

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Report on the Actuarial Projection of Loss Costs Treaty Year 2023/2024

March 23, 2023

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PART 1—INTRODUCTION AND SCOPE

Introduction

The purpose of this report is to provide updated claims information to management and underwriters of reinsurance for the Canadian Lawyers Liability Assurance Society (“CLLAS”).

This report summarizes the analysis by Axxima Inc. (“Axxima”) of the reported claims information as at December 31, 2022. It also provides an estimate of the ultimate settlement value of ground-up claims for the prospective treaty year starting July 1, 2023 and its allocation as loss costs by layer of coverage provided by CLLAS.

This report is strictly for the use of CLLAS, its advisors, and underwriters of reinsurance in the context of their work for CLLAS. Any other use or disclosure should be discussed first with Axxima. If our report is distributed further, the report must be distributed in its entirety.

Any questions regarding this report should be addressed to Ms. Julie-Linda Laforce, the author of this report. Ms. Laforce’s contact information is as follows:

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Scope

This report provides an assessment of the estimated ultimate settlement value of the claims incurred by the current CLLAS subscribers as at December 31, 2022 as well as an estimate of the projected ultimate value of claims to be incurred and/or reported during the prospective reinsurance coverage period of July 1, 2023 to June 30, 2024.

The estimates developed by Axxima for CLLAS are developed on a basis gross of all applicable reinsurance which is then layered by range of values and traditional layers of reinsurance purchased by CLLAS to provide an overall assessment of the potential ground-up cost of all claims incurred on or prior to December 31, 2022 and claims expected for the prospective reinsurance coverage period of July 1, 2023 to June 30, 2024.

PART 2—OVERVIEW OF 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, Ontario and 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:

Table 1
CLLAS Historical Coverage Summary

Coverage Period	Coverage Provided (in million \$) <i>Note 1</i>
July 1, 1987 to July 1, 1988	\$24.4 excess of \$0.6
July 1, 1988 to July 1, 1989 July 1, 1989 to July 1, 1990 July 1, 1990 to July 1, 1991	\$24.0 excess of \$1.0*
July 1, 1991 to July 1, 1992 July 1, 1992 to July 1, 1993 July 1, 1993 to July 1, 1994 July 1, 1994 to July 1, 1995 July 1, 1995 to July 1, 1996 July 1, 1996 to July 1, 1997 July 1, 1997 to July 1, 1998 July 1, 1998 to July 1, 1999 July 1, 1999 to July 1, 2000** July 1, 2000 to July 1, 2001** July 1, 2001 to July 1, 2002**	\$24.0 excess of \$1.0* \$10.0 excess of \$25.0

Coverage Period	Coverage Provided (in million \$) <i>Note 1</i>
July 1, 2002 to July 1, 2003** July 1, 2003 to July 1, 2004*** July 1, 2004 to July 1, 2005*** July 1, 2005 to July 1, 2006*** July 1, 2006 to July 1, 2007*** July 1, 2007 to July 1, 2008*** July 1, 2008 to July 1, 2009*** July 1, 2009 to July 1, 2010*** July 1, 2010 to July 1, 2011***	\$5.0* \$30.0 excess of \$5.0
July 1, 2011 to July 1, 2012**** July 1, 2012 to July 1, 2013**** July 1, 2013 to July 1, 2014**** July 1, 2014 to July 1, 2015**** July 1, 2015 to July 1, 2016**** July 1, 2016 to July 1, 2017**** July 1, 2017 to July 1, 2018**** July 1, 2018 to July 1, 2019**** July 1, 2019 to July 1, 2020**** July 1, 2020 to July 1, 2021**** July 1, 2021 to July 1, 2022**** July 1, 2022 to July 1, 2023****	\$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 Québec, all CLLAS coverage is provided in excess of a \$5 million retention up to and including policy year 2002/2003

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

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

Note 1: The policy limits presented in this column are per claim and in the annual aggregated except for the following:

- the \$5,000,000 policy for policy periods July 1, 2002 to July 1, 2007 where the aggregate limit was \$25,000,000;
- the \$5,000,000 policy for policy period July 1, 2007 to July 1, 2008 where the aggregate limit was \$12,000,000.
- the \$5,000,000 policy for policy periods July 1, 2008 to July 1, 2011 where the aggregate limit was \$5,000,000

The umbrella layer of coverage of \$30,000,000 excess of a minimum of \$65,000,000 (excess of a minimum of \$50,000,000 up to July 1, 2011) is subject to an annual aggregate of \$60,000,000 for all law firms combined. Coverage between the basic coverage described above (\$50,000,000 including underlying) and the minimum attachment point of \$65,000,000 of the umbrella layer is not provided by CLLAS, but left to individual subscribers to arrange, except for a secondary retention starting on July 1, 2017 (5% of \$30,000,000 in excess of \$50,000,000 or \$110,000,000 in excess of \$50,000,000).

CLLAS also offered a multitude of optional layers over time. As of July 1, 2021, the optional layers offered were \$10M, \$20M, \$30M, \$40M, \$50M or \$60M in excess of \$160M.



As of July 1, 2022, CLLAS began offering a second umbrella layer of coverage of \$30M per claim/\$60M aggregate in excess of \$250M.

Reinsurance

CLLAS cedes losses 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.

Starting with the policy year incepting July 1, 2013, the per-claim retention for CLLAS subject to the aggregate limit includes 100% of the layer \$975,000 excess of \$25,000. 100% of CLLAS losses in excess of \$1,000,000 is ceded to reinsurers. Colchester provides aggregate reinsurance coverage of \$10,000,000 in excess of a \$5,000,000 limit.

Membership and Management Changes

The number of insured lawyers increased from approximately 1,479 to 4,308 from 1987 to 2022. In addition to the 4,308 lawyers are 153 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 Canada LLP withdrew at June 30, 2017.

For the purpose of our analysis, the total number of lawyers for the prospective treaty year 2023/2024 is estimated at 4,308.

CLLAS is managed by Axxima Insurance Services, a division of 3303128 Canada Inc. ("Axxima Insurance Services") since September 2013.

There have not been any major changes in management policies and philosophy in recent years. There have been no management changes in 2022. The General Manager role for CLLAS will be transitioning from Patrick Mahoney to Carrie Green over the course of 2023.

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 Upper Canada (LSUC) 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.

Limitations

For the purposes of our analysis, we were provided with data from CLLAS on the claims and exposures under the program. Although we have conducted a number of tests to ensure that the data provided were reasonable, we have relied on such data without formal audit or verification.

Axxima does not assume the responsibility for the result of any error or omission in the data or other materials furnished in the preparation of this report.

By its nature, the program is subject to statistical and other deviations in loss experience. As a result we cannot guarantee our projections of future loss experience as being the maximum extent of the exposure to loss for CLLAS.

Claims 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 those liabilities, we have used models, procedures and assumptions which, in our view, are reasonable and appropriate and we believe the resulting estimates are reasonable given the information available.

PART 3—ACTUARIAL ANALYSIS

This section describes the methodology and assumptions used by Axxima to estimate the ultimate settlement value of claims incurred by CLLAS for the treaty year ending June 30, 2023 and the prospective treaty year starting July 1, 2023.

This estimation of ultimate losses is based on the following information reviewed and analysed by Axxima:

- The coverage provided by CLLAS currently and historically;
- The data collected by CLLAS regarding the underlying exposures; and
- The claims reported as of December 31, 2022 (the “valuation date”).

The coverage provided by the program was described in Table 1 of this report.

The statistical information reviewed and analysed for this report includes all claims reported at a ground-up level since the inception of the CLLAS program in 1987. Since inception, 1,838 claims have been reported on account of different treaty years with a total reported incurred ground-up value of \$496,938,011 as shown in Exhibit 1.

Methodology

This claims information at the aggregate level by treaty year was used to estimate the ultimate losses for each year using a standard actuarial chain-ladder methodology on reported incurred and cumulative paid experience. The projection of ultimate losses is shown in Exhibit 1. A summary of the historical claims experience by treaty year at different claim maturities is also included in Exhibits 4 through 6 of this report.

The estimated ultimate losses for each historical treaty year include the following components:

- Cumulative paid losses and loss adjustment expenses recorded up to the valuation date (“Cumulative Paid Losses”);
- Case reserves for indemnities and loss adjustment expenses recorded at the valuation date (“Current Case Reserves”); and
- An estimated actuarial provision (“Actuarial Provision”) to cover the cost of adverse development on reported but unsettled claims, the costs associated with the re-opening of closed claims and the expected costs of late reported claims not yet recorded at the valuation date.

This review of the Actuarial Provision is established on an undiscounted value basis without consideration for prospective investment income likely to be generated between the valuation date

and the settlement date of claims and without consideration for the internal unallocated claims administration expenses expected to be incurred by CLLAS to manage the settlement of claims. However, since the paid and incurred experience reported on each claim includes the cost of adjustment expenses incurred at the individual claim level, it does include a provision for the future allocated loss adjustment expenses incurred to settle individual claims.

Ultimate losses for the prospective treaty year were selected on a frequency and severity basis using indications derived from the ultimate historical losses. First the severity for each historical treaty year was adjusted to the level of the prospective treaty year at a 4.25% trend compounded annually as selected in Exhibit 8. The ultimate number of claims (non-zero) was similarly determined using a chain-ladder and trending approach. A frequency trend of 0% was applied as selected in Exhibit 7. Using the historical indications, as shown in Exhibit 1, the claim frequency and claim severity were selected to project the total expected losses for the prospective treaty year starting July 1, 2023.

We also discussed the high inflationary environment with CLLAS management and considered that inflation is reflected in the case reserves for open claims. We reviewed the trend and are comfortable that our selection reflects the expected future costs of claims.

To determine the size-of-loss distribution, the underlying age-to-ultimate development factors applicable to each historical treaty year were applied to each open reported claim to develop them to their ultimate value and each claim was trended to its expected value as at January 1, 2024, which represents the middle of the prospective treaty year.

Using all available years of trended and developed claims data prior to 2022 (omitted for credibility reasons), the empirical cumulative distribution function and aggregate size-of-loss distribution were derived.

The same claim data was also used to fit a theoretical (generalized) distribution to the data. Careful attention was paid to the fit in the “tail” of the distribution where extreme and infrequent losses lie. The Inverse Gaussian distribution was ultimately selected for its better overall fit and conservative fit of larger losses.

Since claim data is abundant in lower layers, and increasingly sparse in higher layers, a credibility blend of the empirical and theoretical cumulative distribution functions was used. Full credibility was given to the empirical distribution in the lowest layers and increasing credibility was given to the theoretical distribution as data became thin in the higher layers. The resulting selected cumulative distribution function and size-of-loss distribution are found in Exhibit 2 – Sheet 1.

Using the selected distribution, the total expected losses for the prospective treaty year are split by CLLAS insured layer, those losses are then divided by the number of earned lawyers to determine the loss cost per lawyer. The detail of the analysis of loss costs by layer is shown in Exhibit 2 – Sheets 2 and 3.

Results

As shown in Exhibit 1, the estimated aggregate ground-up experience over the last five treaty years is as follows:

Table 2
Average Estimated Ground-up Ultimate and Trended Losses per Treaty Year⁽¹⁾

Treaty Year ⁽¹⁾	Underlying Insured Lawyers	Reported Incurred Losses at 12/31/2022 (\$000's)	Estimated Ultimate and Trended Losses (\$000's)	Estimated Ultimate Claims	Estimated Ultimate and Trended Loss Cost per Lawyer
2018/2019	3,710	\$ 6,327	\$ 7,791	37	\$ 2,100
2019/2020	3,884	\$ 6,926	\$ 9,388	38	\$ 2,417
2020/2021	3,965	\$ 6,945	\$ 13,745	38	\$ 3,467
2021/2022	4,146	\$ 8,352	\$ 28,652	45	\$ 6,911
2022/2023	2,154	\$ 2,742	\$ 17,562	30	\$ 8,153
2023/2024	4,308		\$ 26,925	43	\$ 6,250

Data Source: Exhibit 1 – Columns [2], [3], [11] and [14]

(1) 2022/2023 as of 6 months

The estimated ultimate frequency of claims in the prospective treaty year is equivalent to 1.00% of the lawyers insured resulting in 43 projected claims with an average estimated ultimate claim severity of \$625,000. The total estimated ultimate losses are therefore \$26,925,031.

The empirical, theoretical and selected segmentation of aggregate losses are shown in Exhibit 2 – Sheet 1.

As shown in Exhibit 2 – Sheet 2, the estimated prospective and current year aggregate losses are split by coverage layer using the selected distribution as follows:

Table 3
Estimated Loss Cost per Lawyer for the Current and Prospective Treaty Year

Ground-up losses and loss costs by CLLAS layers	Prospective Estimate of Loss Cost Treaty Year 2022/2023		Prospective Estimate of Loss Cost Treaty Year 2023/2024	
	Undiscounted	Discounted	Undiscounted	Discounted
Ultimate ground-up losses	24,873,060	22,954,743	26,925,031	21,296,123
Ground-up loss cost per lawyer	6,000	5,537	6,250	4,943
First \$25,000	164	155	165	139
\$.975M XS \$.025M	1,476	1,393	1,505	1,269
\$4M XS \$1M	1,511	1,382	1,597	1,233
\$5M XS \$5M	740	677	813	628
\$10M XS \$10M	733	670	808	624
\$30M XS \$20M	985	901	984	760
5% of \$30/110M XS \$50M	19	17	18	14
\$10/20/30/40/50/60M XS \$160M (Optional CLLAS coverage)	12	11	10	8
\$30M XS Minimum \$65M (Umbrella)	4	4	3	3
\$50M XS Minimum \$250M (Umbrella)	1	1	1	1
Total cost of layers above \$1M	4,004	3,663	4,236	3,269
Annual increase in the total cost of layers above \$1M			+5.8%	-10.8%
Total cost of layers above \$5M	2,492	2,280	2,637	2,035
Annual increase in the total cost of layers above \$5M			+5.8%	-10.8%

(1) The estimated discounted loss costs for the prospective treaty year period assume an average discount rate of 3.95% compounded annually applied to the expected claims payment patterns shown in Exhibit 5. For layers below \$1,000,000, the ground-up payout pattern is used and for layers above \$1,000,000, the excess payout pattern is applied.

As noted in Table 1, Québec lawyers are subject to a \$10,000,000 deductible, which is therefore the attachment point for the layers in Table 3 above. Québec lawyers account for approximately 20% (883 insured lawyers) of CLLAS' estimated exposure for the treaty year beginning July 1, 2023.

The estimated loss costs shown in Table 3 reflect purely the expected ultimate cost per lawyer to cover the undiscounted and discounted value of losses and loss adjustment expenses (excluding internal CLLAS loss adjustment expenses).



For the purpose of determining the ultimate rate to charge to each insured lawyer, the estimated loss costs would require additional margins to reflect operating expenses, investment income, cost of capital and taxes.

Observations

As per Table 3, the total estimated undiscounted loss costs (excess of \$1,000,000) have increased by approximately 5.8% between treaty years 2022/2023 and 2023/2024. This increase reflects the annual severity trend and changes to the loss distribution since the prior rating study.

As illustrated in Exhibit 3, Column 6, there was deterioration in the loss experience during 2022, which is driven by large unfavourable claims emergence on single claims. The expected increase in incurred claims during the 2022 calendar year on prior treaty years was a \$9,986,000 increase compared to an increase of \$25,097,000 in actual incurred losses over the same period.

PART 4—LIST OF EXHIBITS

Exhibit 1	Summary of Estimated Ground-Up Ultimate Losses
Exhibit 2	Sheet 1 – Selected Cumulative Loss Distribution Sheet 2 – Summary of Undiscounted Loss Costs by Layer of Coverage – Other than Quebec Sheet 3 – Summary of Undiscounted Loss Costs by Layer of Coverage – Quebec Only
Exhibit 3	Comparison of Actual Development to Expected Development During 2021
Exhibit 4	Ground Up Incurred Losses Development Factor Selection
Exhibit 5	Ground Up Paid Losses Development Factor Selection
Exhibit 6	Ground Up Claim Count Development Factor Selection
Exhibit 7	Frequency Trend Selection
Exhibit 8	Severity Trend Selection

Canadian Lawyers Liability Assurance Society
Summary of Estimated Ground-Up Ultimate Losses

Exhibit 1

Treaty Year	Exposed Lawyers	Reported Incurred Losses	Age to Ultimate Incurred LDF	Estimated Ultimate Losses	Cumulative Paid Losses	Age to Ultimate Paid LDF	Estimated Ultimate Paid Losses	Selected Ultimate Losses	Trend Factor	Ultimate and Trended Losses	Reported Incurred Non-Zero Claims	Age to Ultimate LDF	Estimated Ultimate Claims	Estimated Ultimate Claims Frequency Per Lawyer	Estimated Ultimate and Trended Claims Severity
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
1987	1,479	\$255,751	1.000	\$255,751	\$255,751	1.000	\$255,751	\$255,751	4.474	\$1,144,343	24	1.000	24	0.0162	\$47,681
1988	1,807	\$1,673,300	1.000	\$1,673,300	\$1,673,300	1.000	\$1,673,300	\$1,673,300	4.292	\$7,181,846	37	1.000	37	0.0205	\$194,104
1989	2,078	\$2,655,706	1.000	\$2,655,706	\$2,655,706	1.000	\$2,655,706	\$2,655,706	4.117	\$10,933,673	62	1.000	62	0.0298	\$176,350
1990	2,352	\$6,059,360	1.000	\$6,059,360	\$6,059,360	1.000	\$6,059,360	\$6,059,360	3.949	\$23,929,679	86	1.000	86	0.0366	\$278,252
1991	2,400	\$14,078,492	1.000	\$14,078,492	\$14,078,492	1.000	\$14,078,492	\$14,078,492	3.788	\$53,332,282	90	1.000	90	0.0375	\$592,581
1992	2,433	\$5,491,955	1.000	\$5,491,955	\$5,491,955	1.000	\$5,491,955	\$5,491,955	3.634	\$19,956,524	99	1.000	99	0.0407	\$201,581
1993	2,507	\$37,389,958	1.000	\$37,389,958	\$37,389,958	1.000	\$37,389,958	\$37,389,958	3.486	\$130,327,747	131	1.000	131	0.0523	\$994,868
1994	2,514	\$17,348,113	1.000	\$17,348,113	\$17,348,113	1.000	\$17,348,113	\$17,348,113	3.344	\$58,004,021	88	1.000	88	0.0350	\$659,137
1995	2,525	\$10,099,385	1.000	\$10,099,385	\$10,099,385	1.000	\$10,099,385	\$10,099,385	3.207	\$32,391,028	53	1.000	53	0.0210	\$611,151
1996	2,594	\$1,936,471	1.000	\$1,936,471	\$1,936,471	1.000	\$1,936,471	\$1,936,471	3.076	\$5,957,509	52	1.000	52	0.0200	\$114,567
1997	2,640	\$4,109,525	1.000	\$4,109,525	\$4,109,525	1.000	\$4,109,525	\$4,109,525	2.951	\$12,127,444	49	1.000	49	0.0186	\$247,499
1998	2,838	\$25,100,723	1.000	\$25,100,723	\$25,100,723	1.000	\$25,100,723	\$25,100,723	2.831	\$71,053,884	55	1.000	55	0.0194	\$1,291,889
1999	3,229	\$13,119,207	1.000	\$13,119,207	\$13,119,207	1.000	\$13,119,207	\$13,119,207	2.715	\$35,623,216	41	1.000	41	0.0127	\$868,859
2000	4,008	\$4,726,198	1.000	\$4,726,198	\$4,726,198	1.000	\$4,726,198	\$4,726,198	2.605	\$12,310,094	43	1.000	43	0.0107	\$286,281
2001	4,242	\$25,282,592	1.000	\$25,282,592	\$25,282,592	1.000	\$25,282,592	\$25,282,592	2.498	\$63,167,691	52	1.000	52	0.0123	\$1,214,763
2002	4,523	\$11,100,894	1.000	\$11,100,894	\$11,100,894	1.000	\$11,100,894	\$11,100,894	2.397	\$26,604,513	59	1.000	59	0.0130	\$450,924
2003	4,719	\$49,181,313	1.000	\$49,181,313	\$49,181,313	1.000	\$49,181,313	\$49,181,313	2.299	\$113,063,230	59	1.000	59	0.0125	\$1,916,326
2004	4,743	\$11,131,383	1.000	\$11,131,383	\$5,631,383	1.000	\$5,631,383	\$11,131,383	2.205	\$24,546,768	46	1.000	46	0.0097	\$533,625
2005	4,770	\$5,034,661	1.000	\$5,034,661	\$5,034,661	1.000	\$5,034,661	\$5,034,661	2.115	\$10,649,748	38	1.000	38	0.0080	\$280,257
2006	4,772	\$11,057,324	1.000	\$11,057,324	\$11,057,324	1.000	\$11,057,324	\$11,057,324	2.029	\$22,435,880	30	1.000	30	0.0063	\$747,863
2007	4,784	\$23,773,184	1.000	\$23,773,184	\$16,354,911	1.000	\$16,354,911	\$23,773,184	1.946	\$46,270,518	31	1.000	31	0.0065	\$1,492,597
2008	4,835	\$7,970,467	1.000	\$7,970,467	\$7,970,467	1.000	\$7,970,467	\$7,970,467	1.867	\$14,880,747	43	1.000	43	0.0089	\$346,064
2009	4,817	\$51,645,675	1.000	\$51,645,675	\$51,645,675	1.000	\$51,645,675	\$51,645,675	1.791	\$92,490,866	43	1.000	43	0.0089	\$2,150,950
2010	4,771	\$50,877,447	1.000	\$50,877,447	\$42,053,971	1.006	\$42,113,658	\$50,877,447	1.718	\$87,400,544	50	1.000	50	0.0105	\$1,748,011
2011	4,708	\$10,203,648	1.000	\$10,203,648	\$9,846,826	1.010	\$9,942,884	\$10,203,648	1.648	\$16,813,891	43	1.000	43	0.0091	\$391,021
2012	4,128	\$10,703,473	1.000	\$10,703,473	\$8,585,995	1.020	\$8,756,404	\$10,703,473	1.581	\$16,918,482	47	1.000	47	0.0114	\$359,968
2013	4,124	\$16,850,920	1.002	\$16,891,928	\$12,321,562	1.039	\$12,807,878	\$16,850,920	1.516	\$25,549,609	45	1.000	45	0.0109	\$567,769
2014	4,198	\$5,872,098	1.011	\$5,939,334	\$2,226,616	1.073	\$2,388,418	\$5,872,098	1.454	\$8,540,394	33	1.000	33	0.0079	\$258,800
2015	4,141	\$20,401,477	1.049	\$21,401,468	\$8,544,877	1.191	\$10,178,901	\$20,401,477	1.395	\$28,462,308	41	1.000	41	0.0099	\$694,203
2016	4,084	\$7,398,309	1.121	\$8,295,928	\$5,857,131	1.314	\$7,696,710	\$7,996,319	1.338	\$10,700,955	36	1.000	36	0.0088	\$297,249
2017	3,582	\$3,116,318	1.252	\$3,901,138	\$1,428,376	1.575	\$2,249,779	\$3,116,318	1.284	\$4,000,351	36	1.000	36	0.0101	\$111,121
2018	3,710	\$6,327,340	1.358	\$8,590,907	\$1,089,892	2.051	\$2,235,438	\$6,327,340	1.231	\$7,791,149	37	1.000	37	0.0100	\$210,572
2019	3,884	\$6,926,303	1.525	\$10,564,378	\$1,926,314	2.768	\$5,332,363	\$7,948,370	1.181	\$9,388,200	38	0.996	38	0.0097	\$247,971
2020	3,965	\$6,945,236	2.167	\$15,051,262	\$628,335	5.367	\$3,372,052	\$12,131,460	1.133	\$13,744,889	40	0.938	38	0.0095	\$366,263
2021	4,146	\$8,351,634	3.039	\$25,377,302	\$1,493,550	19.632	\$29,320,758	\$26,363,166	1.087	\$28,651,654	54	0.829	45	0.0108	\$639,780
2022	2,154	\$2,742,172	7.454	\$20,440,206	\$28,486	212.864	\$6,063,700	\$16,846,080	1.043	\$17,562,038	27	1.128	30	0.0141	\$576,617
Total	129,201	\$496,938,011		\$548,460,053	\$423,335,294		\$469,762,307	\$535,859,751		\$1,163,907,715	1,838		1,830	0.0142	\$636,144
									Average All ⁽¹⁾	\$32,752,734			51	0.0164	\$616,883
									Average Last 15 ⁽¹⁾	\$27,440,304			40	0.0095	\$658,823
									Average Last 10 ⁽¹⁾	\$15,374,799			40	0.0099	\$375,369
									Average Last 5 ⁽¹⁾	\$12,715,249			39	0.0100	\$315,141
2023	4,308									\$26,925,031			43	0.0100	\$625,000

Notes:	[1]	Year of inception. Treaty year runs from July 1, XX to June 30, XX+1. 2022 is a 6 month period.	[9]	Selection of ultimate losses based on the average of [5] and [8] limited to a minimum value equivalent to the reported incurred losses.
	[2]	Earned lawyers by treaty year		Except for Treaty Years 2020 to 2022 which use 75% of incurred ultimate [5] and 25% of paid ultimate [8].
	[3]	From Exhibit 4. Claims reported at December 31, 2022. Excludes negative reported claims in 1993.		Trended at 4.25% per annum as selected in Exhibit 8.
	[4]	From Exhibit 4.	[10]	
	[5]	[3] x [4]. Two large claims (2010-059 and 2011-145) with incurred values of \$32,898,259 and \$31,869,573 are not developed.	[11]	[9] x [10].
	[6]	From Exhibit 5.	[12]	From Exhibit 6.
	[7]	From Exhibit 5.	[13]	From Exhibit 6.
	[8]	[6] x [7]. Two large claims (2010-059 and 2011-145) with paid values of \$32,898,259 and \$31,869,573 are not developed.	[14]	[12] x [13].
			[15]	[14] / [2].
			[16]	[11] / [14].

(1) Averages excluding the last year

Canadian Lawyers Liability Assurance Society
Selected Cumulative Loss Distribution
Treaty Year 2023/2024

Exhibit 2

Sheet 1

Upper Value of the Ground-up Range	Cumulative ⁽¹⁾ Recorded Losses	Cumulative Recorded Claims	Empirical Cumulative Distribution Function	Cumulative Losses Below the Upper Range	Losses Recorded by Range	Empirical Density of Losses by Range	Empirical Cumulative Size of Loss Distribution	Estimated ⁽²⁾ Cumulative Distribution Function	Estimated ⁽²⁾ Cumulative Size of Loss Distribution	Selected Cumulative Distribution Function	Selected Cumulative Size of Loss Distribution	Selected Density of Losses by Range
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
25,000	\$7,578,792	927	51.22%	\$29,653,792	\$29,653,792	2.57%	2.57%	44.66%	3.07%	50.89%	2.64%	2.64%
250,000	\$56,624,415	1,473	81.38%	\$140,874,415	\$111,220,623	9.62%	12.19%	82.48%	13.07%	81.44%	12.53%	9.88%
1,000,000	\$156,122,473	1,664	91.93%	\$302,122,473	\$161,248,058	13.95%	26.14%	92.28%	26.52%	91.95%	26.72%	14.20%
5,000,000	\$386,292,016	1,769	97.73%	\$591,292,016	\$289,169,543	25.02%	51.16%	97.59%	52.79%	97.73%	52.28%	25.56%
10,000,000	\$526,836,553	1,789	98.84%	\$736,836,553	\$145,544,538	12.59%	63.75%	98.73%	66.94%	98.82%	65.29%	13.01%
12,500,000	\$584,212,718	1,794	99.12%	\$784,212,718	\$47,376,164	4.10%	67.85%	99.00%	71.54%	99.10%	69.53%	4.23%
20,000,000	\$681,162,317	1,800	99.45%	\$881,162,317	\$96,949,600	8.39%	76.24%	99.43%	80.77%	99.44%	78.22%	8.69%
25,000,000	\$724,203,852	1,802	99.56%	\$924,203,852	\$43,041,534	3.72%	79.96%	99.58%	84.74%	99.56%	82.05%	3.82%
30,000,000	\$749,212,006	1,803	99.61%	\$959,212,006	\$35,008,154	3.03%	82.99%	99.68%	87.71%	99.65%	85.05%	3.00%
35,000,000	\$749,212,006	1,803	99.61%	\$994,212,006	\$35,000,000	3.03%	86.02%	99.76%	89.97%	99.68%	87.71%	2.66%
40,000,000	\$788,067,930	1,804	99.67%	\$1,028,067,930	\$33,855,924	2.93%	88.95%	99.81%	91.75%	99.74%	90.07%	2.37%
50,000,000	\$788,067,930	1,804	99.67%	\$1,088,067,930	\$60,000,000	5.19%	94.14%	99.88%	94.29%	99.77%	93.97%	3.90%
60,000,000	\$1,067,247,217	1,809	99.94%	\$1,127,247,217	\$39,179,286	3.39%	97.53%	99.92%	95.97%	99.92%	96.03%	2.06%
80,000,000	\$1,067,247,217	1,809	99.94%	\$1,147,247,217	\$20,000,000	1.73%	99.26%	99.96%	97.89%	99.96%	97.93%	1.90%
90,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$8,554,577	0.74%	100.00%	99.97%	98.45%	99.97%	98.48%	0.55%
100,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	99.98%	98.86%	99.98%	98.88%	0.39%
110,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	99.98%	99.15%	99.98%	99.16%	0.29%
120,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	99.99%	99.36%	99.99%	99.37%	0.21%
130,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	99.99%	99.52%	99.99%	99.53%	0.15%
140,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	99.99%	99.63%	99.99%	99.64%	0.12%
150,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.72%	100.00%	99.73%	0.09%
160,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.79%	100.00%	99.79%	0.06%
170,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.84%	100.00%	99.84%	0.05%
180,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.88%	100.00%	99.88%	0.04%
190,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.90%	100.00%	99.91%	0.03%
200,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.93%	100.00%	99.93%	0.02%
210,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.94%	100.00%	99.94%	0.02%
220,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.96%	100.00%	99.96%	0.01%
230,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.97%	100.00%	99.97%	0.01%
250,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.98%	100.00%	99.98%	0.01%
300,000,000	\$1,155,801,793	1,810	100.00%	\$1,155,801,793	\$0	0.00%	100.00%	100.00%	99.99%	100.00%	99.99%	0.01%

Notes :	[1]	Upper bound.	[9]	Cumulative distribution function (CDF) based on fitted distribution.
	[2]	Total ultimate and trended losses at or below the upper value of the range.	[10]	Size-of-loss distribution (fitted).
		Closed claims are not developed. Excludes latest treaty year.		Represents the percentage of losses at or below the upper value of the range.
	[3]	Number of non-zero claims at or below the upper value of the range.	[11]	Cumulative distribution function (CDF) based on selected distribution.
	[4]	Cumulative distribution function (CDF) based on empirical data.		Selected from blending of [4] and [9].
	[5]	Total losses at or below the upper value of the range.	[12]	Size-of-loss distribution (selected) resulting from [11].
	[6]	Incremental value of losses in range (at or below the upper value of the range and above the prior upper bound).		Represents the percentage of losses at or below the upper value of the range.
	[7]	[6] as a % of total losses of \$1,155,801,793.	[13]	Incremental % of losses in range (at or below the upper value of the range and above the prior upper bound)
	[8]	Cumulative value of [7]. Represents the percentage of losses at or below the upper value of the range.		(selected distribution).

(1) Compiled from individual claims (excluding 2021) reported at December 31, 2022 developed to their ultimate value and trended to their estimated value at January 1, 2024.

(2) Estimated from the Generalized Aggregate distribution assuming a Poisson distribution for the frequency of claims and an Inverse Gaussian Inferred distribution for the severity of claims.

Canadian Lawyers Liability Assurance Society
Summary of Undiscounted Loss Costs by Layer of Coverage
Lawyers Practicing in Provinces other than Québec

Exhibit 2

Sheet 2

<u>Range of Losses</u>	<u>Layer</u>	<u>Lawyer Distribution</u>	<u>Treaty Year 2022/2023 Estimated Undiscounted Ultimate Losses</u>	<u>Treaty Year 2022/2023 Estimated Undiscounted Loss Cost Per Lawyer</u>	<u>Prospective Treaty Year 2023/2024 Estimated ⁽¹⁾ Undiscounted Ultimate Losses</u>	<u>Prospective Treaty Year 2023/2024 Estimated Undiscounted Loss Cost Per Lawyer</u>
[1]	[2]	[3]	[4]	[5]	[6]	[7]
Up to \$25,000	\$.025M Excess \$0		\$678,875	\$164	\$711,480	\$165
From \$25,000 to \$1,000,000	\$.975M Excess \$.025M		\$6,119,929	\$1,476	\$6,484,215	\$1,505
From \$1,000,000 to \$5,000,000	\$4M Excess \$1M		\$6,261,827	\$1,511	\$6,881,666	\$1,597
From \$5,000,000 to \$10,000,000	\$5M Excess \$5M		\$3,067,511	\$740	\$3,503,206	\$813
From \$10,000,000 to \$20,000,000	\$10M Excess \$10M		\$3,037,747	\$733	\$3,481,108	\$808
From \$20,000,000 to \$50,000,000	\$30M Excess \$20M		\$4,083,046	\$985	\$4,240,611	\$984
	Primary Layer (\$49M Excess \$1M)			\$3,968		\$4,203
From \$50,000,000 to \$80,000,000	5% of \$30M Excess \$50M	2.5%	\$51,987	\$13	\$53,287	\$12
From \$50,000,000 to \$160,000,000	5% of \$110M Excess \$50M	97.5%	\$78,067	\$19	\$78,333	\$18
	Secondary Layer (Excess \$50M)	100.0%	\$77,347	\$19	\$77,703	\$18
From \$80,000,000 to \$110,000,000	\$30M Excess \$80M	2.7%	\$341,615		\$331,307	
From \$200,000,000 to \$230,000,000	\$30M Excess \$200M	0.0%	\$11,851		\$10,475	
From \$220,000,000 to \$250,000,000	\$30M Excess \$220M	97.3%	\$7,145		\$6,220	
	Excess Umbrella (\$30M Excess Min \$65M)	100.0%	\$16,200	\$4	\$15,022	\$3
From \$250,000,000 to \$300,000,000	\$50M Excess \$250M		\$4,617		\$3,910	
	Excess Umbrella (\$50M Excess Min \$250M)		\$4,617	\$1	\$3,910	\$1
From \$160,000,000 to \$200,000,000	\$40M Excess \$160M	0.0%	\$40,166		\$36,500	
From \$160,000,000 to \$220,000,000	\$60M Excess \$160M	100.0%	\$49,020		\$44,349	
	Optional Excess (Excess \$160M)	100.0%	\$49,020	\$12	\$44,349	\$10
Total CLLAS coverage above \$1M				\$4,004		\$4,236
Total estimated ground-up ultimate losses for the treaty year:			\$24,873,060	\$6,000	\$26,925,031	\$6,250
Total estimated number of lawyers exposed:			4,146		4,308	
Total estimated ultimate losses above \$1M:			\$18,074,256	\$4,360	\$19,729,336	\$4,580

Notes:

[1] Range of losses corresponding to [2].

[2] Excess layer ID.

[3] Percentage of lawyers currently purchasing corresponding optional excess layer.

[4] From prior year analysis.

[5] From prior year analysis.

[6] Total estimate of ground-up ultimate losses from Exhibit 1, Column [11].
multiplied by density of losses in range from Exhibit 2, Sheet 1.

[7] [6] / total number of lawyers.

Canadian Lawyers Liability Assurance Society
Summary of Undiscounted Loss Costs by Layer of Coverage
Lawyers Practicing in Québec

Exhibit 2

Sheet 3

<u>Range of Losses</u>	<u>Layer</u>	<u>Lawyer Distribution</u>	<u>Treaty Year 2022/2023 Estimated Undiscounted Ultimate Losses</u>	<u>Treaty Year 2022/2023 Estimated Undiscounted Loss Cost Per Lawyer</u>	<u>Prospective Treaty Year 2023/2024 Estimated ⁽¹⁾ Undiscounted Ultimate Losses</u>	<u>Prospective Treaty Year 2023/2024 Estimated Undiscounted Loss Cost Per Lawyer</u>
[1]	[2]	[3]	[4]	[5]	[6]	[7]
Up to \$25,000	\$0.025M Excess \$0		\$67,888	\$16	\$71,148	\$17
From \$25,000 to \$1,000,000	\$0.975M Excess \$0.025M		\$611,993	\$148	\$648,422	\$151
From \$1,000,000 to \$5,000,000	\$4M Excess \$1M		\$626,183	\$151	\$688,167	\$160
From \$5,000,000 to \$10,000,000	\$5M Excess \$5M		\$306,751	\$74	\$350,321	\$81
From \$10,000,000 to \$20,000,000	\$10M Excess \$10M		\$3,037,747	\$733	\$3,481,108	\$808
From \$20,000,000 to \$50,000,000	\$30M Excess \$20M		\$4,083,046	\$985	\$4,240,611	\$984
	Primary Layer (\$49M Excess \$1M)			\$1,943		\$2,033
From \$50,000,000 to \$80,000,000	5% of \$30M Excess \$50M	2.5%	\$51,987	\$13	\$53,287	\$12
From \$50,000,000 to \$160,000,000	5% of \$110M Excess \$50M	97.5%	\$78,067	\$19	\$78,333	\$18
	Secondary Layer (Excess \$50M)	100.0%	\$77,347	\$19	\$77,703	\$18
From \$80,000,000 to \$110,000,000	\$30M Excess \$80M	2.7%	\$341,615		\$331,307	
From \$200,000,000 to \$230,000,000	\$30M Excess \$200M	0.0%	\$11,851		\$10,475	
From \$220,000,000 to \$250,000,000	\$30M Excess \$220M	97.3%	\$7,145		\$6,220	
	Excess Umbrella (\$30M Excess Min \$65M)	100.0%	\$16,200	\$4	\$15,022	\$3
From \$250,000,000 to \$300,000,000	\$50M Excess \$250M				\$3,910	
	Excess Umbrella (\$50M Excess Min \$250M)		\$4,617	\$1	\$3,910	\$1
From \$160,000,000 to \$200,000,000	\$40M Excess \$160M	0.0%	\$40,166		\$36,500	
From \$160,000,000 to \$220,000,000	\$60M Excess \$160M	100.0%	\$49,020		\$44,349	
	Optional Excess (Excess \$160M)	100.0%	\$49,020	\$12	\$44,349	\$10
Total CLLAS coverage above \$1M				\$1,978		\$2,066
Total estimated ground-up ultimate losses for the treaty year:			\$24,873,060	\$6,000	\$26,925,031	\$6,250
Total estimated number of lawyers exposed:			4,146		4,308	
Total estimated ultimate losses above \$10M:			\$8,744,919	\$2,109	\$9,344,463	\$2,169

Notes:

[1] Range of losses corresponding to [2].

[2] Excess layer ID.

[3] Percentage of lawyers currently purchasing corresponding optional excess layer.

[4] From prior year analysis.

[5] From prior year analysis.

[6] Total estimate of ground-up ultimate losses from Exhibit 1, Column [11].
multiplied by density of losses in range from Exhibit 2, Sheet 1.

[7] [6] / total number of lawyers.

Canadian Lawyers Liability Assurance Society
Comparison of Actual Development to Expected Development During 2022

Exhibit 3

Treaty	Actual Incurred	Age to Age	Expected Incurred	Actual Incurred	Actual Less	Cumulative Paid	Age to Age	Expected Paid	Actual Paid	Actual Less
<u>Year</u>	<u>Losses 2021/12</u>	<u>LDF</u>	<u>Losses 2022/12</u>	<u>Losses 2022/12</u>	<u>Expected</u>	<u>Losses 2021/12</u>	<u>LDF</u>	<u>Losses 2022/12</u>	<u>Losses 2022/12</u>	<u>Expected</u>
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
1987	\$ 255,751	1.000	\$ 255,751	\$ 255,751	\$ -	\$ 255,751	1.000	\$ 255,751	\$ 255,751	\$ -
1988	\$ 1,673,300	1.000	\$ 1,673,300	\$ 1,673,300	\$ -	\$ 1,673,300	1.000	\$ 1,673,300	\$ 1,673,300	\$ -
1989	\$ 2,655,706	1.000	\$ 2,655,706	\$ 2,655,706	\$ -	\$ 2,655,706	1.000	\$ 2,655,706	\$ 2,655,706	\$ -
1990	\$ 6,059,360	1.000	\$ 6,059,360	\$ 6,059,360	\$ -	\$ 6,059,360	1.000	\$ 6,059,360	\$ 6,059,360	\$ -
1991	\$ 14,078,492	1.000	\$ 14,078,492	\$ 14,078,492	\$ -	\$ 14,078,492	1.000	\$ 14,078,492	\$ 14,078,492	\$ -
1992	\$ 5,491,955	1.000	\$ 5,491,955	\$ 5,491,955	\$ -	\$ 5,491,955	1.000	\$ 5,491,955	\$ 5,491,955	\$ -
1993	\$ 37,389,958	1.000	\$ 37,389,958	\$ 37,389,958	\$ -	\$ 37,389,958	1.000	\$ 37,389,958	\$ 37,389,958	\$ -
1994	\$ 17,348,113	1.000	\$ 17,348,113	\$ 17,348,113	\$ -	\$ 17,348,113	1.000	\$ 17,348,113	\$ 17,348,113	\$ -
1995	\$ 10,099,385	1.000	\$ 10,099,385	\$ 10,099,385	\$ -	\$ 10,099,385	1.000	\$ 10,099,385	\$ 10,099,385	\$ -
1996	\$ 1,936,471	1.000	\$ 1,936,471	\$ 1,936,471	\$ -	\$ 1,936,471	1.000	\$ 1,936,471	\$ 1,936,471	\$ -
1997	\$ 4,109,525	1.000	\$ 4,109,525	\$ 4,109,525	\$ -	\$ 4,109,525	1.000	\$ 4,109,525	\$ 4,109,525	\$ -
1998	\$ 25,100,723	1.000	\$ 25,100,723	\$ 25,100,723	\$ -	\$ 25,100,723	1.000	\$ 25,100,723	\$ 25,100,723	\$ -
1999	\$ 13,119,207	1.000	\$ 13,119,207	\$ 13,119,207	\$ -	\$ 13,119,207	1.000	\$ 13,119,207	\$ 13,119,207	\$ -
2000	\$ 4,726,198	1.000	\$ 4,726,198	\$ 4,726,198	\$ -	\$ 4,726,198	1.000	\$ 4,726,198	\$ 4,726,198	\$ -
2001	\$ 25,282,592	1.000	\$ 25,282,592	\$ 25,282,592	\$ -	\$ 25,282,592	1.000	\$ 25,282,592	\$ 25,282,592	\$ -
2002	\$ 11,100,894	1.000	\$ 11,100,894	\$ 11,100,894	\$ -	\$ 11,100,894	1.000	\$ 11,100,894	\$ 11,100,894	\$ -
2003	\$ 49,181,313	1.000	\$ 49,181,313	\$ 49,181,313	\$ -	\$ 49,181,313	1.000	\$ 49,181,313	\$ 49,181,313	\$ -
2004	\$ 11,131,383	1.000	\$ 11,131,383	\$ 11,131,383	\$ -	\$ 5,631,383	1.000	\$ 5,631,383	\$ 5,631,383	\$ -
2005	\$ 5,034,661	1.000	\$ 5,034,661	\$ 5,034,661	\$ -	\$ 5,034,661	1.000	\$ 5,034,661	\$ 5,034,661	\$ -
2006	\$ 11,057,324	1.000	\$ 11,057,324	\$ 11,057,324	\$ -	\$ 11,057,324	1.000	\$ 11,057,324	\$ 11,057,324	\$ -
2007	\$ 19,097,209	1.000	\$ 19,097,209	\$ 23,773,184	\$ 4,675,975	\$ 15,585,260	1.000	\$ 15,585,260	\$ 16,354,911	\$ 769,652
2008	\$ 7,970,467	1.000	\$ 7,970,467	\$ 7,970,467	\$ -	\$ 7,970,467	1.000	\$ 7,970,467	\$ 7,970,467	\$ -
2009	\$ 52,788,570	1.000	\$ 52,788,570	\$ 51,645,675	\$ (1,142,895)	\$ 50,351,317	1.004	\$ 50,413,362	\$ 51,645,675	\$ 1,232,313
2010	\$ 42,877,447	1.000	\$ 42,877,447	\$ 50,877,447	\$ 8,000,000	\$ 42,018,857	1.008	\$ 42,103,328	\$ 42,053,971	\$ (49,357)
2011	\$ 10,603,648	1.000	\$ 10,603,648	\$ 10,203,648	\$ (400,000)	\$ 9,776,541	1.005	\$ 9,828,964	\$ 9,846,826	\$ 17,861
2012	\$ 10,514,473	1.002	\$ 10,537,845	\$ 10,703,473	\$ 165,628	\$ 8,502,547	1.021	\$ 8,683,723	\$ 8,585,995	\$ (97,728)
2013	\$ 16,061,417	1.012	\$ 16,251,488	\$ 16,850,920	\$ 599,432	\$ 11,598,708	1.054	\$ 12,226,393	\$ 12,321,562	\$ 95,169
2014	\$ 4,799,222	1.021	\$ 4,899,271	\$ 5,872,098	\$ 972,827	\$ 2,176,464	1.061	\$ 2,308,984	\$ 2,226,616	\$ (82,369)
2015	\$ 17,554,503	1.064	\$ 18,671,308	\$ 20,401,477	\$ 1,730,169	\$ 7,481,756	1.154	\$ 8,631,985	\$ 8,544,877	\$ (87,109)
2016	\$ 7,233,307	1.096	\$ 7,931,072	\$ 7,398,309	\$ (532,763)	\$ 5,834,819	1.144	\$ 6,672,178	\$ 5,857,131	\$ (815,047)
2017	\$ 3,453,035	1.136	\$ 3,922,149	\$ 3,116,318	\$ (805,831)	\$ 1,263,247	1.341	\$ 1,693,810	\$ 1,428,376	\$ (265,434)
2018	\$ 5,528,914	1.118	\$ 6,184,024	\$ 6,327,340	\$ 143,316	\$ 905,941	1.510	\$ 1,367,684	\$ 1,089,892	\$ (277,792)
2019	\$ 7,204,047	1.271	\$ 9,154,866	\$ 6,926,303	\$ (2,228,563)	\$ 1,565,834	1.599	\$ 2,503,342	\$ 1,926,314	\$ (577,028)
2020	\$ 4,902,451	1.540	\$ 7,548,333	\$ 6,945,236	\$ (603,097)	\$ 432,725	3.210	\$ 1,389,139	\$ 628,335	\$ (760,804)
2021	\$ 1,678,005	2.273	\$ 3,814,720	\$ 8,351,634	\$ 4,536,914	\$ 59,756	13.366	\$ 798,709	\$ 1,493,550	\$ 694,841
Total	\$ 469,099,025		\$ 479,084,726	\$ 494,195,839	\$ 15,111,112	\$ 416,856,551		\$ 423,509,640	\$ 423,306,807	\$ (202,832)

[2] From prior year analysis.
[3] From prior year analysis.
[4] [2] x [3]
[5] From Exhibit 1, Column [3].
[6] [5] - [4].

[7] From prior year analysis.
[8] From prior year analysis.
[9] [7] x [8]. 2009 and 2010 adjusted for large claims (2010-059 and 2011-145).
[10] From Exhibit 1, Column [6].
[11] [10] - [9].

Canadian Lawyers Liability Assurance Society
Frequency Trend Selection

Exhibit 7

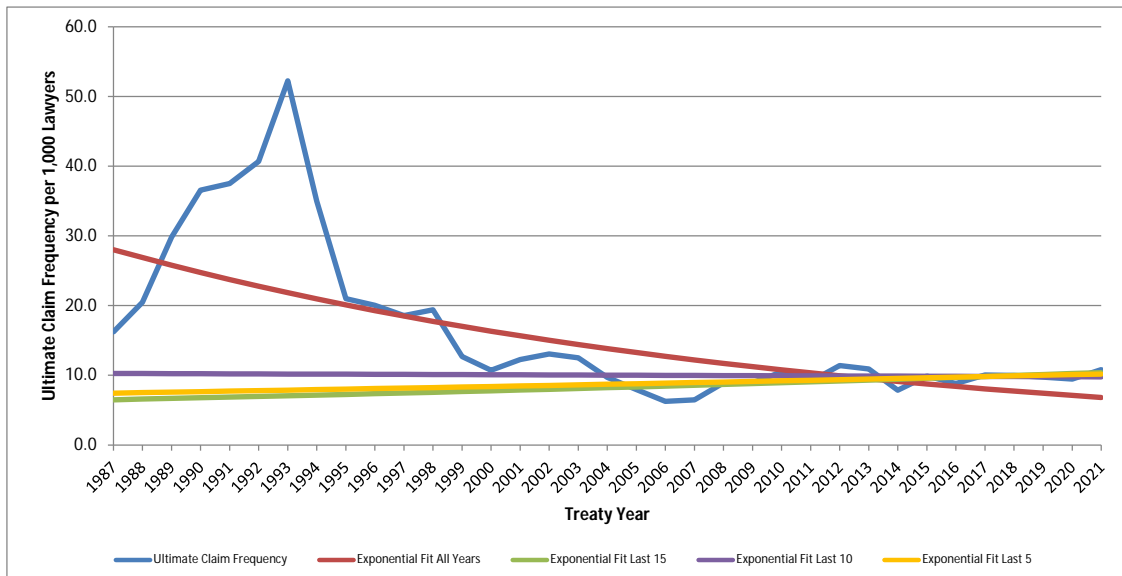
Treaty Year	Exposed Lawyers	Reported Claim Count	Age to Ultimate Count LDF	Estimated Ultimate Claim Count	Estimated Ultimate Claim Frequency	Exponential Fit All Years	Exponential Fit Last 15	Exponential Fit Last 10	Exponential Fit Last 5
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
1987	1,479	24	1.000	24	16.2	28.0	6.5	10.3	7.5
1988	1,807	37	1.000	37	20.5	26.9	6.6	10.3	7.5
1989	2,078	62	1.000	62	29.8	25.8	6.7	10.2	7.6
1990	2,352	86	1.000	86	36.6	24.7	6.8	10.2	7.7
1991	2,400	90	1.000	90	37.5	23.7	6.9	10.2	7.7
1992	2,433	99	1.000	99	40.7	22.8	7.0	10.2	7.8
1993	2,507	131	1.000	131	52.3	21.8	7.1	10.2	7.9
1994	2,514	88	1.000	88	35.0	21.0	7.2	10.2	7.9
1995	2,525	53	1.000	53	21.0	20.1	7.3	10.2	8.0
1996	2,594	52	1.000	52	20.0	19.3	7.4	10.1	8.1
1997	2,640	49	1.000	49	18.6	18.5	7.5	10.1	8.2
1998	2,838	55	1.000	55	19.4	17.7	7.6	10.1	8.2
1999	3,229	41	1.000	41	12.7	17.0	7.7	10.1	8.3
2000	4,008	43	1.000	43	10.7	16.3	7.8	10.1	8.4
2001	4,242	52	1.000	52	12.3	15.7	7.9	10.1	8.5
2002	4,523	59	1.000	59	13.0	15.0	8.0	10.0	8.6
2003	4,719	59	1.000	59	12.5	14.4	8.1	10.0	8.6
2004	4,743	46	1.000	46	9.7	13.8	8.2	10.0	8.7
2005	4,770	38	1.000	38	8.0	13.3	8.3	10.0	8.8
2006	4,772	30	1.000	30	6.3	12.7	8.4	10.0	8.9
2007	4,784	31	1.000	31	6.5	12.2	8.6	10.0	9.0
2008	4,835	43	1.000	43	8.9	11.7	8.7	10.0	9.0
2009	4,817	43	1.000	43	8.9	11.2	8.8	9.9	9.1
2010	4,771	50	1.000	50	10.5	10.8	8.9	9.9	9.2
2011	4,708	43	1.000	43	9.1	10.3	9.1	9.9	9.3
2012	4,128	47	1.000	47	11.4	9.9	9.2	9.9	9.4
2013	4,124	45	1.000	45	10.9	9.5	9.3	9.9	9.5
2014	4,198	33	1.000	33	7.9	9.1	9.4	9.9	9.5
2015	4,141	41	1.000	41	9.9	8.8	9.6	9.9	9.6
2016	4,084	36	1.000	36	8.8	8.4	9.7	9.8	9.7
2017	3,582	36	1.000	36	10.1	8.1	9.8	9.8	9.8
2018	3,710	37	1.000	37	10.0	7.7	10.0	9.8	9.9
2019	3,884	38	0.996	38	9.7	7.4	10.1	9.8	10.0
2020	3,965	40	0.938	38	9.5	7.1	10.3	9.8	10.1
2021	4,146	54	0.829	45	10.8	6.8	10.4	9.8	10.2
2022	2,154	27	1.128	30	14.1	6.5	10.5	9.8	10.3
Totals/Indicated Trends	129,201	1,838		1,830	14.2	-4.1%	1.4%	-0.1%	0.9%

Selected Frequency Trend

0.0%

Notes:

[1]	Year of inception.	[6]	Claim frequency per 1,000 lawyers. [5] / [2] x 1000.
[2]	From Exhibit 1.	[7]	Exponential trend over 1987 to 2021.
[3]	From Exhibit 1.	[8]	Exponential trend over 2007 to 2021.
[4]	From Exhibit 1.	[9]	Exponential trend over 2012 to 2021.
[5]	[3] x [4].	[10]	Exponential trend over 2017 to 2021.



**Canadian Lawyers Liability Assurance Society
Severity Trend Selection
Ultimate Claim Severity Trend**

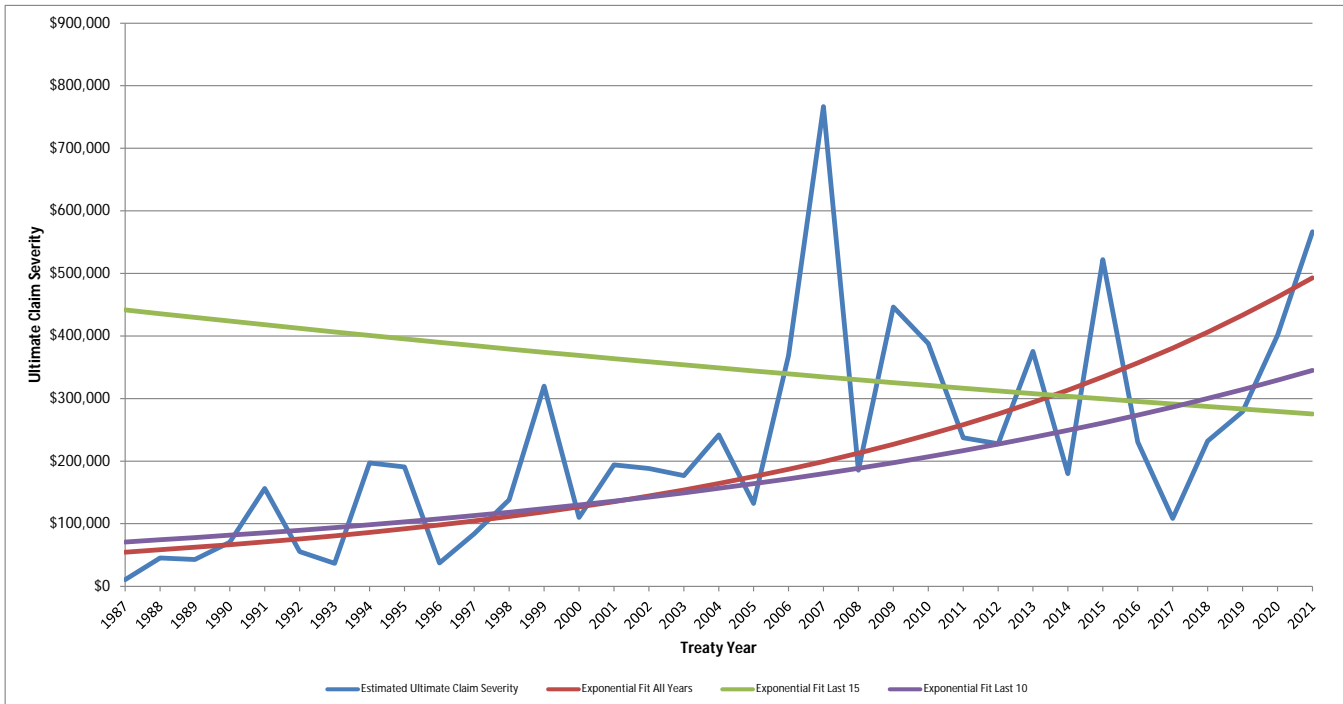
Exhibit 8
Sheet 1

Treaty Year	Reported Incurred Losses	Adjustment for Large Losses	Adjusted Reported Losses	Age to Ultimate Incurred LDF	Estimated Ultimate Incurred Losses	Estimated Ultimate Claim Count	Estimated Ultimate Claim Severity	Exponential Fit All Years	Exponential Fit Last 15	Exponential Fit Last 10	Exponential Fit Last 5
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
1987	\$255,751		\$255,751	1.000	\$255,751	24	\$10,656	\$54,699	\$441,796	\$70,965	\$395
1988	\$1,673,300		\$1,673,300	1.000	\$1,673,300	37	\$45,224	\$58,353	\$435,706	\$74,344	\$485
1989	\$2,655,706		\$2,655,706	1.000	\$2,655,706	62	\$42,834	\$62,252	\$429,699	\$77,885	\$596
1990	\$6,059,360		\$6,059,360	1.000	\$6,059,360	86	\$70,458	\$66,411	\$423,776	\$81,593	\$732
1991	\$14,078,492		\$14,078,492	1.000	\$14,078,492	90	\$156,428	\$70,848	\$417,934	\$85,479	\$899
1992	\$5,491,955		\$5,491,955	1.000	\$5,491,955	99	\$55,474	\$75,581	\$412,172	\$89,549	\$1,104
1993	\$37,389,958	\$32,654,826	\$4,735,132	1.000	\$4,735,132	129	\$36,706	\$80,630	\$406,490	\$93,813	\$1,356
1994	\$17,348,113		\$17,348,113	1.000	\$17,348,113	88	\$197,138	\$86,017	\$400,887	\$98,280	\$1,665
1995	\$10,099,385		\$10,099,385	1.000	\$10,099,385	53	\$190,554	\$91,764	\$395,360	\$102,960	\$2,045
1996	\$1,936,471		\$1,936,471	1.000	\$1,936,471	52	\$37,240	\$97,895	\$389,910	\$107,863	\$2,511
1997	\$4,109,525		\$4,109,525	1.000	\$4,109,525	49	\$83,868	\$104,435	\$384,535	\$112,999	\$3,083
1998	\$25,100,723	\$17,638,403	\$7,462,320	1.000	\$7,462,320	54	\$138,191	\$111,413	\$379,234	\$118,379	\$3,786
1999	\$13,119,207		\$13,119,207	1.000	\$13,119,207	41	\$319,981	\$118,856	\$374,006	\$124,016	\$4,650
2000	\$4,726,198		\$4,726,198	1.000	\$4,726,198	43	\$109,912	\$126,797	\$368,850	\$129,922	\$5,710
2001	\$25,282,592	\$15,390,929	\$9,891,663	1.000	\$9,891,663	51	\$193,954	\$135,268	\$363,765	\$136,108	\$7,012
2002	\$11,100,894		\$11,100,894	1.000	\$11,100,894	59	\$188,151	\$144,305	\$358,751	\$142,590	\$8,611
2003	\$49,181,313	\$38,923,219	\$10,258,094	1.000	\$10,258,094	58	\$176,864	\$153,946	\$353,805	\$149,379	\$10,575
2004	\$11,131,383		\$11,131,383	1.000	\$11,131,383	46	\$241,987	\$164,231	\$348,928	\$156,492	\$12,987
2005	\$5,034,661		\$5,034,661	1.000	\$5,034,661	38	\$132,491	\$175,204	\$344,117	\$163,944	\$15,948
2006	\$11,057,324		\$11,057,324	1.000	\$11,057,324	30	\$368,577	\$186,909	\$339,374	\$171,751	\$19,585
2007	\$23,773,184		\$23,773,184	1.000	\$23,773,184	31	\$766,877	\$199,396	\$334,695	\$179,929	\$24,051
2008	\$7,970,467		\$7,970,467	1.000	\$7,970,467	43	\$185,360	\$212,718	\$330,081	\$188,497	\$29,535
2009	\$51,645,675	\$32,898,259	\$18,747,416	1.000	\$18,747,416	42	\$446,367	\$226,930	\$325,531	\$197,473	\$36,270
2010	\$50,877,447	\$31,869,573	\$19,007,874	1.000	\$19,007,874	49	\$387,916	\$242,091	\$321,043	\$206,876	\$44,541
2011	\$10,203,648		\$10,203,648	1.000	\$10,203,648	43	\$237,294	\$258,265	\$316,618	\$216,727	\$54,697
2012	\$10,703,473		\$10,703,473	1.000	\$10,703,473	47	\$227,733	\$275,520	\$312,253	\$227,047	\$67,170
2013	\$16,850,920		\$16,850,920	1.002	\$16,891,928	45	\$375,376	\$293,927	\$307,948	\$237,858	\$82,487
2014	\$5,872,098		\$5,872,098	1.011	\$5,939,334	33	\$179,980	\$313,564	\$303,703	\$249,185	\$101,297
2015	\$20,401,477		\$20,401,477	1.049	\$21,401,468	41	\$521,987	\$334,513	\$299,516	\$261,050	\$124,396
2016	\$7,398,309		\$7,398,309	1.121	\$8,295,928	36	\$230,442	\$356,862	\$295,387	\$273,481	\$152,762
2017	\$3,116,318		\$3,116,318	1.252	\$3,901,138	36	\$108,365	\$380,704	\$291,315	\$286,503	\$187,597
2018	\$6,327,340		\$6,327,340	1.358	\$8,590,907	37	\$232,187	\$406,139	\$287,299	\$300,146	\$230,375
2019	\$6,926,303		\$6,926,303	1.525	\$10,564,378	38	\$279,038	\$433,273	\$283,339	\$314,438	\$282,908
2020	\$6,945,236		\$6,945,236	2.167	\$15,051,262	38	\$401,075	\$462,220	\$279,433	\$329,411	\$347,420
2021	\$8,351,634		\$8,351,634	3.039	\$25,377,302	45	\$566,665	\$493,101	\$275,581	\$345,097	\$426,644
2022	\$2,742,172		\$2,742,172	7.454	\$20,440,206	30	\$671,116	\$526,045	\$271,782	\$361,529	\$523,933
Totals/Indicated Trends	\$496,938,011	\$169,375,209	\$327,562,801		\$379,084,844	1,823	\$207,988	6.7%	-1.4%	4.8%	22.8%

Notes:

- [1] Year of inception.
- [2] From Exhibit 1.
- [3] Total reported losses for claims greater than or equal to \$15,000,000.
- [4] [2] - [3].
- [5] From Exhibit 1.
- [6] [4] x [5].

- [7] From Exhibit 7, excluding claims greater than or equal to \$15,000,000.
- [8] [6] / [7].
- [9] Exponential trend over 1987 to 2021.
- [10] Exponential trend over 2007 to 2021.
- [11] Exponential trend over 2012 to 2021.
- [12] Exponential trend over 2016 to 2020.



**Canadian Lawyers Liability Assurance Society
Severity Trend Selection
Pure Premium Trend**

**Exhibit 8
Sheet 2**

Treaty Year	Reported Incurred Losses	Adjustment for Large Losses	Adjusted Reported Losses	Age to Ultimate Incurred LDF	Estimated Ultimate Incurred Losses	Exposed Lawyers	Estimated Pure Premium	Exponential Fit All Years	Exponential Fit Last 15	Exponential Fit Last 10	Exponential Fit Last 5
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
1987	\$255,751		\$255,751	1.000	\$255,751	1,479	\$173	\$1,527	\$2,808	\$729	\$3
1988	\$1,673,300		\$1,673,300	1.000	\$1,673,300	1,807	\$926	\$1,563	\$2,810	\$762	\$3
1989	\$2,655,706		\$2,655,706	1.000	\$2,655,706	2,078	\$1,278	\$1,600	\$2,812	\$798	\$4
1990	\$6,059,360		\$6,059,360	1.000	\$6,059,360	2,352	\$2,576	\$1,637	\$2,813	\$834	\$5
1991	\$14,078,492		\$14,078,492	1.000	\$14,078,492	2,400	\$5,866	\$1,676	\$2,815	\$873	\$6
1992	\$5,491,955		\$5,491,955	1.000	\$5,491,955	2,433	\$2,257	\$1,715	\$2,817	\$913	\$8
1993	\$37,389,958	\$32,654,826	\$4,735,132	1.000	\$4,735,132	2,507	\$1,889	\$1,755	\$2,819	\$955	\$10
1994	\$17,348,113		\$17,348,113	1.000	\$17,348,113	2,514	\$6,901	\$1,796	\$2,821	\$999	\$12
1995	\$10,099,385		\$10,099,385	1.000	\$10,099,385	2,525	\$4,000	\$1,838	\$2,823	\$1,045	\$15
1996	\$1,936,471		\$1,936,471	1.000	\$1,936,471	2,594	\$747	\$1,881	\$2,824	\$1,093	\$19
1997	\$4,109,525		\$4,109,525	1.000	\$4,109,525	2,640	\$1,557	\$1,925	\$2,826	\$1,144	\$23
1998	\$25,100,723	\$17,638,403	\$7,462,320	1.000	\$7,462,320	2,838	\$2,629	\$1,970	\$2,828	\$1,197	\$29
1999	\$13,119,207		\$13,119,207	1.000	\$13,119,207	3,229	\$4,063	\$2,017	\$2,830	\$1,252	\$36
2000	\$4,726,198		\$4,726,198	1.000	\$4,726,198	4,008	\$1,179	\$2,064	\$2,832	\$1,309	\$45
2001	\$25,282,592	\$15,390,929	\$9,891,663	1.000	\$9,891,663	4,242	\$2,332	\$2,112	\$2,834	\$1,370	\$56
2002	\$11,100,894		\$11,100,894	1.000	\$11,100,894	4,523	\$2,454	\$2,162	\$2,836	\$1,433	\$69
2003	\$49,181,313	\$38,923,219	\$10,258,094	1.000	\$10,258,094	4,719	\$2,174	\$2,212	\$2,837	\$1,499	\$86
2004	\$11,131,383		\$11,131,383	1.000	\$11,131,383	4,743	\$2,347	\$2,264	\$2,839	\$1,568	\$107
2005	\$5,034,661		\$5,034,661	1.000	\$5,034,661	4,770	\$1,056	\$2,317	\$2,841	\$1,640	\$132
2006	\$11,057,324		\$11,057,324	1.000	\$11,057,324	4,772	\$2,317	\$2,371	\$2,843	\$1,716	\$164
2007	\$23,773,184		\$23,773,184	1.000	\$23,773,184	4,784	\$4,970	\$2,427	\$2,845	\$1,795	\$204
2008	\$7,970,467		\$7,970,467	1.000	\$7,970,467	4,835	\$1,648	\$2,484	\$2,847	\$1,878	\$253
2009	\$51,645,675	\$32,898,259	\$18,747,416	1.000	\$18,747,416	4,817	\$3,892	\$2,542	\$2,848	\$1,965	\$315
2010	\$50,877,447	\$31,869,573	\$19,007,874	1.000	\$19,007,874	4,771	\$3,984	\$2,601	\$2,850	\$2,055	\$391
2011	\$10,203,648		\$10,203,648	1.000	\$10,203,648	4,708	\$2,168	\$2,662	\$2,852	\$2,150	\$486
2012	\$10,703,473		\$10,703,473	1.000	\$10,703,473	4,128	\$2,593	\$2,725	\$2,854	\$2,249	\$603
2013	\$16,850,920		\$16,850,920	1.002	\$16,891,928	4,124	\$4,096	\$2,789	\$2,856	\$2,353	\$749
2014	\$5,872,098		\$5,872,098	1.011	\$5,939,334	4,198	\$1,415	\$2,854	\$2,858	\$2,461	\$930
2015	\$20,401,477		\$20,401,477	1.049	\$21,401,468	4,141	\$5,168	\$2,921	\$2,860	\$2,574	\$1,155
2016	\$7,398,309		\$7,398,309	1.121	\$8,295,928	4,084	\$2,031	\$2,989	\$2,861	\$2,693	\$1,434
2017	\$3,116,318		\$3,116,318	1.252	\$3,901,138	3,582	\$1,089	\$3,059	\$2,863	\$2,817	\$1,781
2018	\$6,327,340		\$6,327,340	1.358	\$8,590,907	3,710	\$2,316	\$3,131	\$2,865	\$2,947	\$2,212
2019	\$6,926,303		\$6,926,303	1.525	\$10,564,378	3,884	\$2,720	\$3,204	\$2,867	\$3,083	\$2,746
2020	\$6,945,236		\$6,945,236	2.167	\$15,051,262	3,965	\$3,796	\$3,279	\$2,869	\$3,225	\$3,411
2021	\$8,351,634		\$8,351,634	3.039	\$25,377,302	4,146	\$6,122	\$3,356	\$2,871	\$3,374	\$4,236
2022	\$2,742,172		\$2,742,172	7.454	\$20,440,206	2,154	\$9,489	\$3,435	\$2,873	\$3,529	\$5,260
Totals/Indicated Trends	\$496,938,011	\$169,375,209	\$327,562,801		\$379,084,844	129,201	\$2,934	2.3%	0.1%	4.6%	24.2%

Selected Severity Trend

4.25%

Notes:

- [1] Year of inception.
- [2] From Exhibit 1.
- [3] Total reported losses for claims greater than or equal to \$15,000,000.
- [4] [2] - [3].
- [5] From Exhibit 1.
- [6] [4] x [5].

- [7] From Exhibit 7.
- [8] [6] / [7].
- [9] Exponential trend over 1987 to 2021.
- [10] Exponential trend over 2007 to 2021.
- [11] Exponential trend over 2012 to 2021.
- [12] Exponential trend over 2016 to 2020.

