includes an assessment of loss volatility, is factored into this evaluation.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

12. Surplus management and adequacy (continued)

In accordance with sections 99 and 100 of the Alberta Insurance Act, the Society is required to maintain a reserve and guarantee fund. At December 31, 2017 the total reserve and guarantee funds required are as follows:

	\$	\$
Reserve fund		
Net premiums written during the period	7,138,000	10,610,000
Less: Amounts paid to licensed reinsurers	5,075,000	8,347,000
	2,063,000	2,263,000
Requirement	50%	50%
	1,031,500	1,131,500
Guarantee fund		
Total liabilities	110,202,000	109,667,000
Less: Unearned premiums	3,540,000	5,262,000
Recoverable from licensed reinsurers	95,515,000	93,713,000
Add: Statutory margin	50,000	50,000
	11,197,000	10,742,000
Total of reserve and guarantee fund	12,228,500	11,873,500
Cash and approved securities	19,978,000	21,469,000
Excess of cash and securities over reserve and guarantee fund	7,749,500	9,595,500

13. Fair value disclosure

The fair value of the following classes of financial instruments is deemed to approximate carrying value due to the immediate or short term maturity of the financial instruments.

- a) Cash at bank
- b) Interest income due and accrued
- c) Premiums receivable
- d) Premium taxes receivable
- e) Reinsurance recoverable
- f) Due to reinsurers
- g) Accounts payable and accrued charges

14. Contingent Liability

The Society's Reciprocal Insurance Exchange Agreement (the "Agreement") contains provisions addressing the rights and liabilities of a Subscriber (a "Departing Subscriber") which elects to withdraw from the Society at the end of an Underwriting Period. These include the obligation of the Society to pay to the Departing Subscriber the amount of declared credits or the obligation of the Departing Subscriber to pay to the Society the amount of declared assessments, in each case, based on the Departing Subscriber's participation in the Society. Any such payment obligation to or by a Departing Subscriber is to be determined and paid subsequent to the fifth anniversary of the date of departure of the Departing Subscriber.

A Subscriber elected to withdraw from the Society on June 30, 2012 and, accordingly, a determination of a payment obligation to or by such Departing Subscriber was made subsequent to June 30, 2017. In 2017, the Society paid the Departing Subscriber \$1,500,000 by means of refund of premium surplus. The obligations of the Society and the Departing Subscriber under the Agreement continue to apply, and a determination of any further payment obligation to or by the Departing Subscriber will be made subsequent to June 30, 2022. In the event that it is determined that the Society has a payment obligation to such Departing Subscriber, then depending on the amount of such payment obligation

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2017

14. Contingent Liability (continued)

and the amount of the Society's equity at that time, such payment obligation may have a material effect on the equity position of the Society.

A Subscriber elected to withdraw from the Society on June 30, 2017 and, accordingly, a determination of any payment obligation to or by such Departing Subscriber will be made subsequent to June 30, 2022. In the event that it is determined that the Society has a payment obligation to such Departing Subscriber, then depending on the amount of such payment obligation and the amount of the Society's equity at that time, such payment obligation may have a material effect on the equity position of the Society.

15. Date of authorization for issue

The financial statements were authorized for issue by the Advisory Board on February 22, 2018.

[31/12/2017](#)
Date

[Canadian Lawyers Liability Assurance Society](#)
(Name of Insurer)

P&C

**Quarterly Return
&
Annual Supplement**

**Canadian & Foreign
Property and Casualty Insurers**

Jurisdiction of incorporation: **Alberta**

P&C
QUARTERLY RETURN
&
ANNUAL SUPPLEMENT

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GENERAL INTERROGATORIES - CLASSES OF INSURANCE	ClassofIns

ANNUAL SUPPLEMENT
for the year ended

01

31/12/2017

(01)

(03)

02	Insurer	<u>Canadian Lawyers Liability Assurance Society</u>	
03	Head Office Address	<u>2900, 10180 - 101 Street, Manulife Place</u>	
04		<u>Edmonton, Alberta</u>	<u>TSJ 3V5</u>
05	Business Mailing Address (if different)/	<u>36 Toronto Street, Suite 510</u>	
06	(Chief Agency in Canada Address)	<u>Toronto, ON</u>	<u>M5C 2C5</u>
07	Telephone	<u>(416) 863-5514</u>	
08	Fax	<u>(416) 863-0871</u>	
09	Website		
10	Email Address	<u>patrickmahoney@axxima.ca</u>	
20	Contact/Contact in Canada	<u>Kenneth W. Crofoot</u>	
	(other than Chief Agent)		
21	Title	<u>Chairman</u>	
22	Telephone	<u>(416) 597-4110</u>	
23	Fax		
24	Email Address	<u>kcrofoot@goodmans.ca</u>	

30	Officers as at (date of filing return)	<u>2018-02-27</u>	
31	Chief Agent in Canada (branches only)		
32	Citizenship		
33	Address		
34			
36	Chairperson	<u>Kenneth W. Crofoot</u>	
37	Citizenship	<u>Canadian</u>	
38	Address	<u>15 Strath Avenue</u>	
39		<u>Toronto, Ontario</u>	<u>M8X 1R1</u>
41	Chief Financial Officer		
42	Citizenship		
43	Address		
44			
51	Secretary		
52	Citizenship		
53	Address		
54			

61	External Auditor*	<u>Deloitte & Touche LLP</u>	
62	Partner	<u>Elaine Hultzer</u>	
63	Address	<u>22 Adelaide St W #200</u>	
64		<u>Toronto, Ontario</u>	<u>M5H 0A9</u>
65	Telephone	<u>(416) 601-6198</u>	
66	Fax	<u>(416) 601-5740</u>	
67	Email Address		

72	Actuary**	<u>Julie-Linda Laforce</u>	
77	Firm	<u>Axxima Inc.</u>	
73	Address	<u>Suite 202, 192 St-Jean Road</u>	
74		<u>Longueuil, Quebec</u>	<u>J4H 2X5</u>
75	Telephone	<u>1-450-646-2500</u>	
76	Fax	<u>1-855-529-9462</u>	
78	Email Address	<u>julielindalaforce@axxima.ca</u>	

*The Auditor Reports are required to be filed with the Annual Return. For Foreign Branches, the Auditor Reports are to be filed no later than May 31.
** An Actuary's Report is required to be filed with the Annual Return

Canadian Lawyers Liability Assurance Society

31/12/2017

Canadian Insurer

Date

*** INSURERS PROVINCIALY INCORPORATED**

01

DIRECTORS as at

(01)
2-27-18
(Date of filing return)

Chairperson of the Board		
10	Name	Kenneth W. Crofoot
11	Citizenship	Canadian
12	Address	15 Strath Avenue
13		Toronto, Ontario
		M8X 1R1
Chairperson of the Audit Committee		
15	Name	Gordon P. Goodman
16	Citizenship	Canadian
17	Address	318 Brooke Avenue
18		Toronto, Ontario
		M5M 2L3
Chairperson of the Conduct Review Committee		
20	Name	Not applicable
21	Citizenship	
22	Address	
23		
25	Name	Barry H. Bresner
26	Citizenship	Canadian
27	Address	1600 Truscott Dr.
28		Mississauga, Ontario
		L5J 1Z4
30	Name	Julia E. Holland
31	Citizenship	Canadian
32	Address	244 Inglewood Drive
33		Toronto, Ontario
		M4T 1J1
35	Name	Melanie Koszegi
36	Citizenship	Canadian
37	Address	50 Fairfield Rd.
38		Toronto, ON
		M4P 1T2
40	Name	Daniel V. MacDonald
41	Citizenship	Canadian
42	Address	1846 Deer's Wold
43		Mississauga, Ontario
		L5K 2J9
45	Name	Donald Eric Milner
46	Citizenship	Canadian
47	Address	752 Green Street
48		Niagara on the Lake, Ontario
		L0S 1J0
50	Name	David S. Morritt
51	Citizenship	Canadian
52	Address	18 Doncliffe Drive
53		Toronto, Ontario
		M4N 2E6
55	Name	William G. Scott
56	Citizenship	Canadian
57	Address	15 Noel Avenue
58		Toronto, Ontario
		M4G 1B2
60	Name	Michael R. Swartz
61	Citizenship	Canadian
62	Address	66 Wellington Street W., Suite 4100
63		Toronto, Ontario
		M5K 1B7
64	Name	
65	Citizenship	
66	Address	
67		

* Insurers incorporated in a provincial jurisdiction must file this page on a quarterly basis. Federally regulated insurers are required to file this page with their 4th quarter filing.

CORPORATE INFORMATION

* INSURERS PROVINCIALY INCORPORATED

RETURN AS AT:

01

31/12/2017

(Day, Month, Year)

List of different committees and of their members:

Please embed the most recent list of the various committees and their members and identify the person acting as President (Chair) of each committee.

For professional orders, please provide information regarding directors and officers of the insurance fund, not of the professional order.

	Committee	Members	Members	Members
02	Executive Committee	Nicholas Leblovic (Chair)	Donald Milner (Vice-Chair)	Gordon Goodman
		Barry Bresner	Julia E. Holland	
03				
	Audit	Gordon Goodman (Chair)	Carol Lyons (not on board)	Michael Swartz
04				
	Claims	Barry Bresner (Chair)	David Morritt	William Scott
05		Ken Crofoot	James Tory (not on board)	
	Policy	Donald Milner (Chair)	Melanie Koszegi	Bruce Blain (not on board)
	Risk Management	Julia Holland (Chair)	Eugene Cipparone (not on board)	Dan MacDonald
	Reinsurance/ Insurance Security	Gordon Goodman (Chair)	Carol Lyons (not on board)	Michael Swartz

* Insurers incorporated in a provincial jurisdiction must file this page.

Canadian Lawyers Liability Assurance Society

31/12/2017

Canadian Insurer

Year

CONSOLIDATED

SHAREHOLDERS

Have there been any substantial changes in ownership since the date of
filing the last Annual Return?

(01)

40

N

Y/N

If yes, provide details:

Name	Location (City)	Number of Shares Held	% of Voting Rights	Amount Paid
(01)	(02)	(03)	(04)	(05)
				(\$'000)
61		0	0.00%	0
62		0	0.00%	0
63		0	0.00%	0
64		0	0.00%	0
65		0	0.00%	0
66		0	0.00%	0
67		0	0.00%	0
68		0	0.00%	0
69		0	0.00%	0
70		0	0.00%	0
71		0	0.00%	0
72		0	0.00%	0
73		0	0.00%	0
74		0	0.00%	0
75		0	0.00%	0
76		0	0.00%	0
77		0	0.00%	0
Total	89	0	0.00%	0

CORPORATE ORGANIZATION CHART*

Embed a chart showing the interrelationships between the insurer, its immediate and ultimate parent, and all other affiliated corporations (upstream and downstream), identifying the percentage of beneficial ownership of each (see Section VI of the Annual Return Instructions).



* Insurers must embed their corporate organization chart on this tab.

NON CONSOLIDATED

OTHER INFORMATION

07

In which jurisdiction is your ultimate parent (companies) or Home Office (branches) domiciled?

(01)

CA

10

Have there been any amendments to the instrument of incorporation/by-laws since the date of filing the last Annual Return?

(04)

N

Y / N

11

If yes, please summarize: (01)

30

Indicate the name and percentage of ownership of each corporation in which the insurer held 10% or more of the voting rights as at year-end.
If necessary, embed details on an additional page.

	Name (01)	Percentage (02)	Consolidated (03)	
31			N	Y / N
32			N	Y / N
33			N	Y / N

36

Are any of the insurer's licences / orders subject to any limitation?

(04)

Y

Y / N

If yes, please embed details.

PDF

BC License 2017.pdf

CONSOLIDATED

OTHER INFORMATION (continued)

Class of Insurance	Total Insured Value	Policy limit	Net retention	
			Current Year	Prior Year
	(05)	(01)	(02)	(03)
Property - Personal excluding Home and Product Warranty 03				0
- Home Warranty 04				0
- Product Warranty 05				0
- Commercial 07				0
Aircraft 10				0
Automobile:				
Private Passenger - Liability 11				0
- Personal Accident 12				0
- Other 13				0
Other than Private Passenger - Liability 15				0
- Personal Accident 16				0
- Other 17				0
Boiler and Machinery excluding Equipment Warranty 32				0
- Equipment Warranty 33				0
Credit 34				0
Credit Protection 35				0
Fidelity 36				0
Hail 38				0
Legal Expense 40				0
Liability				
- Comprehensive General Liability (with products) 50				0
- Comprehensive General Liability (without products) 51				0
- Cyber Liability 52				0
- Directors and Officers Liability 53				0
- Excess Liability 54				0
- Professional Liability 55		145,500,000	975,000	975,000
- Umbrella Liability 56				0
- Pollution Liability 57				0
- All other 58				0
Mortgage 62				0
Other Approved Products 63				0
Surety				
- Contract Surety 60				0
- All Other Surety 61				0
Title 66				0
Marine 68				0
Accident and Sickness 70				0

(01)

Does the reporting on the liability class of insurance include information from other lines?	
88 Property	<div>N</div> Y / N
89 Auto Insurance	<div>N</div> Y / N

		Current Year	Prior Year
		(02)	(03)
What is the average rate used for discounting policyholder liabilities (%)?	90	2.2%	1.8%
What is the average duration of interest rate sensitive assets?	91	1.3	1.4
What is the average duration of policy liabilities	92	4.3	4.3
Number of automobiles insured under automobile insurance policies, as at year end:	79	0	0
Assessable Income information (\$'000):			
Accident and Sickness net premiums written in Ontario	85	0	0

CONSOLIDATED

ENCUMBERED ASSETS

Counterparty Legal Name (01)	Counterparty Domicile (02)	Pledged/Lodged as Collateral (03)	Asset Type (04)	Market Value (\$'000)		Brief Description of the Encumbrance (07)
				To Affiliates (05)	To Unaffiliated Entities (06)	
Total	19			0	0	

		Current Period (\$'000) (02)	Prior Period (\$'000) (03)
Market value of securities on loan	40		0
Market value of total collateral of securities on loan	45		0

20

Does the insurer have any significant dependencies not already disclosed in answer(s) to previous questions or in the Notes to Financial Statements?

(01)

N

Y / N

If yes, provide details (see Section VI of the Annual Return Instructions).

21

NON CONSOLIDATED

OUTSOURCING AND SERVICE AGREEMENTS

Service Outsourced (01)	Provider Name (02)	Provider Head Office Address (03)	Location Where Services Provided (04)	Annual Fee/Cost of Service		Brief description of the Service (07)
				Affiliated Providers (05)	Unaffiliated Provider (06)	
Audit services	Deloitte	22 Adelaide St W #200	22 Adelaide St W #200		106,487	Audit services
Actuarial services	Axxima Inc.	192 St-Jean Road, suite 202, QC	192 St-Jean Road, suite 202, QC		69,041	Actuarial services
Management services	Axxima Insurance	36 Toronto Street, Suite 510, TO	36 Toronto Street, Suite 510, TO		1,311,472	Management services
Investments manager	Martin, Lucas and Seagram	48 Yonge Street, Suite 620, TO	48 Yonge Street, Suite 620, TO		27,653	Managing investments
Investment administration	RBC Dexia Investor Services	155 Wellington Street West, TO	155 Wellington Street West, TO		18,539	Holding investments
Reinsurance broker	Miller Insurance Services LLP	70 Mark Lane, London, EC3R 7NQ	70 Mark Lane, London, EC3R 7NQ		279,000	Reinsurance placement
Legal Services	Ogilvie LLP	1400, 10303 Jasper Avenue, Edmonton, AB, T5J 3N6	1400, 10303 Jasper Avenue, Edmonton, AB, T5J 3N6		24,695	Review various agreements
Total	09			0	1,836,887	

CONSOLIDATED

SUMMARY OF SELECTED FINANCIAL DATA FOR FIVE YEARS
(\$'000)

	2013	2014	2015	2016	2017
	(01)	(02)	(03)	(04)	(Current) (05)
OPERATIONS					
Assets/Assets Vested in Trust 01	95,037	98,646	125,301	124,118	121,749
Liabilities 02	81,852	84,993	111,113	109,666	110,202
Adjusted Equity 04	13,130	13,596	14,007	14,283	11,385
Gross premiums written 05	13,770	13,080	12,439	10,610	7,139
Net premiums written 06	3,109	2,497	2,414	2,177	2,014
Net premiums earned 07	3,224	2,826	2,427	2,298	2,094
Gross claims incurred 08	-1,196	11,058	32,455	241	4,392
PROFITABILITY					
Claims ratio					
- by year of account 30	-5.96%	11.61%	-1.98%	-6.74%	61.46%
- by year of accident 31	18.58%	22.05%	30.32%	57.13%	71.20%
Expense ratio 33	65.76%	80.61%	87.19%	97.78%	109.07%
Underwriting income (loss) 35	1,296	220	359	206	-1,477
- as a % of net premiums earned 36	40.20%	7.78%	14.79%	8.96%	-70.53%
Net investment income from insurance operations 40	13	24	21	26	45
Net income (loss) from insurance operations (line 35 + 40) 41	1,309	244	380	232	-1,432
Net investment income - other 44	92	122	102	98	111
Net investment income (total) as a % of net premiums earned [(line 40+44)/07] x 100 45	3.26%	5.17%	5.07%	5.40%	7.45%
Investment yield 46	0.65%	0.79%	0.65%	0.63%	0.75%
Net income (loss) 47	1,401	366	482	330	-1,321
Return on equity 48	11.21%	2.73%	3.46%	2.30%	-10.16%
MINIMUM CAPITAL TEST/BRANCH ASSET ADEQUACY TEST					
Excess of Capital/Margin Available over Capital/Margin Required 70	8,791	9,299	9,372	10,457	8,146
Capital/Margin Available as % of Capital/Margin Required 72	327.80%	345.96%	359.61%	464.23%	451.27%
What is the company's/branch's internal target capital ratio (%)? 74	0.00%	210.00%	210.00%	210.00%	210.00%
CANADIAN INSURERS ONLY:					
EQUITY					
Dividends to shareholders 50	0	0	0	0	0
Share Capital and Contributed Surplus paid in during the year 52	0	0	0	0	0
Share Capital and Contributed Surplus redeemed during the year 54	0	0	0	0	0
OTHER RATIOS					
Adjusted Equity as a % of liabilities 60	16.04%	16.00%	12.61%	13.02%	10.33%
Gross risk ratio (line 05/line 04) 62	104.87%	96.20%	88.81%	74.28%	62.71%
Net risk ratio (line 06/line 04) 64	23.68%	18.37%	17.23%	15.24%	17.69%
Agents and brokers balances and amounts due from subsidiaries and associates as a % of Adjusted Equity 66	0.00%	0.00%	0.00%	0.00%	0.00%
Claims development as a % of Adjusted Equity 68	12.54%	8.24%	8.57%	9.05%	2.21%
FOREIGN INSURERS ONLY:					
TOTAL WORLDWIDE BUSINESS					
(in the currency of the home jurisdiction, rounded to the nearest thousand)					
Currency: 19					
Assets 20					
Liabilities 21					
Capital and surplus 22					
Gross premiums written 23					
Net premiums written 24					
Underwriting income 25					
Investment income (including realized capital gains) 26					
Net Income after tax 27					

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Period Restated	
			Total	Vested in Trust*	Total	Vested in Trust*	Total	Vested in Trust*
			(01)	(02)	(03)	(04)	(05)	(06)
		Cash and Cash Equivalents 01	3,150		4,741			
		Investment Income due and accrued 02	19		21			
		Assets held for sale 50	0		0			
		Investments:						
40.12		Short Term Investments 04	11,736		11,578			
40.22		Bonds and Debentures 05	5,092		5,151			
40.32		Mortgage Loans 06	0		0			
40.42		Preferred Shares 07	0		0			
40.52		Common Shares 08	0		0			
40.70		Investment Properties 09	0		0			
40.80		Other Loans and Invested Assets 10	0		0			
40.07		Total Investments (lines 04 to 10) 19	16,828		16,729		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers 20	0		0			
		Policyholders 21	0		0			
		Instalment Premiums 22	1,783		2,520			
		Other Insurers 23	618		838			
		Facility Association and the "P.R.R." 24	0		0			
50.40		Subsidiaries, Associates & Joint Ventures 25	0		0			
50.20		Other Receivables 27	0		0			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums 30	2,541		4,182			
60.30		Unpaid Claims and Adjustment Expenses 31	96,568		94,794			
		Other Recoverables on Unpaid Claims 37	0		0			
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures 40	0		0			
		Pooled Funds 45	0		0			
40.70		Property and Equipment 41	0		0			
		Deferred Policy Acquisition Expenses 43	103		154			
		Current Tax Assets 52	0		0			
		Deferred Tax Assets 44	0		0			
		Goodwill 54	0		0			
		Intangible Assets 56	0		0			
		Defined Benefit Pension Plan 58	0		0			
		Other Assets 88	139		139			
		TOTAL ASSETS 89	121,749		124,118		0	

* Foreign insurers: Excludes deposits of reinsurers held in special trust accounts.

CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOCI
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	Opening Prior Period Restated
		(55)	(01)	(03)	(05)
		LIABILITIES			
		Overdrafts 01	0	0	
		Borrowed Money and Accrued Interest 02	0	0	
		Payables:			
50.20		Agents and Brokers 03	0	0	
		Policyholders 04	0	0	
		Other Insurers 05	1,649	2,514	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	0	0	
		Expenses due and accrued 07	511	580	
		Other Taxes due and accrued 09	3	64	
		Policyholder Dividends and Rating Adjustments 10	0	0	
40.70		Encumbrances on Real Estate 11	0	0	
60.10		Unearned Premiums 12	3,540	5,261	
60.30		Unpaid Claims and Adjustment Expenses 13	104,499	101,247	
80.10		Unearned Commissions 14	0	0	
		Ceded Deferred Premium Taxes 20	0	0	
		Ceded Deferred Insurance Operations Expenses 34	0	0	
		Premium Deficiency 15	0	0	
		Liabilities held for sale 17	0	0	
		Current Tax Liabilities 18	0	0	
		Deferred Tax Liabilities 21	0	0	
		Self-Insured Retention (SIR) portion of unpaid claims 22	0	0	
		Defined Benefit Pension Plan 23	0	0	
		Employment Benefits (not including amounts on line 23 above) 24	0	0	
		Subordinated Debt 25	0	0	
		Preferred Shares - Debt 26	0	0	
		Provisions and Other Liabilities 28	0	0	
		Total Liabilities 29	110,202	109,666	0
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common 41	0	0	
		Preferred 33	0	0	
		Contributed Surplus 42	0	0	
		(Specify) 43	0	0	
20.54		Retained Earnings 44	11,519	14,340	
20.45		Reserves 45	50	50	
20.42		Accumulated Other Comprehensive Income (Loss) 47	-22	62	
		Total Policyholders/Shareholders' Equity 59	11,547	14,452	0
		Non-controlling Interests 48	0	0	
		Total Equity 49	11,547	14,452	0
		TOTAL LIABILITIES AND EQUITY 89	121,749	124,118	0
		FOREIGN INSURERS ONLY:			
		HEAD OFFICE ACCOUNT, RESERVES & AOCI			
20.45		Head Office Account 51			
		(Specify) 53			
20.45		Reserves 55			
20.42		Accumulated Other Comprehensive Income (Loss) 56			
		Total Head Office Account, Reserves & AOCI 69			
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES & AOCI 79			

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
		UNDERWRITING OPERATIONS			
		Premiums Written			
		Direct 01	7,139	10,610	
70.21		Reinsurance Assumed 02	0	0	
70.21		Reinsurance Ceded 03	5,125	8,433	
60.20		Net Premiums Written 04	2,014	2,177	
		Decrease (increase) in Net Unearned Premiums 05	80	121	
60.20		Net Premiums Earned 06	2,094	2,298	
		Service Charges 07	0	0	
		Other 08	0	0	
		Total Underwriting Revenue 09	2,094	2,298	
		Gross Claims and Adjustment Expenses 62	4,392	241	
		Reinsurers' share of claims and adjustment expenses 64	3,105	396	
60.20		Net Claims and Adjustment Expenses 10	1,287	-155	
		Acquisition Expenses			
80.10		Gross Commissions 66	0	0	
80.10		Ceded Commissions 68	0	0	
		Taxes 12	257	327	
80.20		Other 14	0	0	
80.20		General Expenses 16	2,027	1,920	
		Total Claims and Expenses 19	3,571	2,092	
		Premium Deficiency Adjustments 20	0	0	
		Underwriting Income (Loss) 29	-1,477	206	
40.07		INVESTMENT OPERATIONS			
		Income 32	202	170	
		Gains (Losses) from FVO or FVTPL 35	0	0	
		Realized Gains (Losses) 33	0	0	
		Expenses 34	46	46	
		Net Investment Income 39	156	124	
		OTHER REVENUE AND EXPENSES			(04)
		Income (Loss) from Ancillary Operations			
		(net of Expenses of \$'000) 40	0	0	
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures 41	0	0	
		Share of Net Income (Loss) of Pooled Funds using Equity Method 47	0	0	
		Gain (Losses) from fluctuations in Foreign Exchange Rates 42	0	0	
		Other Revenues 44	0	0	
		Finance costs 45	0	0	
		Other Expenses 46	0	0	
		Net Income (Loss) before Income Taxes 49	-1,321	330	
		INCOME TAXES			
		Current 50	0	0	
		Deferred 51	0	0	
		Total Income Taxes 59	0	0	
		NET INCOME (LOSS) FOR THE YEAR 89	-1,321	330	
		ATTRIBUTABLE TO:			
		Non-controlling Interests 80	0	0	
		Equity Holders 82	-1,321	330	

CONSOLIDATED FINANCIAL STATEMENTS
COMPREHENSIVE INCOME (LOSS)
and
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period
			(01)	(03)
20.30		Comprehensive Income (Loss)		
		Net Income 01	-1,321	330
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
		- Loans 02	0	0
		- Bonds and Debentures 03	-84	-67
		- Equities 04	0	0
		Reclassification of (Gains) Losses to Net Income 05	0	1
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses 06	0	0
		Reclassification of (Gains) Losses to Net Income 07	0	0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses 08	0	0
		Impact of Hedging 09	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified) 14	0	0
		Other 18	0	0
		Subtotal of items that may be reclassified subsequently to Net Income 19	-84	-66
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus 31	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 11	0	0
		Remeasurements of Defined Benefit Plans 34	0	0
		Other 12	0	0
		Subtotal of items that will not be reclassified subsequently to Net Income 29	0	0
		Total Other Comprehensive Income (Loss) 21	-84	-66
		Total Comprehensive Income (Loss) 39	-1,405	264
		Attributable to:		
		Non-controlling Interests 60	0	0
		Equity Holders 62	-1,405	264

20.20			Current Period	Prior Period
			(01)	(03)
		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		- Loans 42	0	0
		- Bonds and Debentures 43	-22	62
		- Equities 44	0	0
		Derivatives Designated as Cash Flow Hedges 45	0	0
		Foreign Currency (net of hedging activities) 46	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified) 52	0	0
		Other 68	0	0
		Subtotal of items that may be reclassified subsequently to Net Income 69	-22	62
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus 71	0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures 51	0	0
		Remeasurements of Defined Benefit Plans 74	0	0
		Other 49	0	0
		Subtotal of items that will not be reclassified subsequently to Net Income 79	0	0
		Balance at end of Year 59	-22	62

HEAD OFFICE ACCOUNT (Foreign Insurers)
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period
			(01)	(02)
20.30		Balance at beginning of year 01		
		Prior period adjustments: 02		
		(Specify) 04		
		Adjusted balance at beginning of year 09		
		Net income (loss) for the year 10		
		Transfers from (to) Head Office		
		Advances (Returns) 20		
		Expenses 21		
		Premiums/Claims 22		
		Other 23		
		Subtotal 11		
		Decrease (increase) in Reserves 12		
		Net increase (decrease) in Head Office Account 15		
		Balance at end of Year 89		

CONSOLIDATED FINANCIAL STATEMENTS

RESERVES
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period
			(01)	(02)
		Earthquake Reserves		
		Reserve Complement 90	0	0
		Premium Reserve 91	0	0
		Mortgage Reserve 95	0	0
		Nuclear Reserve 96	0	0
		General and Contingency Reserves 98	50	50
		Total Reserves 99	50	50

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS *
(\$'000)

* Insurers must embed a Statement of Cash Flows as prepared for the insurer's Annual Return financial statements on this tab.

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY
(\$'000)

		Share Capital	Other Capital	Contributed Surplus	Retained Earnings	Reserves	Accumulated Other Comprehensive Income (Loss)							Total Policyholders/ Shareholder's Equity	Non-controlling Interests	Total Equity
							Available- for- Sale Financial Assets	Cash Flow Hedges	Translation of Foreign Operations	Revaluation Surplus	Share of OCI of Associates & Joint Ventures	Remeasurements of Defined Benefit Plans	Other AOCI			
							(07)	(09)	(05)	(11)	(25)	(27)	(31)			
		(01)	(13)	(21)	(03)	(23)	(07)	(09)	(05)	(11)	(25)	(27)	(31)	(15)	(17)	(19)
Balance at Beginning of Prior Year	01	0	0	0	14,010	50	128	0	0	0	0	0	0	14,188	0	14,188
Total Comprehensive Income for the year	09	0	0	0	330	0	-66	0	0	0	0	0	0	264	0	264
Issue of Share Capital	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from/to Retained Earnings	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Decrease/increase in Reserves	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends																
Preferred	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Common	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance at End of Prior Year	19	0	0	0	14,340	50	62	0	0	0	0	0	0	14,452	0	14,452
Changes in Equity for Current Year																
Total Comprehensive Income for the year	29	0	0	0	-1,321	0	-84	0	0	0	0	0	0	-1,405	0	-1,405
Issue of Share Capital	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from/to Retained Earnings	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Decrease/increase in Reserves	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends																
Preferred	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Common	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	36	0	0	0	-1,500	0	0	0	0	0	0	0	0	-1,500	0	-1,500
Balance at End of Current Year	39	0	0	0	11,519	50	-22	0	0	0	0	0	0	11,547	0	11,547

Canadian Lawyers Liability Assurance Society

Canadian/Foreign Insurer

31/12/2017

Date

CONSOLIDATED

NOTES TO FINANCIAL STATEMENTS

See Section VI of the Annual Return Instructions

Insurers must embed their notes to the financial statements on this tab.

Canadian Lawyers Liability Assurance Society

Canadian/Foreign Insurer

31/12/2017

Date

CONSOLIDATED

AUDITOR'S REPORT

For OSFI purposes, federally regulated insurers must file their Auditor Reports as a separate documents as defined in the Regulatory Reporting System (RRS) User Guide.

All provincially incorporated insurers and insurers licensed in a provincial jurisdiction requiring a copy of the Auditor's Report must embed the Auditor's Report on this tab.

Canadian Lawyers Liability Assurance Society
Canadian/Foreign Insurer

31/12/2017
Date

CONSOLIDATED

APPOINTED ACTUARY'S REPORT

For the exact wording for the Expression of Opinion, please refer to the Memorandum to the Appointed Actuary (P&C Insurance).

For OSFI purposes, federally regulated insurers are required to file the Appointed Actuary's Report as a separate document as defined in the Regulatory Reporting System (RRS) User Guide.

All provincially incorporated insurers and insurers licensed in a provincial jurisdiction requiring a copy of the Appointed Actuary's Report must embed the Appointed Actuary's Report on this tab.

CONSOLIDATED

MINIMUM CAPITAL TEST/BRANCH ADEQUACY OF ASSETS TEST: CAPITAL (MARGIN) REQUIRED AND MCT (BAAT) RATIO (\$'000)

	Current Period
(55)	(01)
Capital Available:	
Capital available (from page 30.62 - capital available)	0110,465
Phase-in of capital available	030
(Specify)	080
Total Capital Available	0910,465
Assets Available:	
Net Assets Available (from page 30.92 - net assets available)	11
Phase-in of net assets available	13
(Specify)	18
Total Net Assets Available	19
Capital (Margin) Required at Target:	
Insurance Risk:	
Premium liabilities	20181
Unpaid claims	221,054
Catastrophes	240
Margin required for reinsurance ceded to unregistered insurers	26162
Subtotal: Insurance risk margin	291,397
Market Risk:	
Interest rate risk	30198
Foreign exchange risk	320
Equity risk	340
Real estate risk	360
Other market risk exposures	380
Subtotal: Market risk margin	39198
Credit Risk:	
Counterparty default risk for balance sheet assets	401,634
Counterparty default risk for off-balance sheet exposures	420
Counterparty default risk for unregistered reinsurance collateral and SIRs	4494
Subtotal: Credit risk margin	491,728
Operational risk margin	50588
Less: Diversification credit	52433
Total Capital (Margin) Required at Target	593,478
Minimum Capital (Margin) Required (line 59 / 1.5)	602,319
Phase-in of Capital (Margin) Required	620
(Specify)	680
Total Minimum Capital (Margin) Required	692,319
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	798,146
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90451.27%

Note: See Section VI of the P&C instructions and the MCT Guideline.

30.62

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Canadian Insurer

31/12/2017

Date

CONSOLIDATED

MINIMUM CAPITAL TEST: CAPITAL AVAILABLE

(\$'000)

	Current Period
(55)	(01)
Capital Available	
Qualifying category A common shares	010
Contributed surplus	020
Retained earnings	0311,519
Less:	
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	040
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	050
Add:	
Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	060
Subtotal: Retained earnings net of adjustments	0911,519
Earthquake reserves	100
Less: Earthquake EPR not used as part of financial resources to cover exposure	110
Nuclear reserves	120
General and contingency reserves	1350
Accumulated other comprehensive income (loss)	14-22
Less: Accumulated net after-tax fair value gains (losses) on of cash flow hedges that are not fair valued on the balance sheet	150
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	160
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	170
Accumulated net after-tax impact of shadow accounting	180
Subtotal: AOCI net of adjustments	19-22
Qualifying category B instruments - Non-cumulative perpetual preferred shares	200
Qualifying category B instruments - Other	210
Qualifying category C instruments - Preferred shares	220
Qualifying category C instruments - Subordinated debt	230
Less: Accumulated amortization of category C instruments for capital adequacy purposes	240
Net qualifying category C instruments	250
Non-controlling interests	260
(Specify)	270
Subtotal: capital available gross of deductions	2911,547
Deductions:	
Interests in non-qualifying subsidiaries	300
Interests in associates	310
Interests in joint ventures and limited partnerships with more than 10% ownership	320
Loans considered as capital to non-qualifying subsidiaries	330
Loans considered as capital to associates	340
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	350
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	361,082
Self-insured retentions, where the regulator requires collateral and no collateral has been received	370
DPAE other for A&S business	380
Goodwill (net of eligible deferred tax liability)	400
Intangible assets, including computer software (net of eligible deferred tax liability)	410
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	420
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	430
Investments in own capital instruments not derecognized for accounting purposes	440
Reciprocal cross holdings in the capital of financial entities	450
Asset securitization exposures	470
(Specify)	460
Subtotal: total deductions from capital available	491,082
Total Capital Available	5910,465
Validation test: 40% limit for category B and C capital instruments	600.00%
Validation test: 7% limit for category C capital instruments	610.00%

Memo Items

Deferred tax liabilities related to (used to offset the associated gross amounts):	
Goodwill	700
Intangible assets, including computer software	710
Deferred tax assets excluding those arising from temporary differences	720
Defined benefit pension plan assets	730
Deferred tax assets arising from temporary differences, excluding those realizable through loss carryback	740
Non-qualifying capital instruments:	
Common shares not meeting category A qualifying criteria	750
Non-cumulative perpetual preferred shares not meeting category B qualifying criteria	760
Preferred shares (other) not meeting category C qualifying criteria	770
Subordinated debt not meeting category C qualifying criteria	780

Note: See Section VI of the P&C instructions and the MCT Guideline.

P&C (2017)

Next page is 30.64

CONSOLIDATED

MCT (BAAT) INSURANCE RISK: CAPITAL (MARGIN) REQUIRED FOR UNPAID CLAIMS AND PREMIUM LIABILITIES
(\$'000)

Class of insurance	Unpaid Claims Margin					Premium Liabilities Margin						
	Net unpaid claims discounted	PfADs (claims)	Net unpaid claims discounted, net of PfADs	Risk factor	Capital (margin) required for unpaid claims	Net premium liabilities	PfADs (premium liabilities)	Net premium liabilities net of PfADs	Net written premiums (past 12 m)	Greater of net premium liabilities net of PfADs and 30% net written premiums	Risk factor	Capital (margin) required for premium liabilities
	(02)	(04)	(06)	(08)	(10)	(12)	(14)	(16)	(18)	(20)	(22)	(29)
Personal Property, excluding Home and Product Warranty	03	0	0	15.00%	0	0	0	0	0	0	20.00%	0
- Home Warranty	04	0	0	15.00%	0	0	0	0	0	0	20.00%	0
- Product Warranty	05	0	0	15.00%	0	0	0	0	0	0	20.00%	0
Subtotal - Personal	06	0	0		0	0	0	0	0	0		0
Commercial Property	07	0	0	10.00%	0	0	0	0	0	0	20.00%	0
Aircraft	10	0	0	20.00%	0	0	0	0	0	0	25.00%	0
Automobile - Liability	19	0	0	10.00%	0	0	0	0	0	0	15.00%	0
Automobile - Personal Accident	20	0	0	10.00%	0	0	0	0	0	0	15.00%	0
Automobile - Other	21	0	0	15.00%	0	0	0	0	0	0	20.00%	0
Boiler & Machinery, excluding Equipment Warranty	32	0	0	15.00%	0	0	0	0	0	0	20.00%	0
- Equipment Warranty	33	0	0	15.00%	0	0	0	0	0	0	20.00%	0
Credit	34	0	0	20.00%	0	0	0	0	0	0	25.00%	0
Credit Protection	35	0	0	20.00%	0	0	0	0	0	0	25.00%	0
Fidelity	36	0	0	20.00%	0	0	0	0	0	0	25.00%	0
Hail	38	0	0	20.00%	0	0	0	0	0	0	25.00%	0
Legal Expense Liability	40	0	0	25.00%	0	0	0	0	0	0	30.00%	0
- Comprehensive General Liability (with products)	50	0	0	25.00%	0	0	0	0	0	0	30.00%	0
- Comprehensive General Liability (without products)	51	0	0	25.00%	0	0	0	0	0	0	30.00%	0
- Cyber Liability	52	0	0	25.00%	0	0	0	0	0	0	30.00%	0
- Directors and Officers Liability	53	0	0	25.00%	0	0	0	0	0	0	30.00%	0
- Excess Liability	54	0	0	25.00%	0	0	0	0	0	0	30.00%	0
- Professional Liability	55	7,931	3,716	25.00%	1,054	743	238	505	2,014	604	30.00%	181
- Umbrella Liability	56	0	0	25.00%	0	0	0	0	0	0	30.00%	0
- Pollution Liability	57	0	0	25.00%	0	0	0	0	0	0	30.00%	0
- All other	58	0	0	25.00%	0	0	0	0	0	0	30.00%	0
Liability - total	59	7,931	3,716		1,054	743	238	505	2,014	604		181
Other Approved Products	63	0	0	20.00%	0	0	0	0	0	0	25.00%	0
Surety												
- Contract Surety	60	0	0	20.00%	0	0	0	0	0	0	25.00%	0
- All Other Surety	61	0	0	20.00%	0	0	0	0	0	0	25.00%	0
Surety - total	64	0	0		0	0	0	0	0	0		0
Title	66	0	0	15.00%	0	0	0	0	0	0	20.00%	0
Marine	68	0	0	20.00%	0	0	0	0	0	0	25.00%	0
Accident and Sickness	70				0							0
Total	89	7,931	3,716		1,054	743	238	505	2,014			181

Note: See Section VI of the P&C instructions and the MCT Guideline.

CONSOLIDATED

MCT (BAAT) MARKET RISK CAPITAL (MARGIN) REQUIREMENTS
(\$'000)

Capital (Margin) Required for Interest Rate Risk				
	Fair value	Modified or effective duration	Dollar fair value change (01)x(02)xΔy	Dollar fair value change (01)x(02)x(-Δy)
(55)	(01)	(02)	(03)	(04)
Interest rate sensitive assets:				
Term deposits	01	11,736	0.10	15
Bonds and debentures	02	5,092	3.95	251
Commercial paper	03		0	0
Loans	04		0	0
Mortgages	05		0	0
MBS and ABS	06		0	0
Preferred shares	07		0	0
Other (specify)	08		0	0
Total interest rate sensitive assets	09	16,828	266	-266
Interest rate sensitive liabilities:				
Net unpaid claims and adjustment expenses	10	7,931	4.22	418
Net premium liabilities	11	743	4.90	46
Other as approved by the regulator	12		0	0
Total interest rate sensitive liabilities	19	8,674	464	-464
Allowable interest rate derivatives:				
	Notional value		Dollar fair value Δy	Dollar fair value -Δy
	(05)		(06)	(07)
Long positions	20			
Short positions	21			
Total allowable interest rate derivatives	29		0	0
Capital required for Δy shock increase	30		0	
Capital required for Δy shock decrease	31			198
Total interest rate risk margin	39			198

Note: Δy = 1.25%

Capital (Margin) Required for Foreign Exchange Risk				
	Net open long position ¹ in CAD, before carve-out	Carve-out ² in CAD	Net open long position in CAD, less carve-out	Net open short position ³ in CAD
(55)	(10)	(12)	(14)	(16)
U.S. Dollar	40		0	
Euro	41		0	
U.K. Pound	42		0	
Swiss Franc	43		0	
Danish Krone	44		0	
Swedish Krona	45		0	
Australian Dollar	46		0	
Hong Kong Dollar	47		0	
Singapore Dollar	48		0	
Japanese Yen	50		0	
China Yuan Renminbi	51		0	
Chilian Peso	52		0	
Indian Rupee	53		0	
Other (specify)	54		0	
Total net position	59	0	0	0
Net exposure = MAX (Total net open long positions, Absolute value of total net open short positions)			60	0
Total foreign exchange risk margin			69	0

Notes:
1 Enter long positions as positive.
2 A carve-out short position of 25% of liabilities denominated in each currency, converted in CAD.
3 Enter short positions as negative (no carve-out on short positions).

Capital (Margin) Required for Equity Risk						
	Exposure amount			Risk factor		Capital (Margin) Required (21)x(22) (29)
(55)	(21)			(22)		
Instruments NOT used as part of an equity hedging strategy:						
Long common shares	70	0		30.00%		0
Long equity derivatives	72	0		30.00%		0
Joint ventures and limited partnerships with less than or equal to 10% owners	71	0		30.00%		0
Short common shares and equity derivatives	73			30.00%		0
Total of instruments NOT used as part of an equity hedging strategy	74					0
Instruments used as part of an equity hedging strategy:						
	Exposure amount	Exposure amount of the portfolio of hedging instruments	Net exposure amount: Absolute value of ((21)-(23))	Risk factor	Correlation factor	Capital (Margin) Required (22)x(25) + MIN((21), (23)) × (1-(27)) × 1.5 (29)
	(21)	(23)	(25)	(22)	(27)	
Portfolio of instruments being hedged - active management and hedging strategy #1	75		0	30.00%		0
Portfolio of instruments being hedged - active management and hedging strategy #2	76		0	30.00%		0
Portfolio of instruments being hedged - active management and hedging strategy #3	77		0	30.00%		0
Total of instruments used as part of an equity hedging strategy	78					0
Total equity risk margin	79					0

Capital (Margin) Required for Real Estate			
	Balance Sheet Value	Risk factor	Capital (Margin) Required (21)x(22) (29)
(55)	(20)	(22)	
Investment properties	80	0	20.00%
Owner-occupied properties (valued using cost model)	81	0	10.00%
Total real estate risk margin	89	0	

Capital (Margin) Required for Other Market Risk Exposures			
	Balance Sheet Value	Risk factor	Capital (Margin) Required (21)x(22) (29)
(55)	(20)	(22)	
Equipment	90	0	10.00%
Other (specify)	91	0	10.00%
Total other market risk exposures margin	99	0	

Note: See Section VI of the P&C instructions and the MCT Guideline.

CONSOLIDATED

MCT CREDIT RISK: CAPITAL REQUIRED FOR BALANCE SHEET ASSETS
(\$'000)

		Risk Factor (%)	Balance Sheet Value	Redistribution of Exposure for Collateral/ Guarantees	Net Exposure	Capital Required (01)x(05)
(55)		(01)	(02)	(04)	(05)	(03)
Cash held on premises	01	0.00%	0		0	
Cash other	08	0.25%	3,150		3,150	8
Investment Income Due and Accrued	02	2.50%	19		19	0
Investments:						
Long-term obligations including term deposits, bonds, debentures and loans	06		5,092	0	5,092	20
Short-Term Obligations including Commercial Paper	07		11,736	0	11,736	14
Loans (at amortized cost):						
First mortgages on one- to four-unit residential dwellings	14	4.00%	0		0	0
Commercial mortgages and residential mortgages that are not first mortgages on one- to four-unit residential dwellings	15	10.00%	0		0	0
Mortgages secured by undeveloped land	16	15.00%	0		0	0
Subsidiaries, Associates & Joint Ventures (not considered capital)	23	45.00%	0		0	0
Other Loans	17		0		0	
Adjustment to reflect difference between amortized cost and Balance Sheet value of loans	19		0		0	
Preferred Shares	25		0	0	0	0
Other Investments	35	10.00%	0		0	0
Receivables:						
Government Grade	50	0.00%	0		0	
Facility Association and the "P.R.R."	51	0.70%	0		0	0
Agents, Brokers, Policyholders, Associates, Joint Ventures, Limited Partnerships, Non-qualifying Subsidiaries and Other Receivables:						
- Instalment Premiums (not yet due)	54	0.00%	1,783		1,783	
- Outstanding less than 60 days	55	5.00%	0		0	0
- Outstanding 60 days or more	56	10.00%	0		0	0
Insurers - Registered Associated	42	0.00%	0		0	
- Registered Non-associated	57	0.70%	608		608	4
- Unregistered	58		10		10	
Recoverable from Reinsurers:						
- Registered Associated - Unearned Premiums	45	0.00%	0		0	
- Registered Associated - Unpaid Claims	46	0.00%	0		0	
- Registered Non-associated - Unearned Premiums	60	2.50%	2,412		2,412	60
- Registered Non-associated - Unpaid Claims	61	2.50%	60,571		60,571	1,514
- Unregistered	63		36,126		36,126	
Other Recoverables on Unpaid Claims including SIRs not deducted from capital	65	20.00%	0		0	0
Deferred Tax Assets arising from temporary differences, that can be applied to recoverable income taxes paid in the preceding 3 years	66	10.00%	0		0	0
Assets held for sale	67	20.00%	0		0	0
Other Assets	86	10.00%	139		139	14
(Specify)	87	0.00%	0		0	0
TOTAL	89		121,646	0	121,646	1,634

Note: See Section VI of the P&C instructions and the MCT Guideline.

CONSOLIDATED

MCT (BAAT) CREDIT RISK: CAPITAL (MARGIN) REQUIRED FOR BALANCE SHEET (VESTED) ASSETS BASED ON EXTERNAL CREDIT RATINGS
(\$'000)

Category	Rating		Remaining Term to Maturity/ Other Maturity											Capital (Margin) Required (11x02)+(13x04)+ (15x06) (09)	
			1 year or less, or perpetual				Greater than 1 year, up to and including 5 years				Greater than 5 years				
			Balance Sheet Value (01)	Redistribution of Exposure for Collateral/ Guarantees (10)	Net Exposure (11)	Risk Factor (02)	Balance Sheet Value (03)	Redistribution of Exposure for Collateral/ Guarantees (12)	Net Exposure (13)	Risk Factor (04)	Balance Sheet Value (05)	Redistribution of Exposure for Collateral/ Guarantees (14)	Net Exposure (15)		Risk Factor (06)
Long-term obligations including term deposits, bonds, debentures and loans	Government Grade	01	602		602	0.00%	974		974	0.00%	1,606		1,606	0.00%	0
	AAA	02			0	0.25%			0	0.50%			0	1.25%	0
	AA+ to AA-	03	200		200	0.25%	1,358		1,358	1.00%	352		352	1.75%	20
	A+ to A-	04			0	0.75%			0	1.75%			0	3.00%	0
	BBB+ to BBB-	05			0	1.50%			0	3.75%			0	4.75%	0
	BB+ to BB-	06			0	3.75%			0	7.75%			0	8.00%	0
	B+ to B-	07			0	7.50%			0	10.50%			0	10.50%	0
	Unrated	10			0	6.00%			0	8.00%			0	10.00%	0
	Other	08			0	15.50%			0	18.00%			0	18.00%	0
Sub-total	09	802	0	802		2,332	0	2,332		1,958	0	1,958		20	
Short-term obligations including commercial paper	Government Grade	18	6,065		6,065	0.00%									0
	A-1, F1, P-1, R-1 or equivalent	20	5,671		5,671	0.25%									14
	A-2, F2, P-2, R-2 or equivalent	21			0	0.50%									0
	A-3, F3, P-3, R-3 or equivalent	22			0	2.00%									0
	Unrated	11			0	6.00%									0
	All other ratings, including non-prime and B or C ratings	23			0	8.00%									0
	Sub-total	29	11,736	0	11,736										14
Preferred shares	AAA, AA+ to AA-, Pfd-1, P-1 or equivalent	40			0	3.00%									0
	A+ to A-, Pfd-2, P-2 or equivalent	41			0	5.00%									0
	BBB+ to BBB-, Pfd-3, P-3 or equivalent	42			0	10.00%									0
	BB+ to BB-, Pfd-4, P-4 or equivalent	43			0	20.00%									0
	B+ or lower, Pfd-5, P-5 or equivalent or unrated	44			0	30.00%									0
	Sub-total	49	0	0	0										0
Total		89													34

Note: See Section VI of the P&C instructions and the MCT Guideline.

CONSOLIDATED
MCT (BAAT) CREDIT RISK: CAPITAL (MARGIN) REQUIRED FOR OFF-BALANCE SHEET EXPOSURES
(\$'000)

Exposure Amnts for OTC Derivatives	Interest Rate Contracts	Foreign Exchange and Gold Contracts	Equity-linked Contracts	Precious Metals (Other than Gold Contracts)	Other Instruments	Total Contracts
	(01)	(02)	(03)	(04)	(05)	(09)
Notional principal amount	01					0
Replacement Cost (Market Value)						
Gross positive replacement cost	02					0
Gross negative replacement cost	03					0
Add-on for Potential Future Exposure	04					0
Credit Equivalent Amount	09	0	0	0	0	0

Category	Rating of the counterparty	Remaining Term to Maturity/ Other Maturity															Capital (Margin) Required (12x13x14)+(22x23 x24)+(32x33x34)			
		1 year or less, or indeterminate					Greater than 1 year, up to and including 5 years					Greater than 5 years								
		Credit Equivalent Amount	Redistribution of Exposure for Collateral/ Guarantees	Net Exposure	Credit Conversion Factor	Risk Factor	Credit Equivalent Amount	Redistribution of Exposure for Collateral/ Guarantees	Net Exposure	Credit Conversion Factor	Risk Factor	Credit Equivalent Amount	Redistribution of Exposure for Collateral/ Guarantees	Net Exposure	Credit Conversion Factor	Risk Factor				
		(10)	(11)	(12)	(13)	(14)	(20)	(21)	(22)	(23)	(24)	(30)	(31)	(32)	(33)	(34)	(39)			
OTC derivatives	Government Grade	10				0		0.00%			0		0.00%			0		0.00%		0
	AAA	11				0		0.25%			0		0.50%			0		1.25%		0
	AA+ to AA-	12				0		0.25%			0		1.00%			0		1.75%		0
	A+ to A-	13				0		0.75%			0		1.75%			0		3.00%		0
	BBB+ to BBB-	14				0		1.50%			0		3.75%			0		4.75%		0
	BB+ to BB-	15				0		3.75%			0		7.75%			0		8.00%		0
	B+ to B-	16				0		7.50%			0		10.50%			0		10.50%		0
	Unrated	17				0		6.00%			0		8.00%			0		10.00%		0
	Other	18				0		15.50%			0		18.00%			0		18.00%		0
	Sub-total	19		0		0		0		0		0		0		0		0		0
Type 1 structured settlements	Rated A- and higher	20													0	50%	2.00%			0
	Rated BBB+ and lower	21													0	50%	8.00%			0
	Unrated	22													0	50%	10.00%			0
	Other (excluding unrated)	23													0	50%	18.00%			0
	Sub-total	29											0		0		0			0
Other off-balance sheet exposures	Government Grade	30				0		0.00%			0		0.00%			0		0.00%		0
	AAA	31				0		0.25%			0		0.50%			0		1.25%		0
	AA+ to AA-	32				0		0.25%			0		1.00%			0		1.75%		0
	A+ to A-	33				0		0.75%			0		1.75%			0		3.00%		0
	BBB+ to BBB-	34				0		1.50%			0		3.75%			0		4.75%		0
	BB+ to BB-	35				0		3.75%			0		7.75%			0		8.00%		0
	B+ to B-	36				0		7.50%			0		10.50%			0		10.50%		0
	Unrated	37				0		6.00%			0		8.00%			0		10.00%		0
	Other	38				0		15.50%			0		18.00%			0		18.00%		0
	Sub-total	39		0		0		0		0		0		0		0		0		0
	Total	89		0		0		0		0		0		0		0		0		0

Note: See Section VI of the P&C instructions and the MCT Guideline.

CONSOLIDATED
MCT (BAAT) CREDIT RISK: CAPITAL (MARGIN) REQUIRED FOR COLLATERAL HELD FOR UNREGISTERED REINSURANCE EXPOSURES
AND SELF-INSURED RETENTION
(S'000)

Total Capital (Margin) Required for Non-Owned Deposits and Letters of Credit		
	(01)	
Total capital (margin) required for acceptable non-owned deposits	01	144
Total capital (margin) required for letters of credit	02	0
Ratio for proportional allocation of excess collateral	03	35.02%
Capital (margin) required for excess collateral portion	04	50
Capital (margin) required for acceptable non-owned deposits and letters of credit less excess	05	94

Category	Rating	Remaining Term to Maturity/ Other Maturity						Capital (margin) required (02x04)+(06x08)+(10x12)	
		1 year or less, or perpetual		Greater than 1 year, up to and including 5 years		Greater than 5 years			
		Exposure amount	Risk factor	Exposure amount	Risk factor	Exposure amount	Risk factor		
		(02)	(04)	(06)	(08)	(10)	(12)	(19)	
Long-term obligations including term deposits, bonds, debentures and loans	Government grade	10	8,604	0.00%	30,018	0.00%	8,321	0.00%	0
	AAA	11		0.25%	3,801	0.50%		1.25%	19
	AA+ to AA-	12	2,406	0.25%	2,776	1.00%	987	1.75%	51
	A+ to A-	13	1,002	0.75%	3,728	1.75%		3.00%	73
	BBB+ to BBB-	14		1.50%		3.75%		4.75%	0
	BB+ to BB-	15		3.75%		7.75%		8.00%	0
	B+ to B-	16		7.50%		10.50%		10.50%	0
	Unrated	17		6.00%		8.00%		10.00%	0
	Other	18		15.50%		18.00%		18.00%	0
	Sub-total	19	12,012		40,323		9,308		143
Short-term obligations including commercial paper	Government grade	20		0.00%					0
	A-1, F1, P-1, R-1 or equivalent	21		0.25%					0
	A-2, F2, P-2, R-2 or equivalent	22		0.50%					0
	A-3, F3, P-3, R-3 or equivalent	23		2.00%					0
	Unrated	24		6.00%					0
	All other ratings, including non-prime and B or C ratings	25		8.00%					0
	Sub-total	29	0						0
Preferred shares	AAA, AA+ to AA-, Pfd-1, P-1 or equivalent	30		3.00%					0
	A+ to A-, Pfd-2, P-2 or equivalent	31		5.00%					0
	BBB+ to BBB-, Pfd-3, P-3 or equivalent	32		10.00%					0
	BB+ to BB-, Pfd-4, P-4 or equivalent	33		20.00%					0
	B+ or lower, Pfd-5, P-5 or equivalent or unrated or common shares	34		30.00%					0
	Sub-total	39	0						0
Other deposits	Cash held on premises	40		0.00%					0
	Cash other	41	391	0.25%					1
	Investment income due and accrued	42		2.50%					0
	Sub-total	49	391						1
Letters of credit ¹	Government grade	50		0.00%		0.00%		0.00%	0
	AAA	51		0.25%		0.50%		1.25%	0
	AA+ to AA-	52		0.25%		1.00%		1.75%	0
	A+ to A-	53		0.75%		1.75%		3.00%	0
	BBB+ to BBB-	54		1.50%		3.75%		4.75%	0
	BB+ to BB-	55		3.75%		7.75%		8.00%	0
	B+ to B-	56		7.50%		10.50%		10.50%	0
	Sub-total	59	0		0		0		0
Total	89	12,403		40,323		9,308		144	

¹ For letters of credit, use rating of the issuing/confirming bank and term of ceded liabilities

Note: See Section VI of the P&C instructions and the MCT Guideline.

CONSOLIDATED

MCT (BAAT) OPERATIONAL RISK CAPITAL (MARGIN) REQUIRED
(\$'000)

		Income Statement Value 12 m (previous year)	Income Statement Value 12 m (current year)	Risk Factor	Capital (Margin) Required (02)x(03)
		(01)	(02)	(03)	(09)
Direct premiums written in the past 12 m	01	10,610	7,139	2.50%	178
Reinsurance assumed in the past 12 m - Not Intra Pool	02	0	0	1.75%	0
Reinsurance assumed in the past 12 m - Intra Pool (MCT only)	03	0	0	0.75%	0
Subtotal: Gross premiums	09	10,610	7,139		
Reinsurance ceded in the past 12 m - Not Intra Pool	10		5,125	2.50%	128
Reinsurance ceded in the past 12 m - Intra Pool (MCT only)	11		0	0.75%	0
Greater of 0.75% on ceded and 0.75% on assumed - Intra Pool (MCT only)	12				0
Premium growth above 20% threshold	13		0	2.50%	0
Subtotal: premium operational risk requirement component	19				306
Capital/margin required component ¹ (balance sheet value)	30		3,323	8.50%	282
Total operational risk uncapped	39				588
Cap	50			30%	997
Total operational risk margin	89				588

Notes:
¹ Capital (margin) required component equals to total capital (margin) required excluding operational risk and diversification credit.

See Section VI of the P&C instructions and the MCT Guideline.

CONSOLIDATED

SUMMARY OF INVESTMENTS
(\$'000)

		Fair Value				Amortized Cost	Balance Sheet (01+03+05+07+09)	Pooled Funds	Realized Gains(Losses)	Income	Gain/(Loss) From FV Option
		Held for Trading	Available for Sale	Hedges	FV Option/ Investment Properties Fair Value						
		(01)	(03)	(05)	(07)	(09)	(12)	(13)	(15)	(16)	(19)
Aggregate Holdings:											
Short Term Investments (1 year or less)	01		11,736				11,736	0		86	
Bonds and Debentures (1 year or less)	06		802				802	0		18	
Bonds and Debentures > 1 year and ≤ 5 years	02		2,332				2,332	0		53	
Bonds and Debentures > 5 years	05		1,958				1,958	0		45	
Mortgage Loans - ≤ 80% Loan to Value Ratio	03		0				0	0		0	
- Other	04		0				0	0		0	
Preferred Shares - Debt	10		0				0	0		0	
- Equity	11		0				0	0		0	
Common Shares	15	0	0	0	0	0	0	0	0	0	0
Investment Properties	20						0	0		0	
Other Loans and Invested Assets	30		0				0	0		0	
Pooled Funds - items not captured in above rows	32		0				0	0		0	
Deduct: Pooled Funds accounted using the Equity Method	34		0				0	0		0	
Total Investments	39	0	16,828	0	0	0	16,828	0	0	202	0
Out of Canada	40						0	0			
Foreign Pay Securities	41						0	0			
Individual Holdings:											
Largest Exposure to an Entity or Connected Group	50						360	0			
2nd Largest Exposure to an Entity or Connected Group	51						351	0			
Largest Pooled Holding	60						0	0			
2nd Largest Pooled Holding	61						0	0			

CONSOLIDATED
SHORT TERM INVESTMENTS (excluding bonds and debentures)
(\$'000)

Where/By whom kept	Description	Interest		Date of Issue	Date of Maturity	Par Value	Fair Value				Amortized Cost	Balance Sheet Value (10+12+14+16+18) (29)
		Rate %	Due Dates				Held for Trading	Available for Sale	Hedges	Fair Value Option		
(01)	(02)	(03)	(04)	(05)	(06)	(07)	(10)	(12)	(14)	(16)	(18)	(29)
												0
												0
												0
	Total Short Term Investments Foreign Government	35										0
RBC Dexia	Bank Nova Scotia BA	1.289		10-10-17	23-01-18	1,131		1,131				1,131
RBC Dexia	Canadian Imperial Bank BA	1.156		03-11-17	12-01-18	893		893				893
RBC Dexia	Canadian Imperial Bank BA	1.179		06-11-17	29-01-18	858		858				858
RBC Dexia	Toronto Dominion BA	1.182		30-11-17	03-01-18	1,074		1,074				1,074
RBC Dexia	Canadian Imperial Bank BA	1.250		01-12-17	28-02-18	608		608				608
RBC Dexia	Royal Bank BA	1.288		18-12-17	21-02-18	349		349				349
RBC Dexia	Royal Bank BA	1.360		18-12-17	29-03-18	299		299				299
RBC Dexia	First Bank BA	1.217		19-12-17	18-01-18	460		460				460
RBC Dexia	Canada Treasury Bills	0.820		16-11-17	08-02-18	1,482		1,482				1,482
RBC Dexia	Canada Treasury Bills	0.800		30-11-17	25-01-18	1,798		1,798				1,798
RBC Dexia	Canada Treasury Bills	0.820		14-12-17	22-02-18	1,777		1,777				1,777
RBC Dexia	Canada Treasury Bills	0.990		28-12-17	22-03-18	1,008		1,008				1,008
												0
												0
	Total Short Term Investments - Rating of A 1, R 1	40						11,736				11,736
												0
												0
												0
	Total Short Term Investments - Rating of A 2, R 2	45										0
												0
												0
												0
	Total Short Term Investments - Rating of A 3, R 3	49										0
												0
												0
												0
	Total Short Term Investments - Rating of B, R 4	60										0
												0
												0
												0
	Total Short Term Investments - Rating of B 1, R 5	65										0
												0

CONSOLIDATED
SHORT TERM INVESTMENTS (excluding bonds and debentures)
(\$'000)

Where/By whom kept (01)	Description (02)	Interest		Date of Issue (05)	Date of Maturity (06)	Par Value (07)	Fair Value				Amortized Cost (18)	Balance Sheet Value (10+12+14+ 16+18) (29)
		Rate % (03)	Due Dates (04)				Held for Trading (10)	Available for Sale (12)	Hedges (14)	Fair Value Option (16)		
												0
Total Short Term Investments - Rating of B 2, D		69										0
												0
												0
Total Short Term Investments - Other		89										0
Total Short Term Investments		99				0	0	11,736	0	0	0	11,736

CONSOLIDATED
BONDS AND DEBENTURES
(\$'000)

Where/By whom kept	Description	Rating	Interest		Date of Issue	Date of Maturity	Par Value	Fair Value				Amortized Cost	Balance Sheet Value (10+12+14+16+18) (29)
			Rate %	Due Dates				Held for Trading	Available for Sale	Hedges	Fair Value Option		
(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(10)	(12)	(14)	(16)	(18)	(29)
Total Bonds Government - Federal	09						579		1,203				1,203
Total Bonds Government - Provincial	19						696		1,979				1,979
Total Bonds Government - Municipal, Public Authority, School	29												0
													0
													0
Total Bonds Foreign Government	35												0
													0
													0
Total Bonds rated A- or higher - Expiring or redeeming in one year or less	39						191		200				200
													0
													0
Total Bonds rated A- or higher - > 1 year and ≤ 5 years	49						668		1,358				1,358
													0
													0
Total Bonds rated A- or higher - > 5 years	59						70		352				352
													0
													0
													0
Total Bonds rated BBB+ and lower - Expiring or redeeming in one year or less	69												0
													0
													0
													0
Total Bonds rated BBB+ and lower - > 1 year and ≤ 5 years	79												0
													0
													0
													0
Total Bonds rated BBB+ and lower - > 5 years	89												0
Total Bonds and Debentures	99						2,204	0	5,092	0	0	0	5,092

CONSOLIDATED
MORTGAGE LOANS
(\$'000)

Where/By whom kept	Description	Identification Number	Date of Issue	Interest Rate	Original Loan Amount	Original Value of Property	Current Market Value of Property	Balance Sheet Value
(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)
Total Government Grade Guarantor Mortgage Loans		29			0	0	0	0
Total Residential Mortgages		39			0	0	0	0
Total Commercial Mortgage Loans		49			0	0	0	0
Total Other Mortgages		59			0	0	0	0
Total Mortgage Loans		89			0	0	0	0

CONSOLIDATED

PREFERRED SHARES
(\$'000)

Where/By whom kept	Description	Number of Shares	Fair Value				Amortized Cost	Balance Sheet Value	Original Cost
			Held for Trading	Available for Sale	Hedges	Fair Value Option			
(01)	(02)	(03)	(10)	(12)	(14)	(16)	(18)	(10+12+14+ 16+18) (29)	(39)
								0	
								0	
								0	
								0	
								0	
Total AAA, AA, Pfd-1, P-1		29	0	0	0	0	0	0	0
								0	
								0	
								0	
								0	
								0	
Total A, Pfd-2, P-2		39	0	0	0	0	0	0	0
								0	
								0	
								0	
								0	
								0	
Total BBB, Pfd-3, P-3		49	0	0	0	0	0	0	0
								0	
								0	
								0	
								0	
								0	
Total BB, Pfd-4, P-4		59	0	0	0	0	0	0	0
								0	
								0	
								0	
								0	
Total B, Pfd-5, P-5 or unrated		79	0	0	0	0	0	0	0

CONSOLIDATED

PREFERRED SHARES
(\$'000)

Total Preferred Shares	89		0	0	0	0	0	0	0
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Canadian Lawyers Liability Assurance Society

Canadian Insurer

31/12/2017

Date

CONSOLIDATED

COMMON SHARES
(\$'000)

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P&C (2017)

Next page is 40.70A

Date _____

INVESTMENT PROPERTIES
(\$'000)

P&C (2017)
Next page is 40.70B

OWN USE PROPERTY AND EQUIPMENT

(\$'000)

Description of Property	Year Acquired	Amount of Encumbrances	Value Using Cost Model	Market Value	Balance Sheet Value	
					Total	Vested in Trust
(01)	(02)	(03)	(04)	(05)	(06)	(07)
Own use property						
Total Own Use Properties	79	0	0	0	0	
Equipment	80					
Total Own Use Property and Equipment	69				0	

OTHER LOANS AND INVESTED ASSETS*
(\$'000)

* Entities whose primary regulator is Alberta are required to submit this page on a quarterly basis; Canadian insurers licensed in Quebec are required to submit this page with their 2nd and 4th quarter filings. All other insurers are only required to submit this page with their 4th quarter filing.

RECEIVABLE FROM/PAYABLE TO NON-ASSOCIATED AGENTS & BROKERS
(\$'000)

P&C (2017)
Next page is 50.20B

31/12/2017

Date

OTHER RECEIVABLES
(\$'000)

P&C (2017)
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CONSOLIDATED
INTRA-GROUP TRANSACTIONS

SECTION I: INTEREST IN REGULATED SUBSIDIARY ENTITIES OF THE INSURANCE GROUP CONSOLIDATED IN MCT - CANADA

Name of Entity (01)	Name of Canadian Regulatory Authority (02)	Description of Shares (04)	Interests/Loans considered as capita				
			Number of Shares (06)	% Owned (08)	% of Voting Rights (10)	Acquisition Cost (12)	Market Value (14)
Total	09					0	0

SECTION II: INTEREST IN REGULATED SUBSIDIARY ENTITIES OF THE INSURANCE GROUP CONSOLIDATED IN MCT - INTERNATIONAL

Name of Entity (01)	Name of Canadian Regulatory Authority (02)	Description of Shares (04)	Interests/Loans considered as capita				
			Number of Shares (06)	% Owned (08)	% of Voting Rights (10)	Acquisition Cost (12)	Market Value (14)
Total	19					0	0

SECTION III: INTEREST IN NON-CONSOLIDATED CONTROLLED ENTITIES OF THE CORPORATE GROUP

Name of Entity (01)	Name of Canadian Regulatory Authority (02)	Description of Shares (04)	Interests/Loans considered as capital							Loans not considered as capital
			Number of Shares (06)	% Owned (08)	% of Voting Rights (10)	Acquisition Cost (12)	Market Value (14)	Balance Sheet Value (16)	Increase (Decrease) in Balance Sheet Value (18)	Balance Sheet Value (20)
Total	29					0	0	0	0	0

CONSOLIDATED
INTRA-GROUP TRANSACTIONS

SECTION IV: INTERESTS IN ASSOCIATES & JOINT VENTURES

Name of Entity and Description of Shares (01)	Interests/Loans considered as capital							Loans not considered as capital
	Number of Shares (06)	% Owned (08)	% of Voting Rights (10)	Acquisition Cost (12)	Market Value (14)	Balance Sheet Value (16)	Increase (Decrease) in Balance Sheet Value Value (18)	Balance Sheet Value (20)
Total	39			0	0	0	0	0

SECTION V: INTRA-GROUP REINSURANCE TRANSACTIONS (see pages 70.50, 70.60/70.61 for transaction details)

	Premiums Ceded (23)	Reinsurance Recoverable (25)	Reinsurance Receivable (27)	Reinsurance Payable (29)	Net Receivable (31)	Total Collateral (33)
Registered 42	0	0	0	0	0	
Unregistered 44	0	0	0	0	0	

SECTION VI: INTRA-GROUP OUTSOURCING (see page 10.43 for transaction details)

	(35)
Year to Date Fee/Cost of Service 52	0

SECTION VII: OTHER INTRA-GROUP TRANSACTIONS RESULTING IN ASSET ENCUMBRANCE (see page 10.42 for transaction details)

Asset Type (40)	Market Value of Encumbered Asset (42)
	0
Total	69 0

RECEIVABLE FROM/PAYABLE TO SUBSIDIARIES, ASSOCIATES & JOINT VENTURES
(\$'000)

Name of Entity (01)	Receivable		Payable (11)
	In Arrears (09) (\$000)	Total (10) (\$000)	
Registered			
Total Registered	49	0	0

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RECEIVABLE FROM/PAYABLE TO SUBSIDIARIES, ASSOCIATES & JOINT VENTURES
(\$'000)

Name of Entity (01)	Receivable		Payable (11)
	In Arrears (09)	Total (10)	
	(\$000)	(\$000)	(\$000)
Unregistered			
Total Unregistered	79	0	0
Total	89	0	0

CONSOLIDATED
INSURERS LICENSED IN QUEBEC OR ALBERTA
UNEARNED PREMIUMS
(\$'000)

Class of Insurance			Unearned Premiums			
			Direct	Reinsurance assumed	Reinsurance ceded	Net (01+02-03)
			(01)	(02)	(03)	(04)
Property	- Personal excluding Home and Product Warranty	03				0
	- Home Warranty	04				0
	- Product Warranty	05				0
	Subtotal - Personal	06	0	0	0	0
	- Commercial	07				0
Property - total		09	0	0	0	0
Aircraft		10				0
Automobile:						
Private Passenger	- Liability	11				0
	- Personal Accident	12				0
	- Other	13				0
	Subtotal - Private Passenger	14	0	0	0	0
Other than Private Passenger	- Liability	15				0
	- Personal Accident	16				0
	- Other	17				0
	Subtotal - Other than Private Passenger	18	0	0	0	0
Facility Assoc. Residual Market	- Liability	22				0
	- Personal Accident	23				0
	- Other	24				0
	Subtotal - Facility Assoc. Residual Market	25	0	0	0	0
Automobile - Subtotal	- Liability	19	0	0	0	0
	- Personal Accident	20	0	0	0	0
	- Other	21	0	0	0	0
Automobile - total		29	0	0	0	0
Boiler and Machinery excluding Equipment Warranty		32				0
	- Equipment Warranty	33				0
Credit		34				0
Credit Protection		35				0
Fidelity		36				0
Hail		38				0
Legal Expense		40				0
Liability						
	- Comprehensive General Liability (with products)	50				0
	- Comprehensive General Liability (without products)	51				0
	- Cyber Liability	52				0
	- Directors and Officers Liability	53				0
	- Excess Liability	54				0
	- Professional Liability	55	3,540	0	2,541	999
	- Umbrella Liability	56				0
	- Pollution Liability	57				0
	- All other	58				0
Liability - total		59	3,540	0	2,541	999
Mortgage		62				0
Other Approved Products		63				0
Surety						
	- Contract Surety	60				0
	- All Other Surety	61				0
Surety - total		64	0	0	0	0
Title		66				0
Marine		68				0
Accident and Sickness		70				0
TOTAL		89	3,540	0	2,541	999
Out of Canada Liabilities		80				0

CONSOLIDATED
PREMIUMS AND CLAIMS
(\$'000)

Class of Insurance	Number of Policies in force	Number of Direct Claims	Premiums written less return premiums				Net unearned premiums at beginning of year	Net unearned premiums resulting from a portfolio acquisition/disposition	Net unearned premiums at period end	Net premiums earned (04+05+25-06)	Claims incurred including adjustment expenses				Claims ratio (11/07) %
			Direct	Reinsurance assumed	Reinsurance ceded	Net written (01+02-03)					Direct	Reinsurance assumed	Reinsurance ceded	Net incurred (08+09-10)	
	(21)	(23)	(01)	(02)	(03)	(04)	(05)	(25)	(06)	(07)	(08)	(09)	(10)	(11)	(12)
Property - Personal excluding Home and Product Warranty	03		0			0	0		0	0	0			0	0.00%
- Home Warranty	04		0			0	0		0	0	0			0	0.00%
- Product Warranty	05		0			0	0		0	0	0			0	0.00%
Subtotal - Personal	06		0	0	0	0	0	0	0	0	0	0	0	0	0.00%
- Commercial	07		0			0	0		0	0	0			0	0.00%
Property - total	09		0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Aircraft	10		0			0	0		0	0	0			0	0.00%
Automobile:															
Private Passenger - Liability	11		0			0	0		0	0	0			0	0.00%
- Personal Accident	12		0			0	0		0	0	0			0	0.00%
- Other	13		0			0	0		0	0	0			0	0.00%
Subtotal - Private Passenger	14		0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Other than Private Passenger - Liability	15		0			0	0		0	0	0			0	0.00%
- Personal Accident	16		0			0	0		0	0	0			0	0.00%
- Other	17		0			0	0		0	0	0			0	0.00%
Subtotal - Other than Private Passenger	18		0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Facility Assoc. Residual Market - Liability	22		0			0	0		0	0	0			0	0.00%
- Personal Accident	23		0			0	0		0	0	0			0	0.00%
- Other	24		0			0	0		0	0	0			0	0.00%
Subtotal - Facility Assoc. Residual Market	25		0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Automobile - Subtotal	19		0	0	0	0	0	0	0	0	0	0	0	0	0.00%
- Personal Accident	20		0	0	0	0	0	0	0	0	0	0	0	0	0.00%
- Other	21		0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Automobile - total	29		0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Boiler and Machinery excluding Equipment Warranty	32		0			0	0		0	0	0			0	0.00%
- Equipment Warranty	33		0			0	0		0	0	0			0	0.00%
Credit	34		0			0	0		0	0	0			0	0.00%
Credit Protection	35		0			0	0		0	0	0			0	0.00%
Fidelity	36		0			0	0		0	0	0			0	0.00%
Hail	38		0			0	0		0	0	0			0	0.00%
Legal Expense Liability	40		0			0	0		0	0	0			0	0.00%
- Comprehensive General Liability (with products)	50		0			0	0		0	0	0			0	0.00%
- Comprehensive General Liability (without products)	51		0			0	0		0	0	0			0	0.00%
- Cyber Liability	52		0			0	0		0	0	0			0	0.00%
- Directors and Officers Liability	53		0			0	0		0	0	0			0	0.00%
- Excess Liability	54		0			0	0		0	0	0			0	0.00%
- Professional Liability	55	20	4	7,139	0	5,125	2,014	1,079	0	999	2,094	4,392	0	3,105	61.46%
- Umbrella Liability	56			0		0	0	0	0	0	0			0	0.00%
- Pollution Liability	57			0		0	0	0	0	0	0			0	0.00%
- All other	58			0		0	0	0	0	0	0			0	0.00%
Liability - total	59	20	4	7,139	0	5,125	2,014	1,079	0	999	2,094	4,392	0	3,105	61.46%
Mortgage	62			0		0	0	0	0	0	0			0	0.00%
Other Approved Products	63			0		0	0	0	0	0	0			0	0.00%
Surety															
- Contract Surety	60			0		0	0	0	0	0	0			0	0.00%
- All Other Surety	61			0		0	0	0	0	0	0			0	0.00%
Surety - total	64			0	0	0	0	0	0	0	0	0	0	0	0.00%
Title	66			0		0	0	0	0	0	0			0	0.00%
Marine	68			0		0	0	0	0	0	0			0	0.00%
Accident and Sickness	70			0		0	0	0	0	0	0			0	0.00%
TOTAL	89	20	4	7,139	0	5,125	2,014	1,079	0	999	2,094	4,392	0	3,105	61.46%

CONSOLIDATED
CLAIMS INCURRED - UNDISCOUNTED
(\$'000)

Class of Insurance			Claims incurred undiscounted			
			Direct	Reinsurance assumed	Reinsurance ceded	Net incurred
			(08)	(09)	(10)	(08+09-10) (11)
Property	- Personal excluding Home and Product Warranty	03	0			0
	- Home Warranty	04	0			0
	- Product Warranty	05	0			0
	Subtotal - Personal	06	0	0	0	0
	- Commercial	07	0			0
Property - total		09	0	0	0	0
Aircraft		10	0			0
Automobile:						
Private Passenger	- Liability	11	0			0
	- Personal Accident	12	0			0
	- Other	13	0			0
Subtotal - Private Passenger		14	0	0	0	0
Other than Private Passenger	- Liability	15	0			0
	- Personal Accident	16	0			0
	- Other	17	0			0
Subtotal - Other than Private Passenger		18	0	0	0	0
Facility Assoc. Residual Market	- Liability	22	0			0
	- Personal Accident	23	0			0
	- Other	24	0			0
Subtotal - Facility Assoc. Residual Market		25	0	0	0	0
Automobile - Subtotal	- Liability	19	0	0	0	0
	- Personal Accident	20	0	0	0	0
	- Other	21	0	0	0	0
Automobile - total		29	0	0	0	0
Boiler and Machinery excluding Equipment Warranty		32	0			0
- Equipment Warranty		33	0			0
Credit		34	0			0
Credit Protection		35	0			0
Fidelity		36	0			0
Hail		38	0			0
Legal Expense		40	0			0
Liability						
- Comprehensive General Liability (with products)		50	0			0
- Comprehensive General Liability (without products)		51	0			0
- Cyber Liability		52	0			0
- Directors and Officers Liability		53	0			0
- Excess Liability		54	0			0
- Professional Liability		55	5,860	0	4,600	1,260
- Umbrella Liability		56	0			0
- Pollution Liability		57	0			0
- All other		58	0			0
Liability - total		59	5,860	0	4,600	1,260
Mortgage		62	0			0
Other Approved Products		63	0			0
Surety						
- Contract Surety		60	0			0
- All Other Surety		61	0			0
Surety - total		64	0	0	0	0
Title		66	0			0
Marine		68	0			0
Accident and Sickness		70	0			0
TOTAL		89	5,860	0	4,600	1,260

DISCOUNTED AMOUNTS AND FOREIGN EXCHANGE
(\$'000)

		Current Year	Prior Year
		(01)	(03)
Performance Analysis			
Underwriting Income (Loss)	90	-1,477	206
Impact of Change in Claims Net Discount Rate	91	0	0
Impact of Unrealized Foreign Exchange Gains/ Losses	92	0	0
Underwriting Income (Loss) Before Changes	93	-1,477	206

GAINS AND LOSSES ON INVESTMENTS
(\$'000)

		Current Year	Prior Year
		(01)	(03)
Gains and Losses on Investments			
Realized Gains (Losses) on Held for Trading Financial Instruments	94	0	0
Realized Gains (Losses) on Other Financials Instruments	95	0	0
Unrealized Gains (Losses) on Held for Trading Financial Instruments	96	0	0
Total Gains and Losses on Investments	99	0	0

CONSOLIDATED
CLAIMS AND ADJUSTMENT EXPENSES - PAID, CURRENT YEAR AND UNPAID, CURRENT AND PRIOR YEAR
(\$'000)

Class of Insurance	Claims and adjustment expenses paid - current year				Provision for unpaid claims (including unreported) and adjustment expenses - current year				Margin or deficiency for unpaid claims at prior year					
	Direct	Reinsurance assumed	Reinsurance ceded	Net (01+02-03)	Direct	Reinsurance assumed	Reinsurance ceded	Net (05+06-07)	Net provision at prior year end	Net provision for portfolio acquisition/ disposition at transaction date	Net amount paid during the year for claims of prior years	Investment income on unpaid claims of prior years	Net provision for claims of prior years	Margin or (Deficiency) (09+11-10+13-15)
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(11)	(10)	(13)	(15)	(19)
Property - Personal excluding Home and Product Warranty	03			0				0	0			0		0
- Home Warranty	04			0				0	0			0		0
- Product Warranty	05			0				0	0			0		0
Subtotal - Personal	06	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial	07			0				0	0			0		0
Property - total	09	0	0	0	0	0	0	0	0	0	0	0	0	0
Aircraft	10			0				0	0			0		0
Automobile:														
- Private Passenger														
- Liability	11			0				0	0			0		0
- Personal Accident	12			0				0	0			0		0
- Other	13			0				0	0			0		0
Subtotal - Private Passenger	14	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other than Private Passenger														
- Liability	15			0				0	0			0		0
- Personal Accident	16			0				0	0			0		0
- Other	17			0				0	0			0		0
Subtotal - Other than Private Passenger	18	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility Assoc. Residual Market														
- Liability	22			0				0	0			0		0
- Personal Accident	23			0				0	0			0		0
- Other	24			0				0	0			0		0
Subtotal - Facility Assoc. Residual Market	25	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - Subtotal														
- Liability	19	0	0	0	0	0	0	0	0	0	0	0	0	0
- Personal Accident	20	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other	21	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - total	29	0	0	0	0	0	0	0	0	0	0	0	0	0
Boiler and Machinery excluding Equipment Warranty	32			0				0	0			0		0
- Equipment Warranty	33			0				0	0			0		0
Credit	34			0				0	0			0		0
Credit Protection	35			0				0	0			0		0
Fidelity	36			0				0	0			0		0
Hail	38			0				0	0			0		0
Legal Expense	40			0				0	0			0		0
Liability														
- Comprehensive General Liability (with products)	50			0				0	0			0		0
- Comprehensive General Liability (without products)	51			0				0	0			0		0
- Cyber Liability	52			0				0	0			0		0
- Directors and Officers Liability	53			0				0	0			0		0
- Excess Liability	54			0				0	0			0		0
- Professional Liability	55	1,138	0	1,329	-191	104,499	0	96,568	7,931	6,453	0	-220	48	6,469
- Umbrella Liability	56			0				0	0			0		0
- Pollution Liability	57			0				0	0			0		0
- All other	58			0				0	0			0		0
Liability - total	59	1,138	0	1,329	-191	104,499	0	96,568	7,931	6,453	0	-220	48	6,469
Mortgage	62			0				0	0			0		0
Other Approved Products	63			0				0	0			0		0
Surety														
- Contract Surety	60			0				0	0			0		0
- All Other Surety	61			0				0	0			0		0
Surety - total	64	0	0	0	0	0	0	0	0	0	0	0	0	0
Title	66			0				0	0			0		0
Marine	68			0				0	0			0		0
Accident and Sickness	70			0				0	0			0		0
TOTAL	89	1,138	0	1,329	-191	104,499	0	96,568	7,931	6,453	0	-220	48	6,469
Out of Canada Liabilities	80			0				0	0			0		0

CONSOLIDATED
NET CLAIMS AND ADJUSTMENT EXPENSES RUN-OFF
(\$'000)

		2012 and prior years (02)	2013 (03)	2013 and prior (02)+(03) (04)	2014 (05)	2014 and prior (04)+(05) (06)	2015 (07)	2015 and prior (06)+(07) (08)	2016 (09)	2016 and prior (08)+(09) (10)	2017 (11)	2017 and prior (10)+(11) (12)
2012 * UCAE, end of year	01	0										
IBNR, end of year	02	2,758										
Portfolio Acquisition/Disposition	05											
2013 Paid during year	10	0	0	0								
UCAE, end of year	11	0	0	0								
IBNR, end of year	12	1,952	845	2,797								
Ratio: excess (deficiency)	19	29.22%										
Portfolio Acquisition/Disposition	15											
2014 Paid during year	20	-88	12	-76	0	-76						
UCAE, end of year	21	6	7	13	0	13						
IBNR, end of year	22	1,566	685	2,251	811	3,062						
Ratio: excess (deficiency)	29	46.19%		21.77%								
Portfolio Acquisition/Disposition	25											
2015 Paid during year	30	-231	188	-43	0	-43	0	-43				
UCAE, end of year	31	11	11	22	5	27	5	32				
IBNR, end of year	32	1,381	404	1,785	556	2,341	670	3,011				
Ratio: excess (deficiency)	39	61.09%		39.65%		24.39%						
Portfolio Acquisition/Disposition	35	0	0	0	0	0	0	0	0	0		
2016 Paid during year	40	0	0	0	0	0	0	0	0	0		
UCAE, end of year	41	9	9	18	6	24	7	31	0	31		
IBNR, end of year	42	1,207	300	1,507	415	1,922	553	2,475	675	3,150		
Ratio: excess (deficiency)	49	67.48%		49.73%		38.11%		17.65%				
Portfolio Acquisition/Disposition	45			0		0		0		0		0
2017 Paid during year	50	-230	0	-230	0	-230	10	-220	0	-220	29	-191
UCAE, end of year	51	9	9	18	28	46	28	74	310	384	310	694
IBNR, end of year	52	1,486	234	1,720	367	2,087	451	2,538	651	3,189	749	3,938
Ratio: excess (deficiency)	59	65.70%	47.57%	50.34%	51.29%	39.51%	27.56%	21.39%	-42.37%	-5.41%		

*UCAE = Unpaid Claims and Adjustment Expenses (excluding IBNR).

CONSOLIDATED
NET CLAIMS AND ADJUSTMENT EXPENSES RUN-OFF - DISCOUNTED

(\$'000)

	2012 and prior years (02)	2013 (03)	2013 and prior (02)+(03) (04)	2014 (05)	2014 and prior (04)+(05) (06)	2015 (07)	2015 and prior (06)+(07) (08)	2016 (09)	2016 and prior (08)+(09) (10)	2017 (11)	2017 and prior (10)+(11) (12)
2012 *UCAE, end of year 01	0										
IBNR, end of year 02	6,181										
Portfolio Acquisition/Disposition 05											
2013 Paid during year 10	0	0	0								
UCAE, end of year 11	0	0	0								
IBNR, end of year 12	4,570	1,419	5,989								
Investment Income from UCAE & IBNR 13	35										
Ratio: excess (deficiency) 19	26.63%										
Portfolio Acquisition/Disposition 15											
2014 Paid during year 20	-88	12	-76	0	-76						
UCAE, end of year 21	7	7	14	0	14						
IBNR, end of year 22	3,775	1,199	4,974	1,405	6,379						
Investment Income from UCAE & IBNR 23	33	10	43								
Ratio: excess (deficiency) 29	41.34%		18.71%								
Portfolio Acquisition/Disposition 25											
2015 Paid during year 30	-231	188	-43	0	-43	0	-43				
UCAE, end of year 31	11	11	22	5	27	5	32				
IBNR, end of year 32	3,620	689	4,309	937	5,246	1,110	6,356				
Investment Income from UCAE & IBNR 33	24	6	30	8	38						
Ratio: excess (deficiency) 39	47.91%		30.90%		18.78%						
Portfolio Acquisition/Disposition 35	0	0	0	0	0	0	0	0	0		
2016 Paid during year 40	-230	3	-227	0	-227	7	-220	0	-220		
UCAE, end of year 41	9	9	18	7	25	7	32	0	32		
IBNR, end of year 42	3,179	527	3,706	707	4,413	908	5,321	1,100	6,421		
Investment Income from UCAE & IBNR 43	21	4	25	5	31	6	37				
Ratio: excess (deficiency) 49	59.14%		45.25%		35.88%		20.23%				
Portfolio Acquisition/Disposition 45			0		0		0		0		0
2017 Paid during year 50	-230	0	-230	0	-230	10	-220	0	-220	29	-191
UCAE, end of year 51	9	9	18	28	46	28	74	310	384	310	694
IBNR, end of year 52	3,346	411	3,757	613	4,370	703	5,073	1,012	6,085	1,152	7,237
Investment Income from UCAE & IBNR 53	25	4	28	5	33	6	39	9	48		
Amount: excess (deficiency) 54	3,743	820	2,917	782	2,579	379	1,757	-213	252		
Ratio: excess (deficiency) 59	60.56%	57.79%	48.71%	55.65%	40.34%	34.00%	27.50%	-19.36%	3.91%		

*UCAE = Unpaid Claims and Adjustment Expenses (excluding IBNR).

Canadian Lawyers Liability Assurance Society
Canadian/Foreign Insurer

31/12/2017
Date

CONSOLIDATED

DIRECT ADJUSTMENT EXPENSES
(\$'000)

		(01)
Paid Adjustment Expenses		
Internal adjustment expenses	01	455
External adjustment expenses		
a. Adjusters and Appraisers	10	0
b. Legal	11	0
c. Other	12	0
Total (lines 10+11+12)	19	0
Total Paid Adjustment Expenses (lines 01+19)	39	455
Unpaid Adjustment Expenses		
Provision for internal adjustment expenses - end of year	40	2,649
Provision for external adjustment expenses - end of year	41	0
Provision for internal adjustment expenses - beginning of year	42	1,909
Provision for external adjustment expenses - beginning of year	43	0
Total (lines 40+41-42-43)	49	740
TOTAL ADJUSTMENT EXPENSES INCURRED (Line 39+49)	59	1,195
Internal adjustment expenses incurred (lines 01+40-42)	69	1,195
External adjustment expenses incurred (lines 19+41-43)	79	0

CONSOLIDATED
PROVINCIAL AND TERRITORIAL EXHIBIT OF PREMIUMS WRITTEN
(\$'000)

Class of Insurance	Newfoundland & Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut	Out of Canada	Total
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(14)	(18)	(19)
LICENSED (Y/N)	01	N	N	Y	N	N	Y	N	N	Y	Y	N	N	N	
Property - Personal excluding Home and Product Warranty	03														0
- Home Warranty	04														0
- Product Warranty	05														0
Subtotal - Personal	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Commercial	07														0
Property - total	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aircraft	09														0
Automobile:	10														0
- Private Passenger	11														0
- Liability	12														0
- Personal Accident	13														0
- Other	14														0
Subtotal - Private Passenger	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other than Private Passenger	16														0
- Liability	17														0
- Personal Accident	18														0
- Other	19														0
Subtotal - Other than Private Passenger	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility Assoc. Residual Market	21														0
- Liability	22														0
- Personal Accident	23														0
- Other	24														0
Subtotal - Facility Assoc. Residual Market	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - Subtotal	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Liability	27														0
- Personal Accident	28														0
- Other	29														0
Automobile - total	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Boiler and Machinery excluding Equipment Warranty	31														0
- Equipment Warranty	32														0
Credit	33														0
Credit Protection	34														0
Fidelity	35														0
Hail	36														0
Legal Expense	37														0
Liability	38														0
- Comprehensive General Liability (with products)	39														0
- Comprehensive General Liability (without products)	40														0
- Cyber Liability	41														0
- Directors and Officers Liability	42														0
- Excess Liability	43														0
- Professional Liability	44	0	0	13	0	774	4,650	0	0	725	927	0	0	50	7,139
- Umbrella Liability	45														0
- Pollution Liability	46														0
- All other	47														0
Liability - total	48	0	0	13	0	774	4,650	0	0	725	927	0	0	50	7,139
Mortgage	49														0
Other Approved Products	50														0
Surety	51														0
- Contract Surety	52														0
- All Other Surety	53														0
Surety - total	54	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Title	55														0
Marine	56														0
Accident and Sickness	57														0
Total - direct	58	0	0	13	0	774	4,650	0	0	725	927	0	0	50	7,139
Reinsurance assumed	59														0
Reinsurance ceded	60	0	0	9	0	555	3,338	0	0	521	666	0	0	36	5,125
TOTAL - NET	61	0	0	4	0	219	1,312	0	0	204	261	0	0	14	2,014
Dividends - direct	62														0

CONSOLIDATED
PROVINCIAL AND TERRITORIAL EXHIBIT OF PREMIUMS EARNED
(S'000)

Class of Insurance	Newfoundland & Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut	Out of Canada	Total
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(14)	(18)	(19)
Property - Personal excluding Home and Product Warranty															0
- Home Warranty															0
- Product Warranty															0
Subtotal - Personal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Commercial															0
Property - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aircraft															0
Automobile:															0
- Private Passenger															0
- Liability															0
- Personal Accident															0
- Other															0
Subtotal - Private Passenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other than Private Passenger															0
- Liability															0
- Personal Accident															0
- Other															0
Subtotal - Other than Private Passenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Facility Assoc. Residual Market															0
- Liability															0
- Personal Accident															0
- Other															0
Subtotal - Facility Assoc. Residual Market	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Personal Accident	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Boiler and Machinery excluding Equipment Warranty															0
- Equipment Warranty															0
Credit															0
Credit Protection															0
Fidelity															0
Mail															0
Legal Expense															0
Liability															0
- Comprehensive General Liability (with products)															0
- Comprehensive General Liability (without products)															0
- Cyber Liability															0
- Directors and Officers Liability															0
- Excess Liability															0
- Professional Liability	0	0	16	0	960	5,772	0	0	900	1,151	0	0	0	62	8,861
- Umbrella Liability															0
- Pollution Liability															0
- All other															0
Liability - total	0	0	16	0	960	5,772	0	0	900	1,151	0	0	0	62	8,861
Mortgage															0
Other Approved Products															0
Surety															0
- Contract Surety															0
- All Other Surety															0
Surety - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Title															0
Marine															0
Accident and Sickness															0
Total - direct	0	0	16	0	960	5,772	0	0	900	1,151	0	0	0	62	8,861
Reinsurance assumed															0
Reinsurance ceded	0	0	13	0	734	4,407	0	0	687	879	0	0	0	47	6,767
TOTAL - NET	0	0	3	0	226	1,365	0	0	213	272	0	0	0	15	2,094

CONSOLIDATED
PROVINCIAL AND TERRITORIAL EXHIBIT OF CLAIMS INCURRED INCLUDING ADJUSTMENT EXPENSES
(S'000)

Class of Insurance	Newfoundland & Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut	Out of Canada	Total
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(14)	(18)	(19)
Property - Personal excluding Home and Product Warranty	03														0
- Home Warranty	04														0
- Product Warranty	05														0
Subtotal - Personal	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Commercial	07														0
Property - total	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aircraft	10														0
Automobile:															
- Private Passenger - Liability	11														0
- Personal Accident	12														0
- Other	13														0
Subtotal - Private Passenger	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other than Private Passenger - Liability	15														0
- Personal Accident	16														0
- Other	17														0
Subtotal - Other than Private Passenger	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility Assoc. Residual Market - Liability	22														0
- Personal Accident	23														0
- Other	24														0
Subtotal - Facility Assoc. Residual Market	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - Subtotal - Liability	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - total	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Boiler and Machinery excluding Equipment Warranty	32														0
- Equipment Warranty	33														0
Credit	34														0
Credit Protection	35														0
Fidelity	36														0
Hail	38														0
Legal Expense	40														0
Liability															
- Comprehensive General Liability (with products)	50														0
- Comprehensive General Liability (without products)	51														0
- Cyber Liability	52														0
- Directors and Officers Liability	53														0
- Excess Liability	54														0
Professional Liability	55	0	0	14	0	-206	4,224	0	0	-263	635	0	0	-12	4,392
- Umbrella Liability	56														0
- Pollution Liability	57														0
- All other	58														0
Liability - total	59	0	0	14	0	-206	4,224	0	0	-263	635	0	0	-12	4,392
Mortgage	62														0
Other Approved Products	63														0
Surety															
- Contract Surety	60														0
- All Other Surety	61														0
Surety - total	64	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Title	66														0
Marine	68														0
Accident and Sickness	70														0
Total - direct	79	0	0	14	0	-206	4,224	0	0	-263	635	0	0	-12	4,392
Reinsurance assumed	87														0
Reinsurance ceded	88	0	0	13	0	-407	3,747	0	0	-351	119	0	0	0	3,105
TOTAL - NET	89	0	0	1	0	201	477	0	0	88	516	0	0	0	1,287

CONSOLIDATED
PROVINCIAL AND TERRITORIAL EXHIBIT OF CLAIMS INCURRED INCLUDING ADJUSTMENT EXPENSES - UNDISCOUNTED
(\$'000)

Class of Insurance	Newfoundland & Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut	Out of Canada	Total
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(14)	(18)	(19)
Property - Personal excluding Home and Product Warranty															0
- Home Warranty															0
- Product Warranty															0
Subtotal - Personal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Commercial															0
Property - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aircraft															0
Automobile:															
- Private Passenger															0
- Personal Accident															0
- Other															0
Subtotal - Private Passenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other than Private Passenger - Liability															0
- Personal Accident															0
- Other															0
Subtotal - Other than Private Passenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility Assoc. Residual Market - Liability															0
- Personal Accident															0
- Other															0
Subtotal - Facility Assoc. Residual Market	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Personal Accident	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Boiler and Machinery excluding Equipment Warranty															0
- Equipment Warranty															0
Credit															0
Credit Protection															0
Fidelity															0
Hull															0
Legal Expense															0
Liability															0
- Comprehensive General Liability (with products)															0
- Comprehensive General Liability (without products)															0
- Cyber Liability															0
- Directors and Officers Liability															0
- Excess Liability															0
- Professional Liability	0	0	15	0	59	5,068	0	0	-95	817	0	0	0	-4	5,860
- Umbrella Liability															0
- Pollution Liability															0
- All other															0
Liability - total	0	0	15	0	59	5,068	0	0	-95	817	0	0	0	-4	5,860
Mortgage															0
Other Approved Products															0
Surety															0
- Contract Surety															0
- All Other Surety															0
Surety - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pile															0
Marine															0
Accident and Sickness															0
Total - direct	0	0	15	0	59	5,068	0	0	-95	817	0	0	0	-4	5,860
Reinsurance assumed															0
Reinsurance ceded	0	0	14	0	-137	4,609	0	0	-181	303	0	0	0	-8	4,600
TOTAL - NET	0	0	1	0	196	459	0	0	86	514	0	0	0	4	1,260

CONSOLIDATED

PREMIUMS AND CLAIMS - REINSURANCE CEDED
(\$'000)

Line of Business (01)	Premiums earned					Claims incurred				
	Quota Share (02)	Surplus (03)	Excess of Loss (04)	Facultative (05)	Total (06)	Quota Share (07)	Surplus (08)	Excess of Loss (09)	Facultative (10)	Total (11)
Professional Liability			6,767		6,767			3,105		3,105
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
					0					0
TOTAL	89	0	6,767	0	6,767	0	0	3,105	0	3,105

CONSOLIDATED
SUMMARY OF INTRAGROUP REINSURANCE
(\$'000)

Name of insurer (01)	Rating Agency Identifier Code				Reinsurance Ceded				Reinsurance Assumed			
	A.M. Best Code (20)	S&P Code (21)	Other Code (22)	Unrated (23)	Premiums ceded to assuming insurer (02)	Claims incurred by assuming insurer (03)	Unearned premiums ceded to assuming insurer (04)	Outstanding losses recoverable from assuming insurer (05)	Premiums assumed from other insurer (06)	Claims incurred by by ceding insurer (07)	Unearned premiums assumed from other insurer (08)	Outstanding losses payable to ceding insurer (09)
Registered												
Total Registered29					0	0	0	0	0	0	0	0

CONSOLIDATED

Name of insurer	Rating Agency Identifier Code				Reinsurance Ceded				Reinsurance Assumed			
	A.M. Best Code	S&P Code	Other Code	Unrated	Premiums ceded to assuming insurer	Claims incurred by assuming insurer	Unearned premiums ceded to assuming insurer	Outstanding losses recoverable from assuming insurer	Premiums assumed from other insurer	Claims incurred by ceding insurer	Unearned premiums assumed from other insurer	Outstanding losses payable to ceding insurer
(01)	(20)	(21)	(22)	(23)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)
Unregistered												
Total Unregistered	39				0	0	0	0	0	0	0	0
Total	79				0	0	0	0	0	0	0	0

REINSURANCE CEDED SUMMARY
REGISTERED REINSURANCE

Name of Assuming Insurer	Rating Agency Identifier Code				Reinsurer Domiciliary Jurisdiction	Reinsurer Group Domiciliary Jurisdiction	Business Covered	Type of contract	Reinsurance Premiums Ceded	Unearned Premiums ceded to assuming insurer	Outstanding losses recoverable from assuming insurer	Receivables			
	A.M. Best Code	S&P Code	Other Code	Unrated								Reinsurance Receivable	Reinsurance Payable	Net Receivable	Aging of Reinsurance Asset
(01)	(02)	(04)	(06)	(08)	(10)	(12)	(14)	(16)	(18)	(20)	(22)	(24)	(26)	(28)	(30)
Associated and Non-qualifying subsidiary															
Total Associated and Non-qualifying subsidiary	09								0	0	0	0	0	0	0

REINSURANCE CEDED SUMMARY
REGISTERED REINSURANCE

Name of Assuming Insurer	Rating Agency Identifier Code				Reinsurer Domiciliary Jurisdiction	Reinsurer Group Domiciliary Jurisdiction	Business Covered	Type of contract	Reinsurance Premiums Ceded	Unearned Premiums ceded to assuming insurer	Outstanding losses recoverable from assuming insurer	Receivables			
	A.M. Best Code	S&P Code	Other Code	Unrated								Reinsurance Receivable	Reinsurance Payable	Net Receivable	Aging of Reinsurance Asset
(01)	(02)	(04)	(06)	(08)	(10)	(12)	(14)	(16)	(18)	(20)	(22)	(24)	(26)	(28)	(30)
Non-associated and Non-subsiary															
Arch Insurance Co. of Canada	066513				CA	BM	Liability	XS			1,265	14			
Westport Insurance Corporation	000347				US	CH	Liability	XS	345	171	162				
Royal & Sun Alliance Insurance Company of Canada	085785				CA	UK	Liability	XS	40	20	20				
GCAN Insurance Company	085785				CA	UK	Liability	XS			1				
Allianz Global Risks US Insurance Company	000407				US	DE	Liability	XS	331	164	2,801	52			
Hannover Ruckversicherungs	085070				DE	DE	Liability	XS			2,387				
AXIS Reinsurance Company (Canadian Branch)	012557				US	BM	Liability	XS	280	139	1,813				
SCOR Canada Reinsurance Company	085445				CA	FR	Liability	XS			3,115	5			
Canadian Branch of Continental Casualty Company	002128				CA	US	Liability	XS	511	253	1,750				
Swiss Reinsurance Company Ltd., Canada Branch	085152				CA	CH	Liability	XS			2,587				
Toa Reinsurance Company of America	087793				CA	US	Liability	XS			909	5			
Transatlantic Reinsurance Co. (Canada)	087099				CA	US	Liability	XS			2,504	12			
TransRe London Limited (London)	093227				UK	US	Liability	XS			129				
Lloyds Underwriters	085202				UK	UK	Liability	XS	3,298	1,635	38,054	509	1,649		
Aspen Insurance UK Limited	084806				UK	BM	Liability	XS			3,040	11			
HDI - Gerling Industrial Insurance Company	085259				CA	DE	Liability	XS	60	30	27				
Catlin Canada Inc.	077313				CA	BM	Liability	XS			7				

REINSURANCE CEDED SUMMARY REGISTERED REINSURANCE															
Total Non-associated and Non-subsidiary	19								4,865	2,412	60,571	608	1,649	0	0
Total Business	29								4,865	2,412	60,571	608	1,649	0	0

CONSOLIDATED

REINSURANCE CEDED SUMMARY UNREGISTERED REINSURANCE (CANADIAN INSURERS)

Name of Assuming Insurer	Rating Agency Identifier Code				Reinsurer Domiciliary Jurisdiction	Reinsurer Group Domiciliary Jurisdiction	Business Covered	Type of contract	Reinsurance Premiums Ceded	Unearned Premiums ceded to assuming insurer	Outstanding losses recoverable from assuming insurer	Receivables				Reinsurance Collateral						Calculations for MCT purposes				
	A.M. Best Code	S&P Code	Other Code	Unrated								Reinsurance Receivable	Reinsurance Payable	Net Receivable	Aging of Reinsurance Asset	Non-owned deposits - RSA	Other acceptable non-owned deposits	Reinsurance Collateral - Funds Held	Letters of Credit	Total (32)+(34)+(36)+(38)	15% Margin on unearned premiums and outstanding losses recoverable	Recoverables in excess of acceptable collateral (20+22+24)-(32+34+38)- where positive	Acceptable collateral in excess of recoverables (32+34+38)-(20+22+24) where positive	Margin Required (40-44) where positive	Excess Collateral (44-40) where positive	
(01)	(02)	(04)	(06)	(08)	(10)	(12)	(14)	(16)	(18)	(20)	(22)	(24)	(26)	(28)	(30)	(32)	(34)	(36)	(38)	(39)	(40)	(42)	(44)	(46)	(48)	
Associated and Non-qualifying subsidiary																					0	0	0	0	0	
																					0	0	0	0	0	
																					0	0	0	0	0	
																					0	0	0	0	0	
																					0	0	0	0	0	
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																					0	0	0	0	0	
																					0	0	0	0	0	

CONSOLIDATED

REINSURANCE CEDED SUMMARY UNREGISTERED REINSURANCE (CANADIAN INSURERS)

Name of Assuming Insurer	Rating Agency Identifier Code				Reinsurer Domiciliary Jurisdiction	Reinsurer Group Domiciliary Jurisdiction	Business Covered	Type of contract	Reinsurance Premiums Ceded	Unearned Premiums ceded to assuming insurer	Outstanding losses recoverable from assuming insurer	Receivables				Reinsurance Collateral					Calculations for MCT purposes				
	A.M. Best Code	S&P Code	Other Code	Unrated								Reinsurance Receivable	Reinsurance Payable	Net Receivable	Aging of Reinsurance Asset	Non-owned deposits - RSA	Other acceptable non-owned deposits	Reinsurance Collateral - Funds Held	Letters of Credit	Total (32)+(34)+ (36)+(38)	15% Margin on unearned premiums and outstanding losses recoverable	Recoverables in excess of acceptable collateral (20+22+24-26- 39) where positive	Acceptable collateral in excess of recoverables (39- 20-22-24+26) where positive	Margin Required (40-44) where positive	Excess Collateral (44-40) where positive
(01)	(02)	(04)	(06)	(08)	(10)	(12)	(14)	(16)	(18)	(20)	(22)	(24)	(26)	(28)	(30)	(32)	(34)	(36)	(38)	(39)	(40)	(42)	(44)	(46)	(48)
Non-associated and Non-subsidiary																									
Allied World Assurance Company Ltd.	084808				BM	CH	Liability	XS	50	25	40									0	10	65	0	10	0
CRC Reinsurance Limited	086437				BB	BB	Liability	XS			1,007	4								0	151	1,011	0	151	0
Colchester Reinsurance Limited				1	BB	BB	Liability	XS	210	104	34,944	6				62,034				62,034	5,257	0	26,980	0	21,723
Swiss Re Europe S.A. (UK)	086847				UK	LU	Liability	XS			6									0	1	6	0	1	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
																				0	0	0	0	0	0
Total Non-associated and Non-subsidiary	19								260	129	35,997	10	0	0	0	62,034	0	0	0	62,034	5,419	1,082	26,980	162	21,723
TOTAL BUSINESS	29								260	129	35,997	10	0	0	0	62,034	0	0	0	62,034	5,419	1,082	26,980	162	21,723

01	Has the insurer made any significant changes regarding reinsurance arrangements during the year?	Y / N	N
	If yes, embed details (see Section VI of the Annual Return Instructions).		
02	Has the insurer made any portfolio transfer, and/or commutation of reinsurance treaties during the year?	Y / N	N
	If yes, embed details (see Section VI of the Annual Return Instructions).		
03	What is the upper limit of the catastrophe program? (\$'000)		
04	What is the attachment point for catastrophe coverage? (\$'000)		
05	What is the amount of retention (if any) within the catastrophe coverage layers? (\$'000)		
06	What is the gross estimated catastrophe exposure? (\$'000)		
07	Based on the gross estimated catastrophe exposure above, what would be the net retained loss (after all reinsurance)? (\$'000)		
08	Based on the gross estimated catastrophe exposure above, what would be the catastrophe coverage(s) reinstatement cost for a full period? (\$'000)		
09	Is the catastrophe program specific to the Canadian operations only?	Y / N	N

		Insurer		Parent/Home Office	
		Premium	Aggregate Limit Provided	Premium	Aggregate Limit Provided
		(\$'000)	(\$'000)	(\$'000)	(\$'000)
		(03)	(05)	(07)	(09)
Catastrophic Bonds	20				
Industry loss warranty contracts	21				
Catastrophe swaps	22				
Other contracts and non-traditional methods of risk mitigation/assumption	23				
Total	29	0	0	0	0

Canadian Lawyers Liability Assurance Society
Canadian/Foreign Insurer

31/12/2017
Date

CONSOLIDATED
COMMISSIONS
(\$'000)

Class of Insurance (01)	Deferred Commissions at beginning of year (02)	Unearned Commissions at beginning of year (03)	Commissions in respect of premiums written				Deferred Commissions end of year (08)	Unearned Commissions end of year (09)	Net Commissions attributable to the period (02+07+09) -(03+08) (10)
			Direct (04)	Reinsurance assumed (05)	Reinsurance ceded (06)	Net (07)			
Property - total 09	0	0				0			0
Automobile - total 29	0	0				0			0
Liability 59	0	0				0			0
Marine 68	0	0				0			0
Other 75	0	0				0			0
TOTAL 79	0	0	0	0	0	0	0	0	0
Summary of Commissions									
Gross:									
Commission Expense (line 79, column 02+04+05-08)								30	0
Contingent Commissions								33	
Other Non-Deferrable Commissions								35	
Total Gross (line 30+33+35)								39	0
Ceded:									
Commission Income (line 79, column 03+06-09)								40	0
Contingent Commissions								43	
Other Non-Deferrable Commissions								45	
Total Ceded (line 40+43+45)								49	0
TOTAL NET COMMISSIONS (line 39-49)								89	0

Canadian Lawyers Liability Assurance Society

Canadian Insurer

31/12/2017

Date

CONSOLIDATED
OUT OF CANADA OPERATIONS

Page 90.15 is to be completed if the insurer is licensed in, or covers risks in any foreign jurisdiction. Page 90.70 is to be completed only if business covering risks outside of Canada constitutes more than 10% of either gross or net claims, incurred or unpaid, or 10% of gross or net premiums written.

Foreign Jurisdiction (01)	Date of Licensing (if applicable) (02)	Net Premiums Written (\$'000 - Cdn) (03)	Deposits held by Regulatory Authorities (\$'000 - Cdn) (04)
United States		5	
United Kingdom		5	
South Africa		4	

NON CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

		Current Period	Prior Period
		(01)	(03)
Cash and Cash Equivalents	01	3,150	4,741
Investment Income due and accrued	02	19	21
Assets held for sale	50	0	0
Investments:			
Short Term Investments	04	11,736	11,578
Bonds and Debentures	05	5,092	5,151
Mortgage Loans	06	0	0
Preferred Shares	07	0	0
Common Shares	08	0	0
Investment Properties	09	0	0
Other Loans and Invested Assets	10	0	0
Total Investments (lines 04 to 10)	19	16,828	16,729
Receivables:			
Unaffiliated Agents and Brokers	20	0	0
Policyholders	21	0	0
Instalment Premiums	22	1,783	2,520
Other Insurers	23	618	838
Facility Association and the "P.R.R."	24	0	0
Subsidiaries, Associates & Joint Ventures	25	0	0
Other Receivables	27	0	0
Recoverable from Reinsurers:			
Unearned Premiums	30	2,541	4,182
Unpaid Claims and Adjustment Expenses	31	96,568	94,794
Other Recoverables on Unpaid Claims	37	0	0
Investments Accounted for Using the Equity Method:			
Interests in Subsidiaries, Associates & Joint Ventures	40	0	0
Pooled Funds	45	0	0
Property and Equipment	41	0	0
Deferred Policy Acquisition Expenses	43	103	154
Current Tax Assets	52	0	0
Deferred Tax Assets	44	0	0
Goodwill	54	0	0
Intangible Assets	56	0	0
Defined Benefit Pension Plan	58	0	0
Other Assets	88	139	139
TOTAL ASSETS	89	121,749	124,118

NON CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES AND EQUITY
(\$'000)

	Current Period	Prior Period
(55)	(01)	(03)
LIABILITIES		
Overdrafts 01	0	0
Borrowed Money and Accrued Interest 02	0	0
Payables:		
Agents and Brokers 03	0	0
Policyholders 04	0	0
Other Insurers 05	1,649	2,514
Subsidiaries, Associates & Joint Ventures 06	0	0
Expenses due and accrued 07	511	580
Other Taxes due and accrued 09	3	64
Policyholder Dividends and Rating Adjustments 10	0	0
Encumbrances on Real Estate 11	0	0
Unearned Premiums 12	3,540	5,261
Unpaid Claims and Adjustment Expenses 13	104,499	101,247
Unearned Commissions 14	0	0
Ceded Deferred Premium Taxes 20	0	0
Ceded Deferred Insurance Operations Expenses 34	0	0
Premium Deficiency 15	0	0
Liabilities held for sale 17	0	0
Current Tax Liabilities 18	0	0
Deferred Tax Liabilities 21	0	0
Self-Insured Retention (SIR) portion of unpaid claims 22	0	0
Defined Benefit Pension Plan 23	0	0
Employment Benefits (not including amounts on line 23 above) 24	0	0
Subordinated Debt 25	0	0
Preferred Shares - Debt 26	0	0
Provisions and Other Liabilities 28	0	0
Total Liabilities 29	110,202	109,666
EQUITY		
Shares issued and paid		
Common 41	0	0
Preferred 33	0	0
Contributed Surplus 42	0	0
(Specify) 43	0	0
Retained Earnings 44	11,519	14,340
Reserves 45	50	50
Accumulated Other Comprehensive Income (Loss) 47	-22	62
Total Equity 49	11,547	14,452
TOTAL LIABILITIES AND EQUITY 89	121,749	124,118

NON CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

		Current Period	Prior Period	
		(01)	(03)	
UNDERWRITING OPERATIONS				
Premiums Written				
Direct	01	7,139	10,610	
Reinsurance Assumed	02	0	0	
Reinsurance Ceded	03	5,125	8,433	
Net Premiums Written	04	2,014	2,177	
Decrease (increase) in Net Unearned Premiums	05	80	121	
Net Premiums Earned	06	2,094	2,298	
Service Charges	07	0	0	
Other	08	0	0	
Total Underwriting Revenue	09	2,094	2,298	
Gross Claims and Adjustment Expenses	62	4,392	241	
Reinsurers' share of claims and adjustment expenses	64	3,105	396	
Net Claims and Adjustment Expenses	10	1,287	-155	
Acquisition Expenses				
Gross Commissions	66	0	0	
Ceded Commissions	68	0	0	
Taxes	12	257	327	
Other	14	0	0	
General Expenses	16	2,027	1,920	
Total Claims and Expenses	19	3,571	2,092	
Premium Deficiency Adjustments	20	0	0	
Underwriting Income (Loss)	29	-1,477	206	
INVESTMENT OPERATIONS				
Income	32	202	170	
Gains (Losses) from FVO or FVTPL	35	0	0	
Realized Gains (Losses)	33	0	0	
Expenses	34	46	46	
Net Investment Income	39	156	124	
OTHER REVENUE AND EXPENSES				(04)
Income (Loss) from Ancillary Operations (net of Expenses of \$'000)	40	0	0	
Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41	0	0	
Share of Net Income (Loss) of Pooled Funds using Equity Method	47	0	0	
Gain (Losses) from fluctuations in Foreign Exchange Rates	42	0	0	
Other Revenues	44	0	0	
Finance costs	45	0	0	
Other Expenses	46	0	0	
Net Income (Loss) before Income Taxes	49	-1,321	330	
INCOME TAXES				
Current	50	0	0	
Deferred	51	0	0	
Total Income Taxes	59	0	0	
NET INCOME (LOSS) FOR THE YEAR	89	-1,321	330	

NON CONSOLIDATED FINANCIAL STATEMENTS

RESERVES
(\$'000)

		Current Period	Prior Period
		(01)	(02)
Earthquake Reserves			
Reserve Complement	90	0	0
Premium Reserve	91	0	0
Mortgage Reserve	95	0	0
Nuclear Reserve	96	0	0
General and Contingency Reserves	98	50	50
Total Reserves	99	50	50

NON CONSOLIDATED FINANCIAL STATEMENTS
COMPREHENSIVE INCOME (LOSS)
and
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
(\$'000)

	Current Period	Prior Period
	(01)	(03)
Comprehensive Income (Loss)		
Net Income01	-1,321	330
Other Comprehensive Income (Loss):		
Items that may be reclassified subsequently to Net Income:		
Available for Sale:		
Change in Unrealized Gains and Losses:		
- Loans02	0	0
- Bonds and Debentures03	-84	-67
- Equities04	0	0
Reclassification of (Gains) Losses to Net Income05		1
Derivatives Designated as Cash Flow Hedges		
Change in Unrealized Gains and Losses06	0	0
Reclassification of (Gains) Losses to Net Income07	0	0
Foreign Currency Translation		
Change in Unrealized Gains and Losses08	0	0
Impact of Hedging09	0	0
Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)14	0	0
Other18	0	0
Subtotal of items that may be reclassified subsequently to Net Income19	-84	-66
Items that will not be reclassified subsequently to Net Income:		
Revaluation Surplus31	0	0
Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures11	0	0
Remeasurements of Defined Benefit Plans34	0	0
Other12	0	0
Subtotal of items that will not be reclassified subsequently to Net Income29	0	0
Total Other Comprehensive Income (Loss)21	-84	-66
Total Comprehensive Income (Loss)39	-1,405	264

	Current Period	Prior Period
	(01)	(03)
Accumulated Other Comprehensive Income (Loss)		
Accumulated Gains (Losses) on:		
Items that may be reclassified subsequently to Net Income:		
Available for Sale:		
- Loans42	0	0
- Bonds and Debentures43	-22	62
- Equities44	0	0
Derivatives Designated as Cash Flow Hedges45	0	0
Foreign Currency (net of hedging activities)46	0	0
Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)52	0	0
Other68	0	0
Subtotal of items that may be reclassified subsequently to Net Income69	-22	62
Items that will not be reclassified subsequently to Net Income:		
Revaluation Surplus71	0	0
Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures51	0	0
Remeasurements of Defined Benefit Plans74	0	0
Other49	0	0
Subtotal of items that will not be reclassified subsequently to Net Income79	0	0
Balance at end of Year59	-22	62

NON CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY
(\$'000)

		Share Capital	Other Capital	Contributed Surplus	Retained Earnings	Reserves	Accumulated Other Comprehensive Income (Loss)						Total Policyholders/ Shareholder's Equity	Non-controlling Interests	Total Equity	
							Available-for-Sale Financial Assets	Cash Flow Hedges	Translation of Foreign Operations	Revaluation Surplus	Share of OCI of Associates & Joint Ventures	Remeasurements of Defined Benefit Plans				Other AOCI
							(07)	(09)	(05)	(11)	(25)	(27)				(31)
01	Balance at Beginning of Prior Year	0	0	0	14,010	50	128	0	0	0	0	0	0	14,188	0	14,188
09	Total Comprehensive Income for the year	0	0	0	330	0	-66	0	0	0	0	0	0	264	0	264
02	Issue of Share Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Transfer from/to Retained Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Decrease/increase in Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Dividends															
17	Preferred	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Common	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Balance at End of Prior Year	0	0	0	14,340	50	62	0	0	0	0	0	0	14,452	0	14,452
	Changes in Equity for Current Year															
29	Total Comprehensive Income for the year	0	0	0	-1,321	0	-84	0	0	0	0	0	0	-1,405	0	-1,405
22	Issue of Share Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Transfer from/to Retained Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Decrease/increase in Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Dividends															
37	Preferred	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	Common	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Other	0	0	0	-1,500	0	0	0	0	0	0	0	0	-1,500	0	-1,500
39	Balance at End of Current Year	0	0	0	11,519	50	-22	0	0	0	0	0	0	11,547	0	11,547

NON CONSOLIDATED
PREMIUMS AND CLAIMS
(\$'000)

Class of Insurance	Number of Policies in force	Number of Direct Claims	Premiums written less return premiums				Net unearned premiums at beginning of year	Net unearned premiums resulting from a portfolio acquisition/ disposition	Net unearned premiums at period end	Net premiums earned (04+05+25-06)	Claims incurred including adjustment expenses				Claims ratio (11/07) %	
			Direct	Reinsurance assumed	Reinsurance ceded	Net written (01+02-03)					Direct	Reinsurance assumed	Reinsurance ceded	Net incurred		
	(21)	(23)	(01)	(02)	(03)	(04)	(05)	(25)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	
Property - Personal excluding Home and Product Warranty	03			0			0	0	0	0	0	0		0	0.00%	
- Home Warranty	04			0			0	0	0	0	0	0		0	0.00%	
- Product Warranty	05			0			0	0	0	0	0	0		0	0.00%	
Subtotal - Personal	06			0	0	0	0	0	0	0	0	0	0	0	0.00%	
- Commercial	07			0			0	0	0	0	0	0		0	0.00%	
Property - total	09			0	0	0	0	0	0	0	0	0	0	0	0.00%	
Aircraft	10			0			0	0	0	0	0	0		0	0.00%	
Automobile:																
- Private Passenger	11			0			0	0	0	0	0	0		0	0.00%	
- Personal Accident	12			0			0	0	0	0	0	0		0	0.00%	
- Other	13			0			0	0	0	0	0	0		0	0.00%	
Subtotal - Private Passenger	14			0	0	0	0	0	0	0	0	0	0	0	0.00%	
- Other than Private Passenger	15			0			0	0	0	0	0	0		0	0.00%	
- Personal Accident	16			0			0	0	0	0	0	0		0	0.00%	
- Other	17			0			0	0	0	0	0	0		0	0.00%	
Subtotal - Other than Private Passenger	18			0	0	0	0	0	0	0	0	0	0	0	0.00%	
- Facility Assoc. Residual Market	22			0			0	0	0	0	0	0		0	0.00%	
- Personal Accident	23			0			0	0	0	0	0	0		0	0.00%	
- Other	24			0			0	0	0	0	0	0		0	0.00%	
Subtotal - Facility Assoc. Residual Market	25			0	0	0	0	0	0	0	0	0	0	0	0.00%	
Automobile - Subtotal	19			0	0	0	0	0	0	0	0	0	0	0	0.00%	
- Personal Accident	20			0	0	0	0	0	0	0	0	0	0	0	0.00%	
- Other	21			0		0	0	0	0	0	0	0	0	0	0.00%	
Automobile - total	29			0	0	0	0	0	0	0	0	0	0	0	0.00%	
Boiler and Machinery excluding Equipment Warranty	32			0			0	0	0	0	0	0		0	0.00%	
- Equipment Warranty	33			0			0	0	0	0	0	0		0	0.00%	
Credit	34			0			0	0	0	0	0	0		0	0.00%	
Credit Protection	35			0			0	0	0	0	0	0		0	0.00%	
Fidelity	36			0			0	0	0	0	0	0		0	0.00%	
Bail	38			0			0	0	0	0	0	0		0	0.00%	
Legal Expense	40			0			0	0	0	0	0	0		0	0.00%	
Liability																
- Comprehensive General Liability (with products)	50			0			0	0	0	0	0	0		0	0.00%	
- Comprehensive General Liability (without products)	51			0			0	0	0	0	0	0		0	0.00%	
- Cyber Liability	52			0			0	0	0	0	0	0		0	0.00%	
- Directors and Officers Liability	53			0			0	0	0	0	0	0		0	0.00%	
- Excess Liability	54			0			0	0	0	0	0	0		0	0.00%	
- Professional Liability	55	20	4	7,139	0	5,125	2,014	1,079	0	999	2,094	4,392	0	3,105	1,287	61.46%
- Umbrella Liability	56			0			0	0	0	0	0	0		0	0.00%	
- Pollution Liability	57			0			0	0	0	0	0	0		0	0.00%	
- All other	58			0			0	0	0	0	0	0		0	0.00%	
Liability - total	59	20	4	7,139	0	5,125	2,014	1,079	0	999	2,094	4,392	0	3,105	1,287	61.46%
Mortgage	62			0			0	0	0	0	0	0		0	0.00%	
Other Approved Products	63			0			0	0	0	0	0	0		0	0.00%	
Surety																
- Contract Surety	60			0			0	0	0	0	0	0		0	0.00%	
- All Other Surety	61			0			0	0	0	0	0	0		0	0.00%	
Surety - total	64			0	0	0	0	0	0	0	0	0	0	0	0.00%	
Title	66			0			0	0	0	0	0	0		0	0.00%	
Marine	68			0			0	0	0	0	0	0		0	0.00%	
Accident and Sickness	70			0			0	0	0	0	0	0		0	0.00%	
TOTAL	89	20	4	7,139	0	5,125	2,014	1,079	0	999	2,094	4,392	0	3,105	1,287	61.46%

NON CONSOLIDATED
CLAIMS INCURRED - UNDISCOUNTED
(S'000)

Class of Insurance		Claims incurred undiscounted			
		Direct (08)	Reinsurance assumed (09)	Reinsurance ceded (10)	Net incurred (08+09-10) (11)
Property	- Personal excluding Home and Product Warranty 03	0			0
	- Home Warranty 04	0			0
	- Product Warranty 05	0			0
	Subtotal - Personal 06	0	0	0	0
	- Commercial 07	0			0
Property - total	09	0	0	0	0
Aircraft	10	0			0
Automobile:					
Private Passenger	- Liability 11	0			0
	- Personal Accident 12	0			0
	- Other 13	0			0
Subtotal - Private Passenger	14	0	0	0	0
Other than Private Passenger	- Liability 15	0			0
	- Personal Accident 16	0			0
	- Other 17	0			0
Subtotal - Other than Private Passenger	18	0	0	0	0
Facility Assoc. Residual Market	- Liability 22	0			0
	- Personal Accident 23	0			0
	- Other 24	0			0
Subtotal - Facility Assoc. Residual Market	25	0	0	0	0
Automobile - Subtotal	- Liability 19	0	0	0	0
	- Personal Accident 20	0	0	0	0
	- Other 21	0	0	0	0
Automobile - total	29	0	0	0	0
Boiler and Machinery excluding Equipment Warranty	32	0			0
- Equipment Warranty	33	0			0
Credit	34	0			0
Credit Protection	35	0			0
Fidelity	36	0			0
Hail	38	0			0
Legal Expense	40	0			0
Liability					
- Comprehensive General Liability (with products)	50	0			0
- Comprehensive General Liability (without products)	51	0			0
- Cyber Liability	52	0			0
- Directors and Officers Liability	53	0			0
- Excess Liability	54	0			0
- Professional Liability	55	5,860	0	4,600	1,260
- Umbrella Liability	56	0			0
- Pollution Liability	57	0			0
- All other	58	0			0
Liability - total	59	5,860	0	4,600	1,260
Mortgage	62	0			0
Other Approved Products	63	0			0
Surety					
- Contract Surety	60	0			0
- All Other Surety	61	0			0
Surety - total	64	0	0	0	0
Title	66	0			0
Marine	68	0			0
Accident and Sickness	70	0			0
TOTAL	89	5,860	0	4,600	1,260

DISCOUNTED AMOUNTS AND FOREIGN EXCHANGE
(S'000)

Performance Analysis		Current Year (01)	Prior Year (03)
Underwriting Income (Loss)	90	-1,477	206
Impact of Change in Claims Net Discount Rate	91	0	0
Impact of Unrealized Foreign Exchange Gains/ Losses	92	0	0
Underwriting Income (Loss) Before Changes	93	-1,477	206

GAINS AND LOSSES ON INVESTMENTS
(S'000)

Gains and Losses on Investments		Current Year (01)	Prior Year (03)
Realized Gains (Losses) on Held for Trading Financial Instruments	94	0	0
Realized Gains (Losses) on Other Financials Instruments	95	0	0
Unrealized Gains (Losses) on Held for Trading Financial Instruments	96	0	0
Total Gains and Losses on Investments	99	0	0

NON CONSOLIDATED
CLAIMS AND ADJUSTMENT EXPENSES - PAID, CURRENT YEAR AND UNPAID, CURRENT AND PRIOR YEAR
(\$'000)

Class of Insurance	Claims and adjustment expenses paid - current year				Provision for unpaid claims (including unreported) and adjustment expenses - current year				Margin or deficiency for unpaid claims at prior year						
	Direct	Reinsurance assumed	Reinsurance ceded	Net (01+02-03)	Direct	Reinsurance assumed	Reinsurance ceded	Net (05+06-07)	Net provision at prior year end	Net provision for portfolio acquisition/ disposition at transaction date	Net amount paid during the year for claims of prior years	Investment income on unpaid claims of prior years	Net provision for claims of prior years	Margin or (Deficiency)	
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(11)	(10)	(13)	(15)	(19)	
Property				0				0	0			0		0	
- Personal excluding Home and Product Warranty				0				0	0			0		0	
- Home Warranty				0				0	0			0		0	
- Product Warranty				0				0	0			0		0	
Subtotal - Personal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Commercial				0				0	0			0		0	
Property - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Aircraft				0				0	0			0		0	
Automobile:															
Private Passenger				0				0	0			0		0	
- Liability				0				0	0			0		0	
- Personal Accident				0				0	0			0		0	
- Other				0				0	0			0		0	
Subtotal - Private Passenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other than Private Passenger				0				0	0			0		0	
- Liability				0				0	0			0		0	
- Personal Accident				0				0	0			0		0	
- Other				0				0	0			0		0	
Subtotal - Other than Private Passenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Facility Assoc. Residual Market				0				0	0			0		0	
- Liability				0				0	0			0		0	
- Personal Accident				0				0	0			0		0	
- Other				0				0	0			0		0	
Subtotal - Facility Assoc. Residual Market	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Automobile - Subtotal	0	0	0	0	0	0	0	0	0			0	0	0	
- Liability				0				0	0			0	0	0	
- Personal Accident				0				0	0			0	0	0	
- Other				0				0	0			0	0	0	
Automobile - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Boiler and Machinery excluding Equipment Warranty				0				0	0			0		0	
- Equipment Warranty				0				0	0			0		0	
Credit				0				0	0			0		0	
Credit Protection				0				0	0			0		0	
Fidelity				0				0	0			0		0	
Hail				0				0	0			0		0	
Legal Expense				0				0	0			0		0	
Liability				0				0	0			0		0	
- Comprehensive General Liability (with products)				0				0	0			0		0	
- Comprehensive General Liability (without products)				0				0	0			0		0	
- Cyber Liability				0				0	0			0		0	
- Directors and Officers Liability				0				0	0			0		0	
- Excess Liability				0				0	0			0		0	
- Professional Liability	1,138	0	1,329	-191	104,499	0	96,568	7,931	6,453	0	-220	48	6,469	252	
- Umbrella Liability				0				0	0			0		0	
- Pollution Liability				0				0	0			0		0	
- All other				0				0	0			0		0	
Liability - total	1,138	0	1,329	-191	104,499	0	96,568	7,931	6,453	0	-220	48	6,469	252	
Mortgage				0				0	0			0		0	
Other Approved Products				0				0	0			0		0	
Surety				0				0	0			0		0	
- Contract Surety				0				0	0			0		0	
- All Other Surety				0				0	0			0		0	
Surety - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Title				0				0	0			0		0	
Marine				0				0	0			0		0	
Accident and Sickness				0				0	0			0		0	
TOTAL	89	1,138	0	1,329	-191	104,499	0	96,568	7,931	6,453	0	-220	48	6,469	252
Out of Canada Liabilities	80			0				0	0			0			

NON CONSOLIDATED
PROVINCIAL AND TERRITORIAL EXHIBIT OF PREMIUMS WRITTEN
(\$'000)

Class of Insurance	Newfoundland & Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut	Out of Canada	Total
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(14)	(18)	(19)
LICENSED (Y/N)	N	N	Y	N	N	Y	N	N	Y	Y	N	N	N	N	
Property - Personal excluding Home and Product Warranty															0
- Home Warranty															0
- Product Warranty															0
Subtotal - Personal	0	0	0	0		0	0	0	0	0	0	0	0	0	0
- Commercial															0
Property - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aircraft															0
Automobile:															
Private Passenger - Liability															0
- Personal Accident															0
- Other															0
Subtotal - Private Passenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other than Private Passenger - Liability															0
- Personal Accident															0
- Other															0
Subtotal - Other than Private Passenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility Assoc. Residual Market - Liability															0
- Personal Accident															0
- Other															0
Subtotal - Facility Assoc. Residual Market	0	0	0	0		0	0	0	0	0	0	0	0	0	0
Automobile - Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Personal Accident															0
- Other															0
Automobile - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Boiler and Machinery excluding Equipment Warranty															0
- Equipment Warranty															0
Credit															0
Credit Protection															0
Fidelity															0
Hail															0
Legal Expense															0
Liability															
- Comprehensive General Liability (with products)															0
- Comprehensive General Liability (without products)															0
- Cyber Liability															0
- Directors and Officers Liability															0
- Excess Liability															0
- Professional Liability	0	0	13	0	774	4,650	0	0	725	927	0	0	0	50	7,139
- Umbrella Liability															0
- Pollution Liability															0
- All other															0
Liability - total	0	0	13	0	774	4,650	0	0	725	927	0	0	0	50	7,139
Mortgage															0
Other Approved Products															0
Surety															
- Contract Surety															0
- All Other Surety															0
Surety - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Title															0
Marine															0
Accident and Sickness															0
Total - direct	0	0	13	0	774	4,650	0	0	725	927	0	0	0	50	7,139
Reinsurance assumed															0
Reinsurance ceded	0	0	9	0	555	3,338	0	0	521	666	0	0	0	36	5,125
TOTAL - NET	0	0	4	0	219	1,312	0	0	204	261	0	0	0	14	2,014
Dividends - direct															0

NON CONSOLIDATED
PROVINCIAL AND TERRITORIAL EXHIBIT OF PREMIUMS EARNED
(S'000)

Class of Insurance	Newfoundland & Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut	Out of Canada	Total
(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(14)	(18)	(19)	
Property - Personal excluding Home and Product Warranty 03															0
Subtotal - Private Passenger - Home Warranty 04															0
- Product Warranty 05															0
Subtotal - Personal 06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Commercial 07															0
Property - total 09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aircraft 10															0
Automobile:															
Private Passenger - Liability 11															0
- Personal Accident 12															0
- Other 13															0
Subtotal - Private Passenger 14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other than Private Passenger - Liability 15															0
- Personal Accident 16															0
- Other 17															0
Subtotal - Other than Private Passenger 18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility Assoc. Residual Market - Liability 19															0
- Personal Accident 23															0
- Other 24															0
Subtotal - Facility Assoc. Residual Market 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - Subtotal 19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Personal Accident 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other 21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - total 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Boiler and Machinery excluding Equipment Warranty 32															0
- Equipment Warranty 33															0
Credit 34															0
Credit Protection 35															0
Fidelity 36															0
Mail 38															0
Legal Expense 40															0
Liability															
- Comprehensive General Liability (with products) 50															0
- Comprehensive General Liability (without products) 51															0
- Cyber Liability 52															0
- Directors and Officers Liability 53															0
- Excess Liability 54															0
- Professional Liability 55	0	0	16	0	960	5,772	0	0	900	1,151	0	0	0	62	8,861
- Umbrella Liability 56															0
- Pollution Liability 57															0
- All other 58															0
Liability - total 59	0	0	16	0	960	5,772	0	0	900	1,151	0	0	0	62	8,861
Mortgage 62															0
Other Approved Products 63															0
Surety															
- Contract Surety 60															0
- All Other Surety 61															0
Surety - total 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Title 65															0
Marine 68															0
Accident and Sickness 70															0
Total - direct 79	0	0	16	0	960	5,772	0	0	900	1,151	0	0	0	62	8,861
- Reinsurance assumed 87															0
Reinsurance ceded 88	0	0	13	0	734	4,407	0	0	687	879	0	0	0	47	6,767
TOTAL - NET 89	0	0	3	0	226	1,365	0	0	213	272	0	0	0	15	2,094

NON CONSOLIDATED
PROVINCIAL AND TERRITORIAL EXHIBIT OF CLAIMS INCURRED INCLUDING ADJUSTMENT EXPENSES
(5'000)

Class of Insurance	Newfoundland & Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut	Out of Canada	Total
	(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	(09)	(10)	(11)	(12)	(14)	(18)	(19)
Property - Personal excluding Home and Product Warranty	03														0
- Home Warranty	04														0
- Product Warranty	05														0
Subtotal - Personal	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Commercial	07														0
Property - total	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aircraft	10														0
Automobile:															
- Private Passenger	11														0
- Personal Accident	12														0
- Other	13														0
Subtotal - Private Passenger	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other than Private Passenger	15														0
- Liability	16														0
- Personal Accident	17														0
- Other	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal - Other than Private Passenger	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Facility Assoc. Residual Market	22														0
- Personal Accident	23														0
- Other	24														0
Subtotal - Facility Assoc. Residual Market	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - Subtotal	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Personal Accident	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Automobile - total	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Boiler and Machinery excluding Equipment Warranty	32														0
- Equipment Warranty	33														0
Credit	34														0
Credit Protection	35														0
Fidelity	36														0
Hail	38														0
Legal Expense	40														0
Liability															
- Comprehensive General Liability (with products)	50														0
- Comprehensive General Liability (without products)	51														0
- Cyber Liability	52														0
- Directors and Officers Liability	53														0
- Excess Liability	54														0
- Professional Liability	55	0	0	14	0	-206	4,224	0	0	-263	635	0	0	0	4,392
- Umbrella Liability	56														0
- Pollution Liability	57														0
- All other	58														0
Liability - total	59	0	0	14	0	-206	4,224	0	0	-263	635	0	0	0	4,392
Mortgage	62														0
Other Approved Products	63														0
Surety															
- Contract Surety	60														0
- All Other Surety	61														0
Surety - total	64	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Title	66														0
Marine	68														0
Accident and Sickness	70														0
Total - direct	79	0	0	14	0	-206	4,224	0	0	-263	635	0	0	0	4,392
- Reinsurance assumed	87														0
- Reinsurance ceded	88	0	0	13	0	-407	3,747	0	0	-351	119	0	0	0	3,105
TOTAL - NET	89	0	0	1	0	201	477	0	0	88	516	0	0	0	1,287

NON CONSOLIDATED
NET CLAIMS AND ADJUSTMENT EXPENSES RUN-OFF
(\$'000)

		2012 and prior years (02)	2013 (03)	2013 and prior (02)+(03) (04)	2014 (05)	2014 and prior (04)+(05) (06)	2015 (07)	2015 and prior (06)+(07) (08)	2016 (09)	2016 and prior (08)+(09) (10)	2017 (11)	2017 and prior (10)+(11) (12)
(01)												
2012 * UCAE, end of year	01	0										
IBNR, end of year	02	2,758										
Portfolio Acquisition/Disposition	05											
2013 Paid during year	10	0	0	0								
UCAE, end of year	11	0	0	0								
IBNR, end of year	12	1,952	845	2,797								
Ratio: excess (deficiency)	19	29.22%										
Portfolio Acquisition/Disposition	15											
2014 Paid during year	20	-88	12	-76	0	-76						
UCAE, end of year	21	6	7	13	0	13						
IBNR, end of year	22	1,566	685	2,251	811	3,062						
Ratio: excess (deficiency)	29	46.19%		21.77%								
Portfolio Acquisition/Disposition	25											
2015 Paid during year	30	-231	188	-43	0	-43	0	-43				
UCAE, end of year	31	11	11	22	5	27	5	32				
IBNR, end of year	32	1,381	404	1,785	556	2,341	670	3,011				
Ratio: excess (deficiency)	39	61.09%		39.65%		24.39%						
Portfolio Acquisition/Disposition	35	0	0	0	0	0	0	0	0	0		
2016 Paid during year	40	0	0	0	0	0	0	0	0	0		
UCAE, end of year	41	9	9	18	6	24	7	31	0	31		
IBNR, end of year	42	1,207	300	1,507	415	1,922	553	2,475	675	3,150		
Ratio: excess (deficiency)	49	67.48%		49.73%		38.11%		17.65%				
Portfolio Acquisition/Disposition	45			0		0		0		0		0
2017 Paid during year	50	-230	0	-230	0	-230	10	-220	0	-220	29	-191
UCAE, end of year	51	9	9	18	28	46	28	74	310	384	310	694
IBNR, end of year	52	1,486	234	1,720	367	2,087	451	2,538	651	3,189	749	3,938
Ratio: excess (deficiency)	59	65.70%	47.57%	50.34%	51.29%	39.51%	27.56%	21.39%	-42.37%	-5.41%		

*UCAE: Unpaid Claims & Adjustment Expenses (excluding IBNR)

NON CONSOLIDATED
NET CLAIMS AND ADJUSTMENT EXPENSES RUN-OFF - DISCOUNTED
(\$'000)

	2012 and prior years (02)	2013 (03)	2013 and prior (02)+(03) (04)	2014 (05)	2014 and prior (04)+(05) (06)	2015 (07)	2015 and prior (06)+(07) (08)	2016 (09)	2016 and prior (08)+(09) (10)	2017 (11)	2017 and prior (10)+(11) (12)
2012 *UCAE, end of year 01	0										
IBNR, end of year 02	6,181										
Portfolio Acquisition/Disposition 05											
2013 Paid during year 10	0	0	0								
UCAE, end of year 11	0	0	0								
IBNR, end of year 12	4,570	1,419	5,989								
Investment Income from UCAE & IBNR 13	35										
Ratio: excess (deficiency) 19	26.63%										
Portfolio Acquisition/Disposition 15											
2014 Paid during year 20	-88	12	-76	0	-76						
UCAE, end of year 21	7	7	14	0	14						
IBNR, end of year 22	3,775	1,199	4,974	1,405	6,379						
Investment Income from UCAE & IBNR 23	32	10	42								
Ratio: excess (deficiency) 29	41.32%		18.68%								
Portfolio Acquisition/Disposition 25											
2015 Paid during year 30	-231	188	-43	0	-43	0	-43				
UCAE, end of year 31	11	11	22	5	27	5	32				
IBNR, end of year 32	3,620	689	4,309	937	5,246	1,110	6,356				
Investment Income from UCAE & IBNR 33	0	0	0	0	0						
Ratio: excess (deficiency) 39	47.50%		30.37%		18.19%						
Portfolio Acquisition/Disposition 35	0	0	0	0	0	0	0	0	0		
2016 Paid during year 40	-230	3	-227	0	-227	7	-220	0	-220		
UCAE, end of year 41	9	9	18	7	25	7	32	0	32		
IBNR, end of year 42	3,179	527	3,706	707	4,413	908	5,321	1,100	6,421		
Investment Income from UCAE & IBNR 43	21	4	25	5	31	6	37				
Ratio: excess (deficiency) 49	58.74%		44.72%		35.28%		20.23%				
Portfolio Acquisition/Disposition 45			0		0		0		0		0
2017 Paid during year 50	-230	0	-230	0	-230	10	-220	0	-220	29	-191
UCAE, end of year 51	9	9	18	28	46	28	74	310	384	310	694
IBNR, end of year 52	3,346	411	3,757	613	4,370	703	5,073	1,012	6,085	1,152	7,237
Investment Income from UCAE & IBNR 53	25	4	28	5	33	6	39	9	48		
Amount: excess (deficiency) 54	3,718	813	2,886	774	2,541	379	1,757	-213	252		
Ratio: excess (deficiency) 59	60.15%	57.33%	48.18%	55.11%	39.74%	34.00%	27.50%	-19.36%	3.91%		

*UCAE = Unpaid Claims and Adjustment Expenses (excluding IBNR).

Canadian Lawyers Liability Assurance Society
Canadian Insurer

31/12/2017
Date

CANADIAN - PRESIDENT/CHIEF EXECUTIVE OFFICER
AFFIDAVIT VERIFYING ANNUAL SUPPLEMENT RETURN

WE, _____ OF THE _____
(Print or type)
OF _____ IN THE PROVINCE OF _____
AND _____ OF THE _____
OF _____ IN THE PROVINCE OF _____
BEING _____ AND _____
RESPECTIVELY OF Canadian Lawyers Liability Assurance Society (HEREINAFTER
CALLED "THE INSURER") DO SEVERALLY MAKE OATH AND SAY AS FOLLOWS:

That the foregoing annual return, together with the related exhibits, schedules
and explanations filed or to be filed as part thereof, is a full and correct report of
all assets, liabilities, income, expenditure and of the condition and affairs of the
insurer in respect of its business of insurance, as of the
2017, and for the year ended on that day;

That all the assets reported in the said annual return and schedules were, as of the
0 2017 , the absolute property of the insurer free
and clear from any liens and claims except as therein stated;

That we have satisfied ourselves, based on the information currently available, that
the provision for unpaid claims and adjustment expenses, as shown in the annual
return is adequate to cover all costs of ultimate settlement, including internal and
external adjustment expenses and claims that have been incurred but not reported;

That the insurer is in compliance with the applicable Federal, Provincial and
Territorial Insurance Acts and Regulations.

(Signature)

(Signature)

SEVERALLY SWORN TO BEFORE ME IN THE _____
OF _____ IN THE PROVINCE
OF _____ THIS _____
DAY OF _____

(STATE WHETHER COMMISSIONER, NOTARY PUBLIC, ETC.)

Canadian Lawyers Liability Assurance Society
Canadian Insurer

31/12/2017
Date

QUEBEC LICENSED INSURERS ONLY

AFFIDAVIT VERIFYING ANNUAL RETURN

WE, _____ OF THE _____
OF _____ IN THE PROVINCE OF _____
AND _____ OF THE _____
OF _____ IN THE PROVINCE OF _____
RESPECTIVELY OF Canadian Lawyers Liability Assurance Society (hereinafter called the
"Insurer") do severally make oath and say as follows:

We are directors of the Insurer;

We have ensured that the mechanisms necessary to enable the preparation of the annual statement are in place and effective.

To the best of our knowledge, the attached annual statement fairly presents the Insurer's financial condition as of _____.

_____ NAME	_____ TITLE
_____ NAME	_____ TITLE

SEVERALLY SWORN TO BEFORE ME _____
(NAME IN BLOCK LETTERS)

AT _____ IN THE PROVINCE OF _____
OF _____ THIS _____
DAY OF _____ 20 _____

(Person authorized to administer affidavits)

NON CONSOLIDATED

* INSURERS PROVINCIALLY INCORPORATED

GENERAL INTERROGATORIES - CLASSES OF INSURANCE

1. Which provincial jurisdictions are you licensed in?

Newfoundland & Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut	Out of Canada
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N

2. Which classes of insurance are listed on the insurer's licence issued to you by each provincial regulator?

3. In the past year, did you introduce or offer a new insurance product (business line, operational sector, etc.) in a provincial jurisdiction under a new insurance policy, εinsurance policy, an endorsement or a change to an insurance policy or endorsement?

Yes

No

If you answered yes, did the coverage offered correspond to the features of a class of insurance set out under the Insurance Companies Act or a provincial Act respecting insurance, but which is not mentioned on your licence?

Yes

No

If you answered yes, please provide details of the coverage offered:

4. In the past year, have you filed an application with another regulator in Canada to add a class of insurance?

Newfoundland & Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut	Out of Canada
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N

If you answered yes, please specify the class of insurance requested:

The premiums and claims reported in the annual return correspond to the classes of insurance on the licence issued to you by each provincial regulator.

Compliance Officer or Senior Officer

Name of Compliance Office or Senior Officer:

Title:

Email:

Telephone number:

* All insurers incorporated in a provincial jurisdiction must file this page.

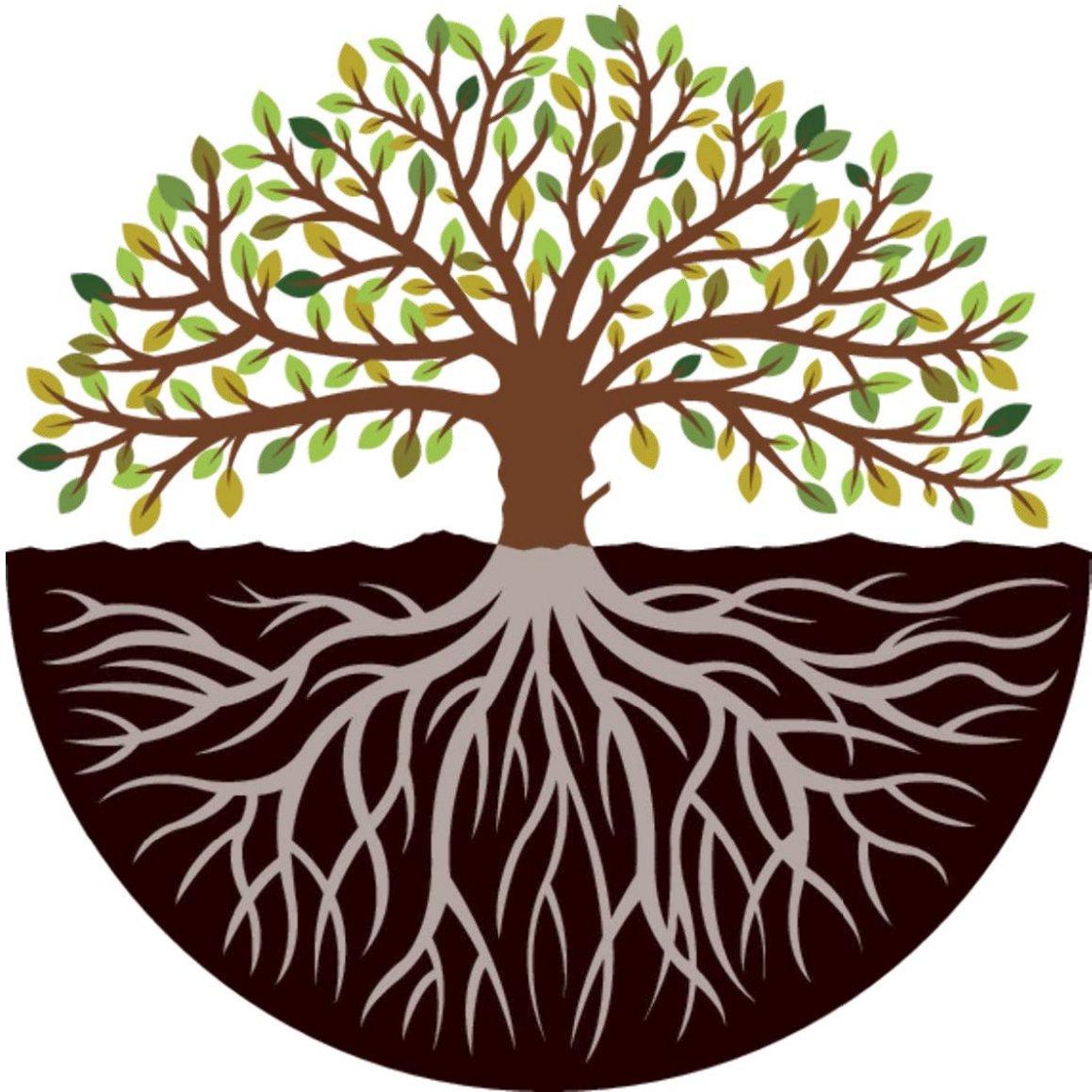
Canadian Lowers Liability Assurance Society
Canadian Foreign Insurer

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS/Breakdown for MCT pages 30.71/30.66/30.62

	Amortized Cost	Row on pages 20.10/40.07	Classification- pages 30.62, 30.66, 30.71, 30.73	Assets - 2010	Page reference
	(99a)		(99)	(01)	
Cash and Cash Equivalents		2010.0101		3,150	
Cash held on premises		01a	0		3071.0102
Cash other		01b	3,150		3071.0802
Investment Income due and accrued		2010.0201		19	3071.0202
Assets held for sale		2010.5001		0	
Assets held for sale (other than financial) with MCT application required			0		3071.6702
Assets held for sale (no MCT application required)		50b	0		
Investments:					
Short Term Investments		4007.0112		11,736	
		4007.0612+4007.07.0212+4007.0512			
Bonds and Debentures				5,092	
Long-term obligations including term deposits, bonds, debentures and loans		05a	5,092		3071.0602/3073
Short-Term Obligations including Commercial Paper		05b	11,736		3071.0702/3073
Mortgage Loans		4007.0312+4007.0412	Balance Sheet Value	0	
Government Grade		06a	0		3071.0602/3073
Residential Mortgages		06b			
First mortgages on one- to four- unit residential dwellings	0	06b-i	0		3071.1402
Residential mortgages that are not first mortgages on one- to four-unit residential dwellings	0	06b-ii	0		3071.1502
Commercial Mortgages	0	06b-iii	0		3071.1502
Mortgages secured by undeveloped land	0	06b-iv	0		3071.1602
Preferred Shares		07.1112		0	3071.2502/3073
Common Shares	Exposure amount	4007.1512		0	
Long common shares	0	15a	0		3066.7020
Common Shares used as part of an equity hedging strategy	0	15b	0		3066.7001
Investment Properties		4007.2012		0	3066.7721
Loans and Invested Assets		4007.3012	Balance Sheet Value	0	
Loans - Subsidiaries, Associates & Joint Ventures (not considered capital)	0	30a	0		3071.2302
Loans considered as capital to non-qualifying subsidiaries	0	30b	0		3062.3301
Loans considered as capital to associates	0	30c	0		3062.3401
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	0	30d	0		3062.3501
Other loans	0	30e	0		3071.0602/3073
Structured Securities etc.	0	30f	0		3075
Non-equity derivatives	0	30g	0		3075
Equity derivatives	Exposure amount				
Investments NOT used as part of an equity hedging strategy (long equity derivatives)	0	30h	0		3066.7221
Investments used as part of an equity hedging strategy	0	30i	0		3066.7721
Other Invested Assets	0	30j	0		3071.3502
Pooled Funds - items not captured in above rows		4007.3212		0	3066.3071/3073
Deduct: Pooled Funds accounted using the Equity Method		4007.3512		0	3066.3071/3073
Total Investments (lines 04 to 10)		2010.1901/4007.3912		16,828	
Receivables:		- Outstanding 60 days or more			
Unaffiliated Agents and Brokers	0	2010.2001		0	3071.5502/3071.5602
Policyholders	0	2010.2101		0	3071.5602
Instalment Premiums		2010.2201		1,783	
Not yet due		22a	1,783		3071.5402
Other	0	22b	0		3071.5502/3071.5602
Other Insurers		2010.2301		618	
Registered Non-Associated		23a	608		3071.5702
Unregistered Non-Associated		23b	10		3071.5802
Facility Associates and the F.P.R.R.		2010.2401		0	3071.5102
Subsidiaries, Associates & Joint Ventures		2010.2501		0	
Registered Associated Insurers		25a	0		3071.4202
Unregistered Associated Insurers		25b	0		3071.5802
Associates, Joint Ventures & Non-qualifying Subs	0	25c	0		3071.5502/3071.5602
Other Receivables		2010.2701		0	
Government grade - excl. Current tax assets		27a	0		3071.5002
Other receivables	0	27b	0		3071.5502/3071.5602
Recoverable from Reinsurers:					
Unearned Premiums		2010.3001		2,541	
Registered Non-Associated		30a	0		3071.4502
Unregistered Non-Associated		30b	2,413		3071.4602
Unpaid Claims and Adjustment Expenses		2010.3101		96,568	
Registered Associated		31a	0		3071.4602
Registered Non-Associated		31b	60,571		3071.6102
Unregistered		31c	35,997		3071.6302
Other Recoverables on Unpaid Claims		2010.3701		0	
SRs not deducted from capital		37a	0		3071.6502
Self-insured retentions, where the regulator requires collateral and no collateral has been received		37b	0		3062.3701
Other		37c	0		3071.6502
Investments Accounted for Using the Equity Method:			Balance Sheet Value	0	
Interests in Subsidiaries, Associates & Joint Ventures		2010.4001		0	
Interests in non-qualifying subsidiaries			0		3062.3001
Interests in associates			0		3062.3101
Interests in joint ventures and limited partnerships with more than 10% ownership			0		3062.3201
Joint ventures and limited partnerships with less than or equal to 10% ownership interest			0		3066.7120
Pooled Funds		2010.4501		0	
Investment amounts allocated to the respective investment rows on 40.07 and 30.66/30.71/30.73 as a result of the "look through" method		45a	0		3066.3071/3073
Non-investment amounts per 4007.3212 to be allocated to the respective rows on 30.71		45b			
Cash other		45c	0		3071.0802
Investment Income Due and Accrued		45d	0		3071.0202
Other Receivables		45e	0		3071.8701
Derivatives		45f	0		3075
Provisions and Other Liabilities (to be input as a negative)		45g	0		
Property and Equipment	Cost Model for Own Use Properties	2010.4101	Balance Sheet Value	0	
Own Use Properties	0	41a	0		3066.8120
Equipment		41b	0		3066.9020
Deferred Policy Acquisition Expenses		2010.4301		103	
Premium Taxes		43a	103		
Commissions		43b	0		
Other		43c	0		
Deferred Commissions A&S (included above)		A&S split	0		30.64A&S
Deferred Other A&S (included above)		A&S split	0		3062.3801
Current Tax Assets		2010.5201		0	3071.5002
Deferred Tax Assets		2010.4401		0	
Deferred Tax Assets arising from temporary differences, that can be applied to recoverable income taxes paid in the preceding 3 years		44a	0		3071.6602
Deferred tax assets excluding those arising from temporary differences		44b	0		3062.4201
Deferred Tax Liabilities (included in deferred tax asset balance per 20.10 and to be allocated on 30.62) - to be input as a negative		44c	0		3062.7001 - 3062.7401
Goodwill		2010.5401		0	3062.4001
Intangible Assets		2010.5601		0	3062.4101
Defined Benefit Pension Plan		2010.5801		0	
Defined Benefit Pension Plan Surplus Assets (excluding available refunds)		58a	0		3062.4301
Defined Benefit Pension Plan Surplus Assets (available refunds)		58b	0		3071.8701
Other Assets		2010.8801		139	
Other Assets - Market Risk		88a			3066.9120
Other Assets - Credit Risk:		88b	139		3071.8602
TOTAL ASSETS		89		121,749	

Reconciliation of Total Assets and the 2016 MCT



Audit results

Canadian Lawyers Liability Assurance Society

For the year ended December 31, 2017
Presented to the Audit Committee
February 15, 2018

February 9, 2018

Private and confidential

To the Chairman and Members of the
Audit Committee of Canadian Lawyers Liability Assurance Society

Dear Audit Committee Members:

Report on audited annual financial statements

We are pleased to submit this report on the status of our audit of Canadian Lawyers Liability Assurance Society ("the Society") for the 2017 fiscal year. This report summarizes the scope of our audit, our findings to date and reviews certain other matters that we believe to be of interest to you.

As agreed in our engagement letter dated November 8, 2017, we have performed an audit of the financial statements of Canadian Lawyers Liability Assurance Society as of and for the year ended December 31, 2017, in accordance with Canadian generally accepted auditing standards ("GAAS") and expect to issue our audit report thereon upon their approval by the Board of Directors and completion of the outstanding matters noted on page 1 of this report.

This report summarizes our findings during the audit to date. Our audit has been conducted in accordance with the audit plan that was presented to the Audit Committee members at the meeting on November 8, 2017.

The results of our audit are explained in further detail in this report.

Use of our report

This report is intended solely for the information and use of the Audit Committee, management and others within the Society and is not intended to be, and should not be, used by anyone other than these specified parties. Accordingly, we disclaim any responsibility to any other party who may rely on it.

We would like to express our appreciation for the cooperation we received from the officers and employees of the Society with whom we worked to discharge our responsibilities.

We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,



Deloitte LLP
Chartered Professional Accountants
Licensed Public Accountants

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At a glance

This report summarizes the main findings arising from our audit to date.

	Comments
Status and outstanding matters <i>We expect to issue an unmodified auditor's report.</i>	<p>The following matters need to be completed satisfactorily prior to the issuance of our auditor's report:</p> <ul style="list-style-type: none"> ● Receipt of the final Appointed Actuary Report ● Receipt of signed management representation letter ● Performance of subsequent event procedures up to February 22, 2018 ● Completion of the Engagement Quality Control review <p>We plan to issue our audit opinions dated February 22, 2018, following completion of the above procedures and approval of the financial statements by the Advisory Board.</p>
Significant audit risks We have not identified additional significant risks during our audit.	<p>Our audit plan identified certain areas that we refer to as significant risks. The results of our audit work on these risks are set out on pages 3 and 4.</p>
Uncorrected and corrected misstatements We have not identified an uncorrected misstatements as yet. We will update you at the Audit Committee meeting.	<p>In accordance with Canadian GAAS, we request that all misstatements be corrected. We have not identified any corrected misstatements as of the date of this report.</p>
Uncorrected and corrected disclosure misstatements	<p>In accordance with Canadian GAAS, we request that all disclosure misstatements be corrected.</p> <p>We have read a draft of the financial statements and provided comments and disclosure recommendations to management, which they have accepted.</p>
Fraud and illegal acts <i>We found no instances of fraudulent and/or illegal activities.</i>	<p>A summary of the results of our audit procedures designed to address the risk of material misstatement in the financial statements relating to fraud is provided on page 3 of this report.</p>
Significant accounting, policies, judgments and estimates <i>The significant accounting policies are acceptable under IFRS and are appropriate.</i>	<p>The significant accounting policies, judgments and estimates are consistent with those identified in the audit plan. We have summarized the results of our procedures related to these items on pages 4 & 6.</p>

	Comments
Independence <i>We are independent of the Society.</i>	<p>We have developed appropriate safeguards and procedures to eliminate threats to our independence or to reduce them to an acceptable level.</p> <p>As required under Canadian GAAS, we have reported all relationships and other relevant matters that, in our professional judgment, may reasonably be thought to bear on our independence and confirmed our independence to the Audit Committee for the year ended December 31, 2017 in Appendix 3.</p>

Audit results

The following summarizes the status and findings of key aspects of our audit. In the appendices to this report, we have provided additional information related to certain matters we committed to report to the Audit Committee as part of the audit plan.

Significant audit risks

Risk of management override of controls

Audit risk	<p>Assurance standards include the presumption of a significant risk of management override of controls.</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>
Our audit response	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> Assessed the effectiveness of controls over the financial close process including the preparation and posting of journal entries and other adjustments. Tested the appropriateness of large or unusual journal entries recorded in the general ledger and other adjustments in the preparation of the financial statements, using data analytical tools to identify journal entries of audit interest. Examined accounting estimates for bias and evaluated whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud.
Our conclusion	The results of our audit procedures were satisfactory

Revenue recognition

Audit risk	<p>Assurance standards include the presumption of a fraud risk involving improper revenue recognition.</p> <p>Revenue streams are contractually driven, although the level of manual intervention increases the risks.</p>
Our audit response	<p>We performed the following audit procedures</p> <ul style="list-style-type: none"> Tested management's controls over significant revenue streams Performed a combination of analytical procedures and tests of details Agreed, on a sample basis, the insurance premiums recorded in the administration system to supporting documentation Obtained confirmation from insureds and tested reconciling items, if any.
Our conclusion	The results of our audit procedures were satisfactory

Provision for unpaid claims and adjustment expenses, gross and net of amount recoverable from reinsurers (valuation)

Audit risk	<p>Risk of measurement uncertainty due to a significant amount of judgment required by the Appointed Actuary and management with respect to the assumptions and methodologies underlying the reserves.</p> <p>We assessed whether the reserves were appropriately established, carried and released.</p>
Our audit response	<p>We addressed these risks as follows:</p> <ul style="list-style-type: none"> • Utilized actuarial experts in the planning and execution of our audit procedures • Assessed internal controls over the actuarial and claims processes • Reviewed and assessed claims handling and monitoring procedures • Selected and tested a representative sample of claims to ensure reserved amounts are properly supported and payments are properly authorized and accurately recorded • Tested underlying data used in the valuation including claims reserves, claims paid and premium data • Tested the reconciliation of the reserves, focusing on the reconciliation between the administrative and valuation systems • Reviewed the opinion of the Appointed Actuary • Updated our understanding of the methods, models and key assumptions used in the valuation including any changes thereon • Assessed the reasonableness of key assumptions and methodologies • Independent recomputations of the actuarial reserves • Reviewed the discount factor used and the application of discounting • Tested the consistency of reserve margins over time • Performed analytical procedures on reserve movements • Reviewed trends in the development of prior years' ultimate and perform a retrospective assessment (a look back test) to determine whether Management judgments and assumptions relating to the estimates indicate a possible bias on the part of Management.
Our conclusion	An update of our results will be provided at the Audit Committee meeting.

Disclosure of subscriber withdrawals

Audit risk	Subscriber withdrawals occur periodically and judgment is involved in determining the appropriate timing of recognition and valuation of amounts and appropriate note disclosures
Our audit response	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Assessed Management's judgment as to the timing and value to be recognized in respect of the liability arising on the withdrawal of a subscriber • Utilized actuarial experts to test Management's valuation of the recognized liability to the subscriber as applicable • Assessed the appropriateness and completeness of disclosures included in the financial statements
Our conclusion	The results of our audit procedures were satisfactory

Significant accounting policies, judgments and estimates

The Society's significant accounting policies are set forth in Note 3 to the Society's financial statements. We are not aware of any significant changes in previously adopted accounting policies or their application during the year ended December 31, 2017.

The Society's plan to adopt new accounting standards

The Society intends to adopt IFRS 17, *Insurance Contracts* and IFRS 9, *Financial Instruments*, on January 1, 2021.

Included below is a brief summary of the new accounting standards. We are happy to discuss any of these new requirements in more detail should you have any specific questions.

IFRS 9 Financial Instruments:

On July 24, 2014, the IASB issued the final version of IFRS 9, which replaces IAS 39 Financial Instruments: Recognition and Measurement. This final version of IFRS 9 represents the completion of this project and it includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. IFRS 9 does not address the specific accounting for open portfolios or macro hedging as these items are part of a separate IASB project that is currently ongoing. This final Standard introduces a single, principles-based approach that amends both the categories and associated criteria for the classification and measurement of financial assets, which is driven by the entity's business model for the portfolio in which the assets are held and the contractual cash flows of these financial assets. Certain amendments have been made to the financial asset classification and measurement principles in prior versions of IFRS 9. This Standard introduces an amended hedging model which aligns hedge accounting more closely with an entity's risk management activities and also includes a new financial asset impairment model which has an expanded scope, is based on expected credit losses rather than incurred credit losses and generally will result in earlier recognition of losses. This new Standard supersedes all prior versions of IFRS 9.

IFRS 17 Insurance Contracts: On May 18, 2017, the IASB has issued its global insurance standard that focuses on a single principle-based approach to account for all types of insurance contracts, to enhance comparability of financial reporting between entities, jurisdictions and capital markets. The standard is effective for annual reporting periods beginning on or after January 1, 2021.

The accounting model of the new Standard focuses on the following steps:

1. Identify and recognize the contract
2. Organize contracts into portfolios of similar risks
3. Within portfolios establish a minimum of three profitability groups
4. Measure the groups/contracts at initial recognition
5. Remeasure in subsequent periods
6. Present results in the financial statements
7. Provide disclosures.

Significant accounting policies and practices

In our judgment, the significant accounting practices and policies, selected and applied by management are, in all material respects, acceptable under IFRS and are appropriate to the particular circumstances of the Society.

Significant accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. These judgments are normally based on knowledge and experience about past and current events, assumptions about future events and interpretations of IFRS.

During the year ended December 31, 2017, management advised us that there were no significant changes in accounting estimates or in judgments relating to the application of the accounting policies.

In our judgment, the significant accounting estimates made by management are, in all material respects, free of possible management bias and of material misstatement. The disclosure in the financial statements around estimation uncertainty is in accordance with IFRS and is appropriate to the particular circumstances of the Society.

Area of significant judgment or estimate	2017 (in 000)	2016 (in 000)	Comments
Provision for unpaid claims and adjustment expenses - Gross	\$104,499	\$101,247	Management's estimate of actuarial liabilities is the most significant area of measurement uncertainty which utilizes complex models and significant management judgement for assumptions.
Provision for unpaid claims and adjustment expenses recoverable from reinsurer	\$95,568	\$94,794	We did not identify any significant reinsurance disputes. Our tests also did not identify any concerns related to the reinsurer credit defaults.

Other reportable matters

Canadian GAAS require that we also communicate to the Audit Committee on the following matters:

Materiality	Materiality level was determined on the basis of the provision for unpaid claims and adjustment expenses. We used the following materiality level for the year ended December 31, 2017:				
	<table> <tr> <th></th><th>Materiality</th></tr> <tr> <td>Financial statements and MCT</td><td>\$ 1,493,000</td></tr> </table>		Materiality	Financial statements and MCT	\$ 1,493,000
	Materiality				
Financial statements and MCT	\$ 1,493,000				
Use of the work of experts and/or specialists	As planned, Deloitte experts and/or specialists assisted in the audit to the extent we considered necessary. The use of experts and/or specialists was already communicated in our audit plan. There have been no changes.				
Involvement of Deloitte's resources outside Canada	Personnel in India assisted us with the performance of audit procedures during the current-period audit. Those personnel are considered members of the engagement team and were subject to our supervision, and their work is subjected to our review.				
Management representation letter	A draft version of the management representation letter to be signed by management is included in Appendix 4.				
Reporting responsibilities	As a part of our audit plan, we committed to communicate certain matters to the Audit Committee on a regular basis or as specified events occur. A summary of our communications is provided in Appendix 1.				

Key regulatory and standards developments

Newly effective accounting standards

Post January 1, 2018, activities around the adoption of IFRS 9, Financial Instruments, and IFRS 17 Insurance Contracts, (the “new standards”) should continue to be a key priority for preparers and those charged with governance. These standards, especially the revenue standard, are expected to have some impact on all insurers.

Audit committees play an important role in overseeing an entity's efforts as it implements new accounting standards. In discharging their responsibilities, audit committee members need to understand the entity's implementation process – not only from a financial reporting perspective but also more broadly. For example, updating and maintaining internal controls will be particularly important as your organization goes live under the new accounting standards. Audit committees and the auditors need to understand how management's Internal Control over Financial Reporting has changed as a result of the implementation, including what controls management has put in place, what judgments are involved in those controls, and what changes, if any, were made to IT systems.

By asking the right questions at the right time, audit committee members can help contribute to a successful implementation. Consider the following non-exhaustive list of question to ask of management post-adoption date and leading up to the first reporting period under the new standards:

- Has the entity completed its evaluation of all the impacts of the new accounting standards? What is the overall impact expected to be on the entity's financial reporting?
- Has management fully documented any new policies and accounting judgments? Have the auditors reviewed the documentation?
- To what extent have the auditors been involved in implementation decisions and to what extent will they be involved in the periods leading up to the first year end reporting under the new standards?
- What were the areas of risk? Were new risks identified? How has management mitigated these risks?
- If important aspects of the implementation are still outstanding, how is management planning to address these in time for the first interim reporting period?
- What is the entity's plan for making the required disclosures on the effect of new accounting standards in its first financial statements issued post-adoption? Has the entity considered the guidance from securities regulators?
- Have pro-forma financial statements and disclosures for the first time reporting under the new standards at the interim and annual reporting periods been prepared, including disclosures of new judgements and estimate uncertainties?
- Has management considered broader business impacts such as impacts on tax, sales and legal (commercial business practices), human resources (employee compensation and training), key operating and performance indicators, capital and costs in respect of the increased actuarial and financial reporting work that will be required under the standards.
- Have the financial and operation gaps been addressed? What new processes, internal controls, IT systems were required?
- Were there any 'lessons learned' regarding the implementation process?

In addition to the transition disclosures around IFRS 9 and IFRS 17, regulators continue to reiterate their focus on disclosures of issued but yet effective accounting standards leading up to their adoption date.

Visit [the Centre for Financial Reporting](#) to stay current on new GAAP standards.

Appendix 1 – Communication requirements

In our audit plan, we committed to communicate certain items to the Audit Committee on a regular basis or as specified events occur. These items are summarized below. To the extent these matters have not been addressed elsewhere in this report, we have commented below based on our findings to date.

Reportable matter	Refer to this report or document described below
1. Our responsibilities under Canadian GAAS	Audit plan communicated on November 8, 2017 / Engagement letter dated November 8, 2017
2. Significant changes to the planned audit strategy or the significant risks initially identified, and the reasons for such changes	None
3. Uncorrected and corrected misstatements	In accordance with Canadian GAAS, we request that all misstatements be corrected. No uncorrected misstatements to report.
4. Uncorrected and corrected disclosure misstatements	In accordance with Canadian GAAS, we request that all disclosure misstatements be corrected. We have read a draft of the financial statements and provided comments and disclosure recommendations to management, which they have accepted. No disclosure misstatements to report.
5. Significant qualitative aspects of the Society's accounting practices, including accounting policies, accounting estimates and financial statement disclosures	Significant accounting policies, judgments and estimates
6. Management judgment and accounting estimates, including indications of possible bias	Significant accounting policies, judgments and estimates
7. Alternative treatments for accounting policies and practices that have been discussed with management during the current period, including: a) Ramifications of the use of such alternative disclosures and treatments b) Our preferred treatment	Significant accounting policies, judgments and estimates
8. Our responsibility for other information in documents containing audited financial statements, any procedures performed, and the results, as well as any material inconsistencies or material misstatements of fact identified in other information and for which management does not make the appropriate revisions	Other information in the annual report to subscribers
9. Disagreements with management	No disagreements to report.

Reportable matter	Refer to this report or document described below
10. Our views about significant auditing and accounting matters for which management consulted with other accountants	None
11. Significant matters discussed with management in connection with our appointment or retention, including the application of accounting principles and auditing standards	None
12. Significant difficulties, if any, encountered during the audit, including any scope limitations	No significant difficulties encountered
13. All significant deficiencies in internal control identified during the audit	No deficiencies to report
14. Significant matters arising from the audit that were discussed with management and material written communications between management and us, including management representation letters	Engagement letter dated November 8, 2017 Management representation letter – Appendix 4
15. All relationships between the Society and us that, in our professional judgment, may reasonably be thought to bear on our independence and related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level, or any identified breaches to our independence	Independence letter - Appendix 3
16. A statement that, in our judgment, our engagement team and others in our firm as appropriate, our firm itself and, when applicable, network firms have complied with relevant ethical requirements regarding independence	Independence letter - Appendix 3
17. Fraud or possible fraud identified through the audit process	Fraud and illegal acts
18. Significant matters arising during the audit in connection with the entity's related parties and our evaluation of the company's identification of, accounting for, and disclosure of its relationships and transactions with related parties	The Society has properly identified, accounted for, and disclosed its relationships and transactions with related parties in the financial statements
19. Non-compliance with laws and regulations that come to the auditor's attention	No areas of non-compliance to report
20. Our evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with applicable financial accounting framework, including consideration of the form, arrangement, and content of the financial statements	To be discussed at our meeting on February 15, 2018

Appendix 2 – Draft version of our auditor's report

Our report on the financial statements is expected to be in the following form. However, the final form may need to be adjusted to reflect the final results of our audit.

1. Draft audit report on the IFRS financial statements

Independent Auditor's Report

To the Advisory Board of
Canadian Lawyers Liability Assurance Society

We have audited the accompanying financial statements of Canadian Lawyers Liability Assurance Society, which comprise the statement of financial position as at December 31, 2017, and the statements of comprehensive income (loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Lawyers Liability Assurance Society as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

[To be signed Deloitte LLP]
Chartered Professional Accountants
Licensed Public Accountants
February 22, 2018

2. Draft audit report on the MCT Annual Return

Independent Auditor's Report

To the Provincial Superintendents of Financial Institutions/Insurance

We have audited the accompanying Minimum Capital Test Return (MCT Return) on page 30.61 of the P&C Annual Return of Canadian Lawyers Liability Assurance Society as at December 31, 2017. The MCT Return has been prepared by management based on the provisions of the Office of the Superintendent of Financial Institutions Canada's (OSFI) Guideline – Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies (the Guideline).

Management's Responsibility for the MCT Return

Management is responsible for the preparation of the MCT Return in accordance with the provisions of the Guideline, and for such internal control as management determines is necessary to enable the preparation of an MCT Return that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the MCT Return based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the MCT Return is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the MCT Return. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the MCT Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the MCT Return in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the MCT Return.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the MCT Return of Canadian Lawyers Liability Assurance Society as at December 31, 2017 is prepared, in all material respects, in accordance with the provisions of the Guideline.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to the fact that the MCT Return has been prepared in accordance with the basis of accounting set out in the Guideline. The MCT Return is prepared to assist Canadian Lawyers Liability Assurance Society to meet the requirements of the Provincial Superintendents of Financial Institutions/Insurance. As a result, the MCT Return may not be suitable for another purpose. Our report is intended solely for the use of Canadian Lawyers Liability Assurance Society and the Provincial Superintendents of Financial Institutions/Insurance and should not be used by parties other than Canadian Lawyers Liability Assurance Society and the Provincial Superintendents of Financial Institutions/Insurance.

(To be signed Deloitte LLP)

Chartered Professional Accountants

Licensed Public Accountants

February 22, 2018

3. Draft audit report on the P&C Return

Independent Auditor's Report

To the Provincial Superintendents of Financial Institutions/Insurance

We have audited the accompanying financial statements of Canadian Lawyers Liability Assurance Society (the "Society"), which comprise the statements of assets and liabilities and equity as at December 31, 2017 and the statements of income, retained earnings, reserves, comprehensive income (loss) and accumulated other comprehensive income (loss), cash flows and changes in equity for the year then ended on pages 20.10 through 20.60 of the Society's P&C Annual Return, which include a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Lawyers Liability Assurance Society as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules or exhibits referenced on pages 20.10 through 20.60 of the Society's P&C Annual Return.

(To be signed Deloitte LLP)

Chartered Professional Accountants
Licensed Public Accountants
February 22, 2018

Appendix 3 – Independence



Deloitte LLP
Bay Adelaide East
8 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Dear Members:

We have been engaged to perform an audit of the financial statements of Canadian Lawyers Liability Assurance Society (the "Society") as of and for the year ended December 31, 2017 and as contained on pages 20.10 to 20.60 of the Society's P&C Annual Return in accordance with Canadian generally accepted auditing standards.

You have requested that we communicate in writing with you regarding our compliance with relevant ethical requirements regarding independence as well as all relationships and other matters between the Society, our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. You have also requested us to communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

We are not aware of any relationships between the Deloitte Entities and the Society and its affiliates, or persons in financial reporting oversight roles at the Society and its affiliates, that under the Rules of Professional Conduct of the applicable Chartered Professional Accountants provincial/territorial regulator/ordre of Ontario may reasonably be thought to bear on independence, that have occurred from February 16, 2017 to February 15, 2018.

The total fees charged to the Society for audit services were \$88,903 during the period covered by the financial statements.

We hereby confirm that we are independent with respect to the Society in accordance with the Rules of Professional Conduct of the applicable Chartered Professional Accountants provincial/territorial regulator/ordre of Ontario as of February 15, 2018.

This letter is intended solely for the the information and use of the audit committee, management, and others within the Society and is not intended to be and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter at our upcoming meeting on February 15, 2018.

Yours truly,


Chartered Professional Accountants
Licensed Public Accountants

Appendix 4 – Draft management representation letter

Deloitte LLP
Bay Adelaide Centre, East Tower
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Dear Sirs:

Subject: Financial statements of Canadian Lawyers Liability Assurance Society for the year ended December 31, 2017

This representation letter is provided in connection with the audits by Deloitte LLP ("Deloitte" or "you") of the financial statements of Canadian Lawyers Liability Assurance Society (the "Society" or "we" or "us"), and a summary of significant accounting policies and other explanatory information (the "Financial Statements").

In addition, this representation letter is provided for the audit of

- The Society's financial statements contained on pages 20.10 to 20.60 for the P&C Annual Return to the Provincial Superintendents of Financial Institutions/Insurance; and
- The Minimum Capital Test ("MCT") of the Society contained on page 30.61 of the P&C Annual Return to the Provincial Superintendents of Financial Institutions/Insurance for the year ended December 31, 2017.

Unless otherwise indicated below, the annual financial statements, pages 20.10 to 20.60 of the P&C Annual Return and the MCT Return are together referred to as the "Financial Statements".

This representation letter is provided for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Society in accordance with International Financial Reporting Standards ("IFRS") and whether the MCT return has been prepared in accordance with the provisions of the Office of the Superintendent of Financial Institutions ("OSFI") Guideline – Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies (the "Guideline").

We confirm that, to the best of our knowledge and belief, having made such inquiries, as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter between the Society and Deloitte dated November 8, 2017 for the preparation of the Financial Statements in accordance with IFRS and the MCT Return in accordance with the Guideline. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of the Society as at December 31, 2017 and the financial performance and cash flows for the year then ended in accordance with IFRS.
2. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Financial Statements in accordance with IFRS, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with IFRS. The Society has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with IFRS and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity. No events have occurred subsequent to December 31, 2017 that require adjustment to the estimates and disclosures included in the Financial Statements.

There are no changes in management's method of determining significant estimates in the current year.

3. All related party relationships and transactions have been appropriately accounted for and disclosed in the Financial Statements in accordance with the requirements of IFRS.
4. We have determined that the Financial Statements are complete as of **[the date of this letter or insert actual date of completion if an earlier date is appropriate]** as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected. The Financial Statements have been approved in accordance with our process to finalize financial statements.
5. We have completed our review of events after December 31, 2017 and up to the date of this letter. All events subsequent to the date of the Financial Statements and for which IFRS requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
6. The Financial Statements are free of material errors and omissions.
7. The Society has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.

Internal controls

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
9. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies in internal control over financial reporting.

Information provided

10. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters. Minutes of Board meetings have been provided to you and reflect the Board's decision to set premiums for the 2017/2018 year having considered the level of surplus available to fund premiums. All financial statements and other financial information provided to you accurately reflect the activities and expenses of the Society and do not reflect any activities or expenses of any other person or entity;
 - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit; and,
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
11. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.

12. We have disclosed to you the identity of the Society's related parties and all the related party relationships and transactions of which we are aware.
13. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
14. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the Financial Statements.
15. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's Financial Statements and all knowledge of concerns or allegations of potential errors in the selection of accounting policies or the recording of transactions affecting the Society that have been communicated by employees, former employees, analysts, regulators, or others, whether written or oral.
16. We have disclosed to you all communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices and all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Financial Statements.
17. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with IFRS.
18. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.
19. We have disclosed to you, and the Society has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
20. We have disclosed to you all the documents that we expect to issue that may comprise other information, in the context of CAS 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

Independence matters

For purposes of the following paragraph[s], "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

21. The Society has not caused Deloitte's independence to be impaired by hiring or promoting a former or current Deloitte partner or professional employee in an accounting role or financial reporting oversight role that would cause a violation of the Canadian independence rules or other applicable independence rules. Prior to the Society having any substantive employment conversations with a former or current Deloitte engagement team member the Society has held discussions with Deloitte and obtained approval from [the Audit Committee **or** management].
22. We have ensured that all non-audit services provided to the Society have been approved by the Audit Committee. Further, we have adhered to all regulatory requirements regarding the provision of non-audit services by Deloitte to the Society in accordance with applicable laws, regulations and rules that apply to the Society, including the Audit Committee approval requirements.
23. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by the Audit Committee in accordance with its established approval policies and procedures.

Work of management's experts

24. We agree with the work of management's experts in evaluating the actuarial liabilities and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to management's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.

Plans or intentions affecting carrying value/classification of assets and liabilities

25. We have disclosed to you all plans, intentions or other conditions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.

Investments

26. With respect to the Society's investment in fixed income securities at the end of the reporting period, no events have occurred and no facts have been discovered with respect to such investment that would indicate any impairment loss in accordance with the applicable provisions of IAS 39, *Financial Instruments: Recognition and Measurement*.

IFRS 13, Fair Value Measurements

27. The Society has appropriately applied the framework for measuring and disclosing fair value, set forth in IFRS 13, *Fair Value Measurements* ("IFRS 13"), to all fair value measurements and disclosures within the scope of IFRS 13.
28. In applying the definition of fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date", the Society considered the following items:
- a. unit of account;
 - b. principal market and where the principal market does not exist, the Society considered the most advantageous market;
 - c. pricing assumptions and considerations market participants would take into account; and
 - d. inputs that are available and the appropriate valuation technique(s).
29. In determining the fair value of the Society's non-financial assets, we have taken into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
30. The Society has not made any adjustment to a Level 1 input except when it has met the circumstances in paragraph 79 of IFRS 13.
31. In applying the fair value hierarchy, the Society has applied consistent judgment in determining and prioritizing the appropriate level of inputs to the valuation techniques.

Financial Instruments

32. The impairment of financial assets classified as held-to-maturity investments, available-for-sale financial assets and loans and receivables have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements.
33. Financial instruments with characteristics of both liabilities and equity have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements.
34. The Society has properly disclosed, in accordance with IFRS 7, *Financial Instruments: Disclosures*,
35. The Society has properly classified all financial instruments in accordance with IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). Specifically, all financial assets are classified as either "financial assets at fair value through profit or loss", "held-to-maturity investments", "loans and receivables", or "available-for-sale financial assets". In addition,

- a. there have been no reclassifications of instruments into or out of the financial assets at fair value through profit or loss classification after the adoption of IAS 39 or, if later, after the instrument was first recognized [except as disclosed to you].
- b. the Society has the positive intent and ability to hold to maturity all financial assets classified as held-to-maturity investments and there have been no changes in our intentions related to financial assets classified as held-to-maturity investments nor any sales of such assets.

Other matters

36. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:
- a. economic dependence on another party;
 - b. financial instruments with significant individual or group concentration of credit risk, and related maximum credit risk exposure;
 - c. sales with recourse provisions;
 - d. arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements; and
 - e. all impaired loans receivable and investments.

37. The Society is in compliance with Minimum Capital Test requirements as contained in the Guideline.

Yours truly,

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Gordon Goodman
Chair of the Audit Committee

Patrick Mahoney
General Manager

Appendix 5 – New and Revised Auditor Reporting Standards

The New CAS Auditor's Report

- On April 11, 2017, the Canadian Auditing and Assurance Standards Board (AASB) approved new and revised Canadian Auditing Standards (CASs) on auditor reporting which will be effective for audits of financial statements for periods ending on or after **December 15, 2018** with earlier application permitted.
- There are two significant differences between the new and revised CASs and the new and revised International Standards on Auditing (ISAs) that were effective for periods ending on or after December 15, 2016:
 - a. The effective date, and
 - b. The scope of reporting Key Audit Matters (KAMs) which are communicated in the auditor's report only when required by law or regulation or the auditor decides to do so (i.e., not required for listed entities).

What are KAMs?	KAMs are those matters that, in the auditor's professional judgment, were of most significance in the audit of the entity's financial statements of the current period.
Are there any laws and regulations that mandate KAMs?	We are not currently aware of any laws or regulations that require KAM reporting but law-makers and regulators could mandate it in the future should they see fit. We are monitoring any changes on this front.
When will the auditor "decide to do so"?	This decision would normally involve discussions with management and those charged with governance (TCWG) on whether that would be the appropriate course of action, this isn't a decision auditors would make in isolation.

"The new auditor's report, adopted by more than 110 countries, represents a step change in the information content of the report. It better describes what an audit is and what an auditor does, including an ability to provide further transparency in the reporting of key audit matters."

Darrell Jensen, AASB Chair

Key changes to the CAS auditor's report

Opinion first	<ul style="list-style-type: none"> Opinion section required to be presented first, followed by the Basis for Opinion section
Going concern (if applicable)	<ul style="list-style-type: none"> Separate section under the heading "Material Uncertainty Relating to Going Concern" when a disclosed material uncertainty exists Description of the responsibilities of management and auditor for going concern Need to challenge adequacy of disclosures for "close calls"
Independence	<ul style="list-style-type: none"> An explicit statement of the auditor's independence in accordance with relevant ethical responsibilities and the auditor's fulfillment of other ethical responsibilities
Roles and responsibilities	<ul style="list-style-type: none"> Enhanced description of the responsibilities of the auditor and key features of an audit Identification of management/TCWG and their responsibility for the oversight of the financial reporting process
Other information	<ul style="list-style-type: none"> Explains management's responsibility for the other information Identifies the other information obtained (all entities) or expected to be obtained (listed entities only) Explains the auditor's responsibilities and work effort in relation to other information Either that there is nothing to report or a statement describing any uncorrected material misstatements
Key Audit Matters (if applicable)	<ul style="list-style-type: none"> New section to communicate key audit matters
Name of partner (listed entities only)	<ul style="list-style-type: none"> Disclosure of the name of the engagement partner

Questions the Audit Committee should be thinking about

Going concern



What is management's process for evaluating going concern?



Does management have supporting documentation in place to support their going concern assessment?



Do the disclosures include all information relevant to users, particularly for "close call" situations?

Other information



Have you considered what would constitute "other information"?









When will the "other information" be available to the auditor?



Is the "other information" consistent with the financial statements?

Key audit matters

	What matters could potentially be KAMs?
	Are you having robust discussions with your auditors about areas in the audit where there are identified significant risks or areas where the auditor allocates significant time and effort?
	Do the disclosures include all information relevant to users and will the disclosures support the auditor's description of the KAMs?
	Is the Audit Committee satisfied with how management is currently addressing and disclosing these matters?
	How will management and the Audit Committee engage with the auditor as KAMs are identified and the auditor's description of the KAMs are developed and finalized?
	How will the timing of auditor communications with management and the Audit Committee accommodate the discussion of KAMs?






What are the Audit Committee processes for these considerations and additional timing that may be required?



Is additional training required for the Audit Committee in order to ensure meaningful discussions with the auditors and to ensure effective implementation by management?

What are the Next Steps for the Audit Committee?

	Have upfront discussions between the Audit Committee, management (including outside of finance) and audit team
	Review consistency of information that will be disclosed in the new auditor's report and related disclosures made elsewhere (i.e., MD&A, annual report)
	Review an early draft of the new auditor's report as part of your planning meeting with the audit team
	Expect more questions from shareholders and investors

What can the Audit Committee do to help implement the new standards?

The new auditor's report support efforts in continually advancing audit quality. Conversations are most beneficial if the entity has also independently summarized the risks inherent in its financial reporting process, especially in areas where KAMs could make the dialogue between auditors and the Audit Committee even more robust.

Summary

The new and revised auditor reporting standards will significantly change auditor reporting for all entities and involve significant, upfront communications between the auditor, management and the Audit Committee.

We will work to provide Canadian Lawyers Liability Assurance Society and the Audit Committee with guidance on the implications of the new and revised auditor reporting standards.

Resources

The AASB is currently working with CPA Canada and other groups to drive the effective implementation of the new standards through a broad range of communications, tools and guidance materials for stakeholders. CPA Canada has issued a number of [Audit and Assurance alerts](#) in June and July 2017 discussing key features of the changes and will be releasing a web portal devoted exclusively to the topic of implementing auditor reporting. Webinars and other publications will be issued throughout the remainder of the year, including an update expected in December incorporating the changes to the new auditor's report into a revised reporting guide, "Reporting Implications of New Auditing and Accounting Standards."

- Keep abreast of the Canadian project at [Deloitte's Centre for Financial Reporting](#).
- Information relating to the new and revised CASs and conforming amendments to other CASs can be found on the [AASB website](#).

We encourage you to engage your engagement partner or any other member of the Deloitte Team with any questions or enquiries related to the new and revised auditor reporting standards.

Appendix 6 – Deloitte resources a click away

At Deloitte, we are devoted to excellence in the provision of professional services and advice, always focused on client service. We have developed a series of resources, which contain relevant and timely information for boards of directors and c-suite executives. Below you will find an overview of resources, as well as a registration form to allow you to subscribe to resources that may be of interest to you.

The list of resources is not exhaustive and you may be aware of others not listed here that may be of value to your clients.

Audit resources	Targeted audience	Description
Canadian resources		
Websites		
<input type="checkbox"/> Centre for Corporate Governance (www.corpgov.deloitte.ca)	<ul style="list-style-type: none"> • Audit Committee members • Board members • CEO/CFO • Internal auditor • Legal counsel 	<p>Web site specifically designed to help board members with their responsibilities.</p> <p>It provides the latest information on regulatory and legislative developments, accounting and financial reporting, board roles and responsibilities, and best practices.</p>
<input type="checkbox"/> Deloitte Learning Academy (http://www.deloittelearningacademy.ca/welcomecanada)	<ul style="list-style-type: none"> • CFO • VP Finance • Internal auditor • Controller • Financial reporting team 	<p>The Deloitte Learning Academy offers a range of courses targeted to accounting professionals which can be selected a la carte, bundled into a specific learning program, or delivered as a full start-to-finish suite. Our current offerings include International Financial Reporting Standards (IFRS); Accounting Standards for Private Enterprises (ASPE); and Public Sector Standards (PSAS).</p>
<input type="checkbox"/> Centre for financial reporting (www.cfr.deloitte.ca)	<ul style="list-style-type: none"> • Board members • Audit Committee members • CEO/CFO • Controller • Financial reporting team • Other accounting professionals 	<p>Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.</p>
<input type="checkbox"/> Deloitte Accounting Research Tool (DART) Note: Audit Committee must pre-approve DART subscriptions	<ul style="list-style-type: none"> • CFO • VP Finance • Controller • Financial reporting team 	<p>A comprehensive online library of accounting and financial disclosure literature.</p> <p>Subscription-based service.</p>

Audit resources	Targeted audience	Description
<input type="checkbox"/> U.S. GAAP Plus web site www.iasplus.com	<ul style="list-style-type: none"> • Board members • Audit Committee members • CEO/CFO • Controller • Financial reporting team • Other accounting professionals 	<p>U.S. GAAP Plus is a comprehensive source for news, publications, and project updates about U.S. accounting standard setting. It covers the activities of the FASB, the PCAOB, the AICPA, the SEC, and other U.S. accounting and auditing standard setters.</p>
Insights newsletters		
<input type="checkbox"/> Financial Reporting	<ul style="list-style-type: none"> • CFO • VP Finance • Controller • Financial reporting team 	<p>Bi-monthly electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.</p> <p>For a copy, contact FinancialReporting@deloitte.ca.</p>
<input type="checkbox"/> Corporate governance	<ul style="list-style-type: none"> • Audit Committee members • Board Members • CEO/CFO 	<p>Monthly electronic communications featuring Deloitte's latest point of view on timely industry and business topics of interest to board directors.</p> <p>For a copy, contact governance@deloitte.ca.</p>
Webcasts and other events		
<input type="checkbox"/> Deloitte Financial Reporting Update www.deloitte.com/ca/update	<ul style="list-style-type: none"> • CFO • VP Finance • Controller • Financial reporting team 	<p>Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.</p>
<input type="checkbox"/> Directors' Series http://www.deloitte.com/ca/directorsseries)	<ul style="list-style-type: none"> • Audit Committee members • CEO/CFO • Internal auditor • Legal counsel 	<p>Live broadcasts offered throughout the year.</p>



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