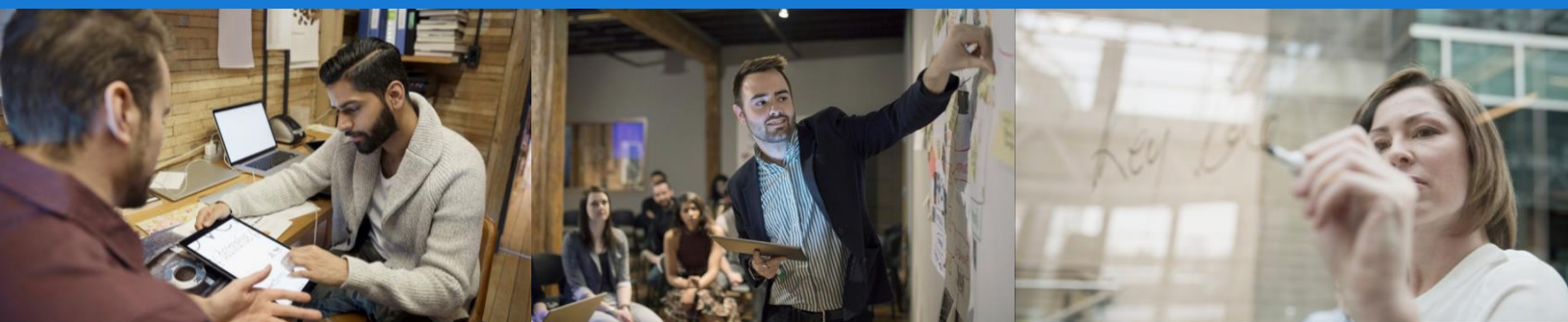


Proposal to Provide Insurance Brokerage Services to

Canadian Lawyers Liability Assurance Society

2023 Renewal Submission





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Introduction

We are pleased to confirm that the CLLAS excess insurers have agreed to renew their participation for a further year at the expiring rates for the \$50,000,000 excess of \$50,000,000 layer and on the next layer of \$60,000,000 excess of \$100,000,000.

This was agreed to by all of the insurers that current participate on the CLLAS program except for Axis Reinsurance Company, who were pushing for increases above what we're currently seeing in the market. Tokio Marine Canada was anxious to write a larger portion of the CLLAS program so they have agreed to take over Axis' \$5,000,000 line on the \$50,000,000 xs \$50,000,000.

We are layering the program under two towers as we did last year and again this is confirmed in the information attached.

As in the past we have provided you with the financial information in this submission regarding the Insurers. All the insurers remain strong and have an AM Best, or equivalent rating of A- or better.

We trust you will find the attached to be satisfactory, and if you wish to have any further discussions with me, please do not hesitate to let me know.



Policy Wordings

No changes in 2023

Renewal Quotations

CLLAS Canadian Excess Program

	Liberty Lead	Victor Lead
	\$50x50 (\$498)	\$60x\$100 (\$432)
Liberty International Canada	20%	
Victor Insurance (formally Encon)	10%	20%
Travelers Insurance Company of Canada	10%	16.5%
Intact Insurance Company	20%	9.5%
AXA XL	10%	
Northbridge Insurance Company	5% (10% on Associate)	10%
The Sovereign General Insurance Company		16.5%
QBE Services Inc.	10%	8%
Trisura Guarantee Insurance Company		9.5%
CLLAS	5% (0% on Associate)	5%
Tokio Marine Canada	10%	5%
Total	100%	100%

1. One CLLAS member purchases \$30,000,000 xs \$50,000,000. The renewal rate per lawyer is \$344.
2. We have one Associate Member of CLLAS and they will purchase \$45,000,000 xs \$50,000,000 and the renewal rate is \$631 per lawyer.

Note: The rate on the layer of \$110,000,000 excess of \$50,000,000 remains unchanged from last year at \$930 per lawyer

Renewal Quotations

CLLAS International

Insurer	Layer	Proposed Renewal
		2023 - 2024
CNA (20%)	US\$30,000,000 each claim and aggregate	Quotes will be sent directly to participating CLLAS firms
AXA XL (16.5%)		
Berkshire (20%)		
Aspen Re (16.5%)		
Lloyds (17%)		
Markel (10%)		

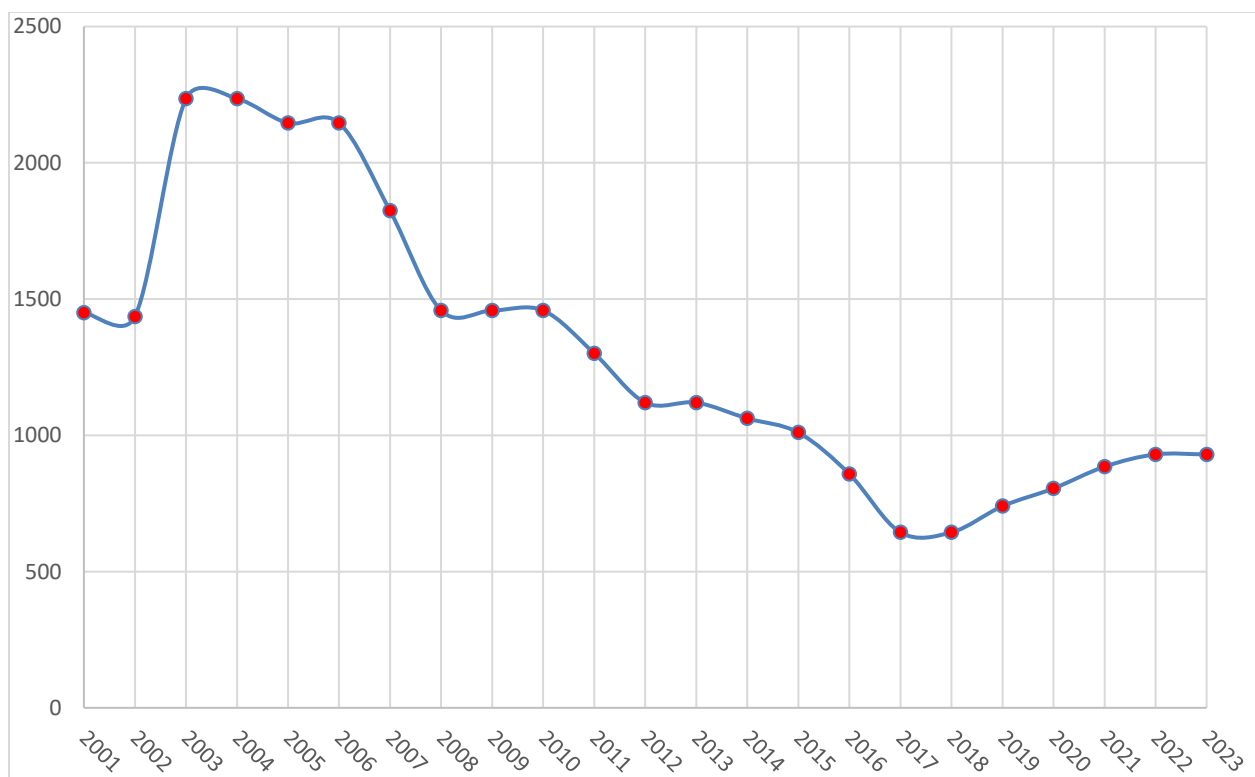
Note: Each Participating firm will receive a renewal notice confirming their renewal terms.

Rate Summary

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Rates	1450	1436	2235	2235	2146	2146	1824	1458	1458	1458

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Rates	1301	1120	1120	1062	1010	858	644	644	740	805

	2021	2022	2023
Rates	885	930	930





State of the Professional Liability Market

The professional liability market in Canada has continued to level out in 2023, which is being driven by increased competition from Lloyds and domestic carriers for certain classes of business.

The Lloyds market remains the main option for “primary” Canadian lawyers’ professional liability as there is limited appetite from Canadian insurers to participate on the lower working layers.

There are a few new domestic entrants to the Canadian professional liability market, and Lloyds syndicates have been given the green light to grow their books of business this year. As a result, we should continue to see competition between insurers because as they are no longer able to rely solely on rate increases to grow the size of their books – especially on the higher excess layers.

The impacts of economic and social inflation on claims costs continue to be a concern for liability insurers across the board and insurers will be keeping an eye on the broader economic situation as they would typically expect an increase in claims in times of recession. We’re generally seeing inflationary rate increases on the “working layers” of lawyers’ professional liability towers but minor or no increases on higher excess layers, in line with what’s been achieved for the CLLAS firms.

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
SOVEREIGN GENERAL INSURANCE COMPANY		Canada	A	
NORTHBRIDGE COMMERCIAL INSURANCE CORP.		Canada	A	A
INTACT INSURANCE COMPANY		Canada	A+	
QBE INSURANCE (INTERNATIONAL) LTD.		U.S.A.	A	A+
XL SPECIALTY INSURANCE COMPANY		U.S.A.	A+	AA-
TOKIO MARINE CANADA LTD.		Canada	A-	
TRISURA GUARANTEE INSURANCE COMPANY		Canada	A-	
VICTOR INSURANCE MANAGERS INC. - Participants				
1	Continental Casualty Company	U.S.A.	A	A+
2.	XL/Catlin Reinsurance America Inc.	U.S.A.	A+	AA-
3.	Temple Insurance Company	Canada	A+	A+
4.	Aviva Insurance Company of Canada	Canada	A+	AA-

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

<u>Best's Ratings</u>		<u>S&P Ratings</u>	
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+
AXA XL	U.S.A.	A+	AA-
BERKSHIRE	U.S.A.	A++	AA+
ASPEN RE	U.S.A.	A	A-
LLOYDS	UNITED KINGDOM	A	A+
MARKEL	U.S.A.	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 which has been provided to us by AXXIMA.

We would also recommend to those firms who do not currently purchase all 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 us as soon as possible.

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