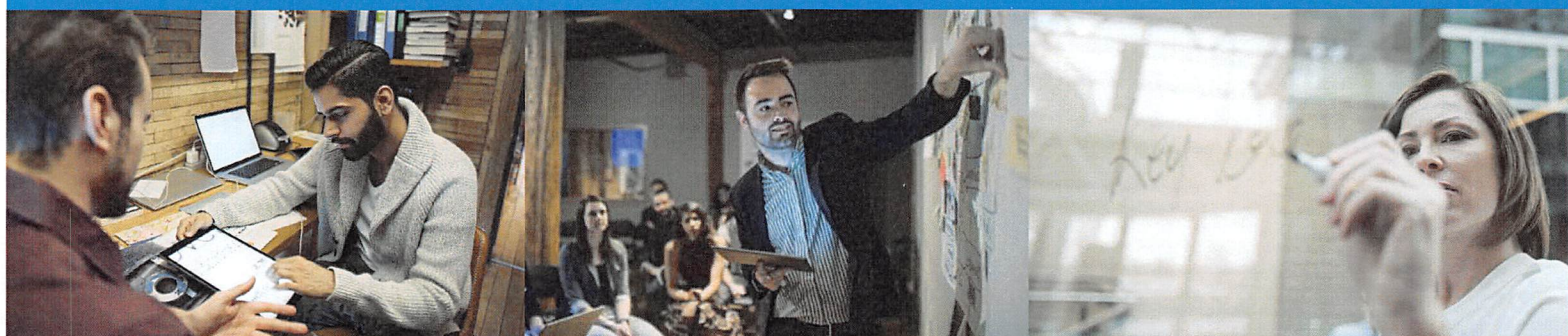


Proposal to Provide Insurance Brokerage Services to

Canadian Lawyers Liability Assurance Society

2018 Renewal Submission



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Introduction

I am pleased to advise you that the excess carriers in general have agreed to renew the two layers of coverage effective July 1, 2018 at the expiring rates, which as you know is a continuation of the 25% reduction that was negotiated back on July 1, 2017.

The excess insurance market at the current time is relatively stable; however, we did have one insurer who has requested a reduction in their participation on the program, as they do have some concerns that the claims experience for the first time has encroached on the excess layers.

Liberty International Canada, as you may know had participation on both excess layers and this year have requested that we replace them on the second excess layer effective July 1, 2018. We are pleased to advise you that we are adding Trisura Guarantee Insurance Company onto the facility and they have agreed to assume the 9.5% participation previously held by Liberty International Canada.

We are continuing the existing structure with two layers of coverage as follows:

Layer 1

\$50,000,000 excess of \$50,000,000

Layer 2

\$60,000,000 excess of \$100,000,000

As in the past, we have provided you with the financial information in this submission regarding the participating insurers and all of the insurers do remain strong and have an AM Best rating of A-, or better, including the new participant, Trisura Guarantee Insurance Company.

I trust you will find the renewal program to be satisfactory and I am very pleased with the overall outcome, which again, I believe shows the commitment of the excess carriers to the CLLAS group.

It has been a pleasure working on this renewal and I look forward to working with you in the future.

Policy Wordings

We are making one change to each wording and adding a clause that relates to how the policy documents are handled. The clause states as follows:

“This Policy may be executed in counterparts and may be executed and delivered by facsimile or PDF, and each such facsimile or PDF, or counterpart, shall constitute an original, and all of which taken together shall constitute one and the same instrument.”

Renewal Quotations

CLLAS Canadian Excess Program

	Liberty Lead	Encon Lead
	\$50x50 (\$341)	\$60x\$100 (\$303)
Liberty International Canada	20%	
Encon Group Inc.	10%	25%
Travelers Insurance Company of Canada	10%	16.5%
Royal & Sun Alliance Insurance Company of Canada	20%	9.5%
XL Catlin	10%	
Axis Reinsurance Company	10%	
Northbridge Insurance Company	5% (10% on Associate)	10%
Chubb Insurance Company		16.5%
QBE Services Inc.	10%	8%
Trisura Guarantee Insurance Company		9.5%
CLLAS	5% (0% on Associate)	5%
Total	100%	100%

1. One CLLAS member purchases \$30,000,000 xs \$50,000,000. The rate per lawyer is \$236 per lawyer and the \$50,000,000 xs \$50,000,000 Insurer group will provide this layer.
2. We do have one Associate Member of CLLAS and they will purchase \$45,000,000 xs \$50,000,000 and the renewal rate is \$432 per lawyer.

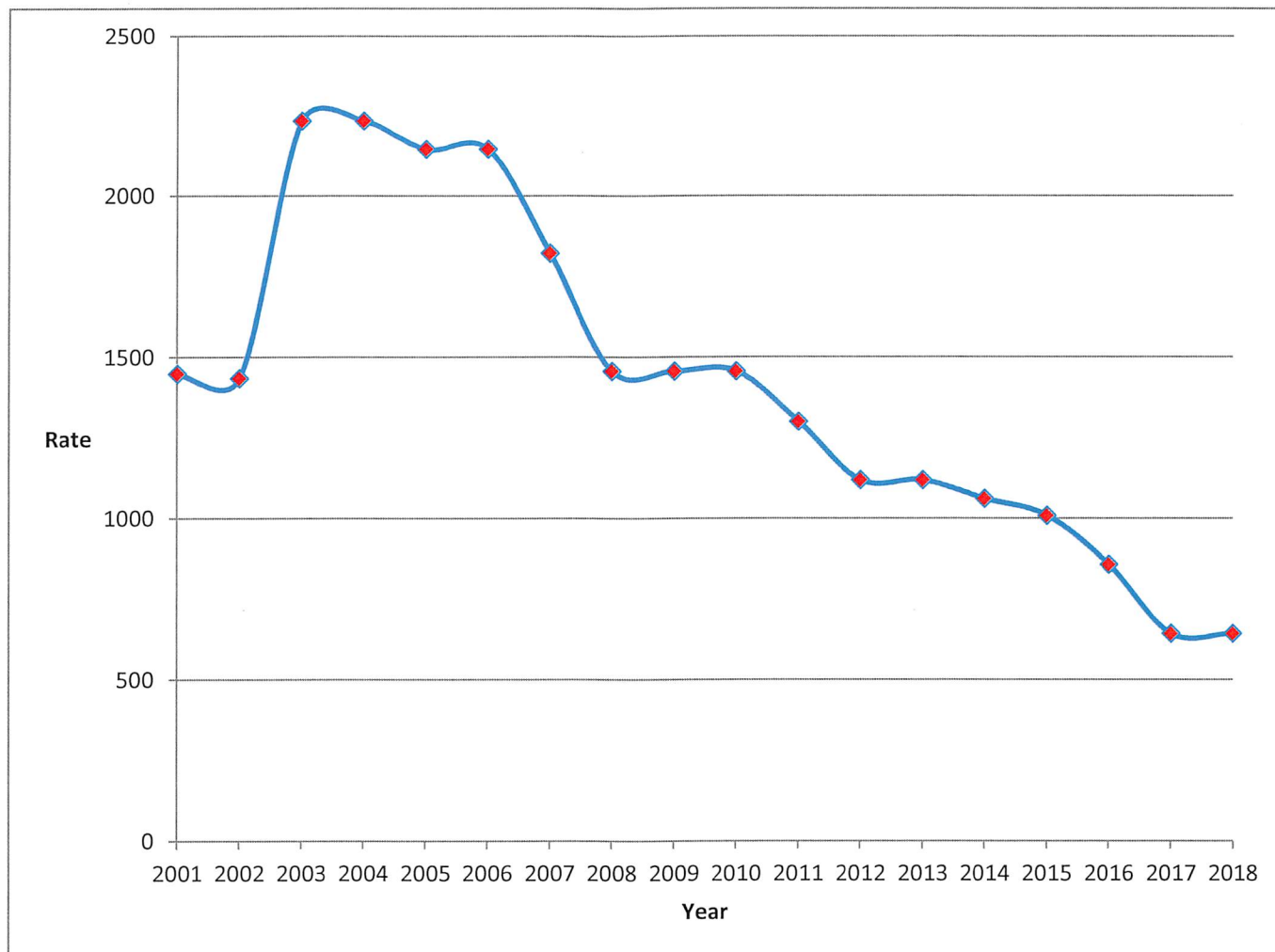
Renewal Quotations

CLLAS International

Insurer	Layer	Proposed Renewal
		2018 - 2019
CNA (25%)	US\$30,000,000 each claim and aggregate	As per expiry
XL Catlin (16.50%)		
Berkley (25%)		
Axis (18.5%)		
Lloyds (15.00%)		

Note: Each Participating firm has received a renewal notice confirming their renewal terms.

Rate Summary



	2001	2002	2003	2004	2005	2006	2007	2008	2009
Rates	1450	1436	2235	2235	2146	2146	1824	1458	1458

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rates	1458	1301	1120	1120	1062	1010	858	644	644

Since our peak in 2003 we have seen a 70% drop in the rate per lawyer.

Competition

As in the past we do continue to review the National lawyers insurance programs across the country and in general, in 2017 / 2018 we did see a stabilization of the rates and generally saw most insurance programs renew at the expiring rate levels.

I do believe the CLLAS program continues to be very competitive and the coverage being provided under the program is very broad in comparison to other programs that we have seen.

The U.S. market has seen some hardening, but in general we are seeing a relatively stable environment at the current time.

As you know, between ourselves, Axxima and your UK broker, we do approach the worldwide insurance market and this does allow us the ability to provide the large insurance limits enjoyed by the group.

Insurer Financial Ratings

CLLAS Canadian Excess Program

INSURANCE COMPANY		COUNTRY	BEST'S RATING	S&P RATING
LIBERTY INTERNATIONAL UNDERWRITERS CANADA, A DIVISION OF LIBERTY MUTUAL INSURANCE COMPANY		U.S.A.	A	A
TRAVELERS COMMERCIAL INSURANCE COMPANY OF CANADA		Canada	A++	AA
CHUBB INSURANCE COMPANY		Canada	A++	AA
NORTHBRIDGE GENERAL INSURANCE CORP.		Canada	A	A-
ROYAL & SUN ALLIANCE INS CO OF CANADA		Canada	NR	A
QBE INSURANCE (INTERNATIONAL) LTD.		U.S.A.	A	A+
AXIS Reinsurance Company		Canada	A+	A+
XL Specialty Insurance Company		U.S.A.	A	A+
TRISURA GUARANTEE INSURANCE COMPANY		Canada	A-	
ENCON GROUP INC. - Participants				
1	Continental Casualty Company	U.S.A.	A	A
2.	XL/Catlin Reinsurance America Inc.	U.S.A.	A	A+
3.	Temple Insurance Company	Canada	A+	A+
4.	Aviva Insurance Company of Canada	Canada	A	A+

Ratings reflect the most recent issue, update or change communicated by the rating agency. Effective dates on S&P interactive ratings above do not reflect affirmations. Ratings do not necessarily correspond to a specific data year. "Secure" scales are described below. Refer to A.M. Best's (Best's) and Standard and Poor's (S&P) definitions for details. Conversions to U.S. Dollars are subject to exchange rate differences. Sources of financial data (company accounts or regulatory returns) for non-US companies are indicated on the individual company reports

Best's Ratings		S&P Ratings	
A++, A+ Superior	Best's rating modifiers may be assigned based on group affiliation: (r=Reinsured, p=Pooled, or g=Group) FPR ratings range from 1-9, where 1=Poor and 9=Very Strong	AAA Extremely Strong	S &P Financial Strength ratings may be modified by the use of a "+" or "-" sign to show relative standing within a category. The "pi" indicates a "public information" rating. A "pos", "neg", or "dev" indicates a positive, negative, or developing CreditWatch implication
A, A- Excellent		AA Very Strong	
B++, B+ Very Good		A Strong	
U Under review		BBB Good	

Insurer Financial Ratings

CLLAS International Program

INSURANCE COMPANY	COUNTRY	BEST'S RATING	S&P RATING
CONTINENTAL CASUALTY COMPANY	U.S.A.	A	A
XL CATLIN	U.S.A.	A	A+
BERKLEY	U.S.A.	A+	A+
AXIS	U.S.A.	A+	A+
LLOYDS - IRONSHORE	UNITED KINGDOM	A	A

Final Renewal Process

As in past years we will now proceed to renew the coverage for your firm based on the limits you currently purchase and based on the final headcount provided by you. We understand that you will be providing the final headcounts as soon as possible to AXXIMA who in turn will provide this information to us.

We would also recommend to those firms who do not currently purchase all of the layers of coverage offered that they should consider increasing the limits purchased.

If you would like to change the limits you purchase it would be appreciated if you could advise me as soon as possible.

In closing, I look forward to our continued association and working with each of you.