

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

Minutes of a Meeting of the Advisory Board

8:30 a.m.
Davies Ward Phillips & Vineberg LLP
40th Floor, RBC Centre
155 Wellington Street West
Toronto, Ontario

Wednesday, December 10, 2014

Present:

Nicholas Leblovic (Chair)
Barry Bresner
Gordon Goodman
John Esvelt
Shayna Staniloff
Donald Milner
Ken Crofoot
Bill Scott
Dan McDonald
Julia Holland

Davies Ward Phillips & Vineberg LLP
Borden Ladner Gervais LLP
Cassel Brock & Blackwell LLP
Dentons LLP
Dentons LLP
Fasken Martineau DuMoulin LLP
Goodmans LLP
McCarthy Tétrault LLP
McMillan LLP
Torys LLP

Patrick Mahoney
Norma Ibbetson
Joe Tontini
Ryan Durrell

Office of the General Manager, CLLAS
Office of the General Manager, CLLAS
Axxima Group
Axxima Group

Not Present:

David Morritt
Mike Swartz

Osler Hoskins & Harcourt LLP
WeirFoulds LLP

1. Constitution of Meeting

The Chairman brought the meeting to order.

2. Appointment of Secretary

Norma Ibbetson acted as Secretary.

3. Approval of Minutes of the September 10, 2014 Meeting of the Advisory Board

It was moved by Donald Milner and seconded by Barry Bresner that the minutes of the September 10, 2014 meeting of the Advisory Board be approved. The motion was carried unanimously.

4. Comments of the Chair

The Chair reported that he attended a two-day reciprocal symposium hosted by Aon in Banff. Patrick Mahoney and Sarah Chevalier also attended the conference on behalf of Axxima. The single biggest topic was the evolving regulatory environment. Jennelle Hackett from the Alberta Superintendent's office was at the conference. It appears clear that Alberta is taking the lead role amongst the provincial jurisdictions in regulating reciprocals. Overall, the conference was quite useful to get a perspective on issues and opportunities facing reciprocals in Canada.

5. CLLAS Expansion and Strategic Direction

Joe Tontini reported to the Board on CLLAS expansion opportunities. The requirement that a firm joining CLLAS contribute to CLLAS' surplus base, in addition to normal premium requirements, was identified as a critical threshold issue given current insurance/reinsurance marketplace conditions. A small working group was struck at the September Board meeting to review this and related issues. Nick Leblovic, Don Milner and Gord Goodman agreed to participate in the working group. Since that Board meeting, the working group has met by telephone and then in person.

CLLAS' membership has reduced from a high of 14 firms to 11 as a result of the dissolution of Goodman & Carr, the merger of McMillan and Lang Michener, and the withdrawal of Blakes. Dentons announcement of its intention to withdraw in 2017 will reduce this number to 10. Even after accounting for the withdrawal of Dentons, CLLAS' lawyer count will remain significant at 3,800 and CLLAS will still maintain considerable market clout. As has been demonstrated in the past, CLLAS is undoubtedly an attractive option to new law firms when the insurance market hardens, resulting in limited capacity and higher prices. Given the extended duration of the current soft market, the Board has determined that CLLAS should consider steps to proactively expand its membership. The working group has reviewed both the challenges and opportunities facing CLLAS as it looks to expand.

The working group discussed the following alternatives:

1. Traditional expansion of CLLAS based on existing rules;
2. Changing the traditional approach by attracting smaller firms and/or firms that are outside of Ontario; and
3. Creating a dedicated underwriting facility whose participants are not part of the reciprocal but are associated with CLLAS

The working group also discussed opportunities with respect to non-Canadian risk, and group buying opportunities for other insurance needs.

The Board discussed the issues, including costs to CLLAS as well as benefits. It was agreed that the following steps would be taken:

1. Approach one or two new firms on the traditional basis to measure the level of concern about the contribution to surplus against the overall benefits of CLLAS membership; and
2. Explore the dedicated underwriting facility as part of the next reinsurance renewal.

The General Manager's office will investigate further any regulatory obligations arising out of CLLAS' support of a separate underwriting facility that it does not take part in.

6. **Report of the General Manager's Office**

Management Report at September 30, 2014

Mr. Mahoney reviewed the financial statements with the Board.

Mr. Mahoney reported that CLLAS' surplus as at September 30, 2014 is up over last year - \$13.5 million vs. \$11.4 million. CLLAS' relatively uneventful year continued in the third quarter with a net underwriting income for the year to date of \$135,000. Given CLLAS' current reinsurance structure, claims costs after taking into account reinsurance tend to be limited to drop down claims.

On the Budget Variance Analysis, total management and professional service fees are expected to finish the year under budget as are overall operating expenses (Exhibit IV).

The key solvency test that CLLAS is required to comply with is the Alberta Maintenance of Reserve and Guarantee Fund ("AMRGF"). CLLAS must maintain cash and approved securities in excess of the reserve fund plus the guarantee fund required by the Alberta regulator. The AMRGF required for CLLAS at September 30, 2014 was \$14.0 million and CLLAS' position was \$19.5 million (Exhibit VI). No action is required by CLLAS.

The other solvency test which CLLAS monitors is the Minimum Capital Test ("MCT"). The supervisory minimum is 150% as established by OSFI (the federal regulator) for incorporated insurers. The Alberta regulator has advised they are adopting OSFI's new MCT methodology however they intend to hold reciprocals to a higher standard than an incorporated insurer and have proposed that the supervisory target be set at 210%. As the MCT is not a statutory requirement in Alberta, details as to how this higher standard will be applied, and how it will interact with other regulatory initiatives such as Own Risk and Solvency Assessment ("ORSA") are not yet clear.

Given the evolving regulatory standards, the General Manager's office proposes that CLLAS monitor its MCT on a quarterly basis. The year-end MCT is calculated via the P&C1 (regulatory) filing however for efficiency, Mr. Mahoney suggested that the interim calculations be done on a simplified basis, unless the result suggests that a more refined calculation is warranted. The Board agreed and asked that the interim MCT calculation be provided as part of the management report, beginning with the March 31, 2015 quarter.

Action Plan for Own Risk and Solvency Assessment ("ORSA")

As a result of the Alberta regulator adopting OSFI guidelines, CLLAS is required to implement Own Risk and Solvency Assessment ("ORSA"), which is a qualitative and quantitative assessment of material risks, and an evaluation of the capital required to support those risks under normal and stressed conditions.

A memorandum dated November 28, 2014 from Patrick Mahoney was included with the Board material together with a draft letter to the Alberta Regulator. The proposed ORSA action plan has a two-year time horizon for implementation. CLLAS must file an action plan for the implementation of ORSA with the regulator by December 31, 2014. The Board discussed the proposed action plan for ORSA.

It was moved by Ken Crofoot and seconded by Julia Holland that the proposed action plan for ORSA as outlined in the attachment to the memorandum of November 28, 2014 be approved including finalization and submission of the draft letter to the Alberta regulator. The motion was carried unanimously.

Draft Enterprise Risk Management (“ERM”) Policy

A draft ERM policy was included with the Board meeting material. This draft is further to the discussions at the June and September Board meetings with respect to CLLAS’ risk appetite. The policy is an initial draft and it attempts to define CLLAS’ risk tolerance levels in measurable terms. It also sets out strategies for monitoring and mitigating the risks facing CLLAS.

The Board discussed the draft policy at a general level and requested that further information be provided with respect to the risk targets and risk limits set out in 1.6, to allow the Board to understand the practical implications of the metrics being suggested. The policy will continue to be refined with a target adoption date of CLLAS’ June, or perhaps September, 2015 Board meeting.

Report of the Reinsurance Security Report

Patrick Mahoney reviewed the Reinsurance Security Report. He advised that the Audit Committee has reviewed the report in detail at its September 2014 meeting. The purpose of the report is to monitor the extent of CLLAS’ reliance on individual reinsurers and the creditworthiness and claims paying ability of those reinsurers. The report is also intended to provide information to assist in planning the strategy for the reinsurance renewal.

Mr. Mahoney drew the Board’s attention to the table on page 3 of the Report, which contains a summary of the reinsurers flagged for Level II monitoring. Of particular note were Colchester Reinsurance Limited and the Argo syndicate. CLLAS’ exposure to Colchester has been mitigated via the implementation of reinsurance security agreement. CLLAS’ exposure to Argo was noted, given Argo’s significant participation on the CLLAS program in recent years. The Committee indicated that while this participation should be monitored and if appropriate reduced on future years, it was to CLLAS’ benefit to develop strong relationships with lead reinsurers. RSA Group was removed from the Level II monitoring as its outlook was upgraded to stable. Mr. Mahoney and the Chair of the Audit Committee advised that there were no other issues identified.

The next review will take place in the Fall of 2015, after the July 1, 2015 reinsurance renewal.

7. Report of the Claims Committee

Barry Bresner reported to the Board. The Committee is keeping close watch on a small number of serious and complicated claims.

Claim No. 3 on the summary exhibit recently settled at mediation. CLLAS reserves will be reduced at the end of the year.

The issue of insured firm control over the appointment of defence counsel was discussed. While LawPRO generally (but not always) defers to the insured firm’s choice of counsel provided that LawPRO is only responsible for costs based on its agreed rates, other law society programs, most notably LIF in BC, are less accommodating. It was noted that the General Manager’s office has been of assistance in addressing these situations given its relationship with the claim examiners. The Claims Committee was asked to discuss the best way to address this concern with BC. The

issue of the topping up of defence counsel rates was also addressed. The Claims committee was asked to discuss the merits of creating a panel of approved defence counsel for CLLAS firms, not as a mandatory list but as a suggested list.

(The Board members returned the summary exhibit handout.)

8. Report of the Risk Management Committee

Julia Holland reported to the Board.

Re-audits – Ms. Holland reported that John Walker expects to complete a large firm’s re-audit shortly. He then expects to move more quickly through the other firms.

Tax Practice Note – A copy of the practice note was circulated to Board members under cover of an email from Julia Holland dated December 5, 2014. The practice note is to be shared internally at the firms, and it will be posted on the CLLAS website along with the other risk management guidelines.

Bluedrop – Ms. Holland reported that the e-learning program needs to be updated if it is to continue to be useful for firms. Ms. Holland will canvass firms to ascertain their interest in continuing to utilize the Bluedrop program, and if so what additional topics would be useful, before recommending whether and how to proceed with the update.

9. Report of the Policy Committee

There was no report from the Policy Committee

10. Report of the Audit Committee

Gordon Goodman reported on behalf of the Audit Committee. As part of its mandate to monitor CLLAS’ reinsurance arrangements, the Committee held a meeting on September 26, 2014 to review Colchester’s June 30, 2014 financial statements and the reinsurance security report. At the same time, the Committee discussed the new regulatory requirement that CLLAS conduct an independent peer review of its 2014 valuation report. The General Manager’s office was requested to obtain quotes for the peer review.

The Committee held an audit planning meeting on November 12, 2014. Deloitte attended this meeting. The Committee met Neil Harrison, the current partner in charge of the audit, and Elaine Hulzer, who is expected to take over from Mr. Harrison. Mr. Harrison advised that a new internal actuary would be doing in the internal audit work for Deloitte this year, taking over from Barb Addie. No significant changes to audit process are anticipated this year.

The Committee reviewed the proposals from Deloitte, Eckler and PWC with respect to the peer review of CLLAS’ 2014 actuarial valuation. All three firms were considered to be qualified. The Committee elected to proceed with a firm other than Deloitte for the sole reason of getting a totally fresh perspective on the subject. Issues were noted with respect to the terms in Eckler’s retainer letter and ultimately the Committee decided to select PWC.

11. Investment Report for Quarter Ending September 30, 2014

The investment report was provided as an information item.

No changes to the Investment Guidelines are contemplated for FY2015 and the Board confirmed the appropriateness of the Investment Policy.

12. 2015 Meeting Dates

February 25, 2015
June 25, 2015
September 9, 2015
December 9, 2015

13. Other Business

Mr. Mahoney reported that CLLAS is currently in the process of getting licensed in Nova Scotia as a result of a member firm opening an office there. He also noted that the meeting to review CLLAS' Subscriber Accounts which had been scheduled for November 2014 had been postponed as a review of the accounts highlighted an anomaly where reinsurance costs associated with optional excess policies were being allocated to all firms, even those that had not purchased the excess coverage. This anomaly was being corrected and new statements would be issued in due course. Given year end activities, it is expected that the meeting will be rescheduled in the Spring of 2015.

There was no other business.

14. Next Meeting

The next Board meeting is scheduled for Wednesday, February 25, 2015.

Chairman

Secretary



MEMORANDUM

DATE: February 19, 2015
TO: CLLAS Advisory Board
FROM: Patrick Mahoney
COPY:
RE: December 31, 2014 Financial Management Report

CLLAS's financial management report for the 12 months ended December 31, 2014 is attached. Included are the following five exhibits:

Exhibit I:	Statement of Financial Position
Exhibit II:	Statement of Comprehensive Income
Exhibit III:	Statement of Changes in Equity
Exhibit IV:	Budget Variance Analysis
Exhibit V:	Financial Analysis of Comprehensive Income
Exhibit VI:	Alberta Maintenance of Reserve and Guarantee Fund

As shown on Exhibit II, CLLAS' relatively uneventful year continued for yet another quarter, with net income for the fourth quarter of \$148,000 and for the year of \$467,000. Given CLLAS' current reinsurance structure, claims costs after taking into account reinsurance tend to be limited to drop down claims (i.e. claims within the Law Society programs' layer that are not covered by those programs) and actuarial margins required on the reinsured liabilities. Operating expenses continue to track under the budget for the year; please refer to Exhibit IV for details.

As a result of the \$467,000 gain, CLLAS' surplus increased to \$13.6 million at December 31, 2014. The key regulatory solvency test that CLLAS is required to comply with is known as the Alberta Maintenance of Reserve and Guarantee Fund ("AMRGF"). CLLAS must maintain "cash and approved securities" in excess of the reserve fund plus the guarantee fund required by the Alberta regulator. Exhibit VI of the financial management report shows that the AMRGF required for CLLAS at December 31, 2014 was \$11.5 million. CLLAS' cash and approved securities totaled \$19.5 million, i.e. well in excess of the minimum requirement.

The other solvency test which CLLAS monitors is the Minimum Capital Test ("MCT"). At December 31, 2014, CLLAS' MCT ratio was 346%, a slight increase from the MCT ratio of 328% at December 31, 2013. This result is well above the "supervisory target" of 150% which has been established by OSFI (the federal regulator) for incorporated insurers. OSFI (the federal regulator) has implemented changes to the way that MCT is determined starting in 2015. The changes will, generally, have an adverse effect on most reciprocals. The Alberta regulator has announced that it is adopting OSFI's new methodology.



As mentioned previously, the Alberta regulator has announced that it intends to hold reciprocals to a higher standard than OSFI, i.e. an MCT ratio of 210%. It is not clear from discussions with the regulator whether this is to be a target or a supervisory minimum. Unlike the AMRGF test, which is in the Alberta *Insurance Act* (meaning that the regulator has no discretion with respect to its application), applying MCT to reciprocals is a policy decision. The regulator has advised that the implementation of Own Risk and Solvency Assessment (“ORSA”) by CLLAS will be instrumental in determining its appropriate internal surplus target. ORSA will be implemented by CLLAS over the course of the next two years.

Please contact me if you have any questions with respect to the management financial statements or the solvency tests.

Sincerely,

Patrick Mahoney
General Manager

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

QUARTERLY FINANCIAL MANAGEMENT REPORT

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

QUARTERLY FINANCIAL MANAGEMENT REPORT

December 31, 2014

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Exhibit I	Statement of Financial Position
Exhibit II	Statement of Comprehensive Income
Exhibit III	Statement of Changes in Equity
Exhibit IV	Financial Analysis of Comprehensive Income
Exhibit V	Operating Budget Variance Analysis
Exhibit VI	Alberta Maintenance of Reserve and Guarantee Funds

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
STATEMENT OF FINANCIAL POSITION
December 31, 2014

	As at December 31, 2014	As at December 31, 2013
ASSETS		
Cash	6,498,867	4,349,462
Short term investments	9,010,686	10,535,050
Bonds	4,030,005	2,778,853
Interest income due and accrued	18,436	14,914
Premium receivable	4,354,998	4,522,408
Other receivable	0	0
Prepaid expenses	139,500	139,500
Deferred policy acquisition costs	89,149	192,969
Unearned reinsurance premium ceded	5,168,601	5,292,272
Reinsurance recoverable	371,647	120,021
Provision for unpaid claims and adjustment expenses recoverable from reinsurers	68,964,000	67,092,000
	<u>98,645,889</u>	<u>95,037,449</u>
LIABILITIES		
Accounts payable & accrued charges	1,519,940	351,814
Premium taxes payable	51,301	60,924
Unearned premium	6,382,095	6,834,148
Due to reinsurers	1,682,942	1,524,104
Provision for unpaid claims and adjustment expenses	75,357,000	73,081,000
Premium deficiency liability	0	0
	<u>84,993,277</u>	<u>81,851,990</u>
SUBSCRIBERS' EQUITY		
Surplus	13,577,894	13,211,685
Accumulated Other Comprehensive Income (Loss)	74,717	(26,227)
	<u>13,652,612</u>	<u>13,185,458</u>
	<u>98,645,889</u>	<u>95,037,449</u>

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
STATEMENT OF COMPREHENSIVE INCOME
For the Period Ending December 31, 2014

	Current Year		Prior Year	
	Quarter December 31, 2014	Year to Date December 31, 2014	Quarter December 31, 2013	Year to Date December 31, 2013
Written Premium	(25,538)	13,080,403	-	13,769,929
Gross Written Premiums	(25,538)	13,080,403	-	13,769,929
Less: Reinsurance Ceded	(20,633)	10,582,777	-	10,660,620
Net Written Premiums	(4,905)	2,497,626	-	3,109,309
Change in Unearned Premiums	624,201	328,383	1,212,158	115,506
Earned Premiums	619,296	2,826,008	1,212,158	3,224,815
Claims Paid	(45,738)	(76,122)	-	-
Change in IBNR	6,000	391,000	(931,000)	(192,000)
Change in Case Reserve	13,000	13,000	-	-
Premium Deficiency Expense	-	-	-	-
Incurred Claims	(26,738)	327,878	(931,000)	(192,000)
Management and operating expenses	339,550	1,569,041	280,551	1,528,399
Reinsurance fees	69,000	279,000	69,750	282,000
Premium taxes	180,751	468,101	96,786	340,728
Total Operating Expenses	589,301	2,316,142	447,087	2,151,126
Underwriting Gain (Loss)	56,733	181,988	1,696,071	1,265,688
Investment Income	51,517	184,221	34,956	136,250
Income on Claim Related Matters	-	-	-	-
Interest Income on Premium Tax	-	-	-	-
NET GAIN/(LOSS)	<u>108,251</u>	<u>366,209</u>	<u>1,731,026</u>	<u>1,401,939</u>
Other comprehensive income (loss)				
Unrealized gains (losses) on available for sale financial assets arising during the year	40,224	100,944	(25,016)	(16,214)
Recognition of realized (gain) loss included in income	-	-	-	-
Other comprehensive income (loss) for the year	40,224	100,944	(25,016)	(16,214)
Total comprehensive income (loss)	<u>148,474</u>	<u>467,153</u>	<u>1,706,010</u>	<u>1,385,724</u>

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
STATEMENT OF CHANGES IN EQUITY
December 31, 2014

	Minimum Surplus	Additional Surplus	Unrealized gains and losses on AFS financial assets	Total Equity
Balance, beginning of year	50,000	13,161,685	(26,227)	13,185,458
Prior year adjustment		-		-
Comprehensive income (loss) for the year				
Net gain (loss) for the year		366,209		366,209
Other comprehensive income (loss)				
Change in unrealized gain on available-for-sale assets			100,944	100,944
Recognition of realized (gain) loss on available-for-sale assets			-	-
Total comprehensive income (loss) for the year		366,209	100,944	467,153
Balance at December 31, 2014	50,000	13,527,894	74,717	13,652,612

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
STATEMENT OF OPERATIONS AND SURPLUS - VARIANCE ANALYSIS
FOR THE PERIOD ENDED December 31, 2014

	Annual Budget	Year to Date Budget % Accrued to Date	Year to Date Budget \$	Year to Date Actual \$	Fav/(Unfav) Variance \$
MANAGEMENT SERVICES	624,000	100%	624,000	654,872	(30,872)
PROFESSIONAL SERVICES					
Actuarial Services	100,000	100%	100,000	57,527	42,473
Reinsurance Matters	350,000	100%	350,000	238,230	111,770
Strategic Matters	120,000	100%	120,000	147,937	(27,937)
Sub-Total Professional Services	570,000		570,000	443,694	126,306
GST/HST on Consulting Fees	155,220		155,220	142,814	12,406
Total Management & Professional Services * (See Note 1)	1,349,220		1,349,220	1,241,380	107,840
OTHER EXPENSES					
Audit Expenses	95,000	100%	95,000	96,008	(1,008)
Annual Dinner	7,000	100%	7,000	6,443	557
Premium Taxes	363,000	100%	363,000	468,101	(105,101)
Chairman's Expenses	2,000	100%	2,000	2,770	(770)
Chairman's Honourarium	75,000	100%	75,000	75,000	-
Reinsurance Expense	11,000	100%	11,000	10,540	460
D&O Insurance	13,500	100%	13,500	13,851	(351)
Office Expenses	27,500	100%	27,500	27,935	(435)
Office Expenses - Website management software license	3,000	100%	3,000	2,870	130
Claims: Borderaux (LSUC)	16,000	100%	16,000	14,900	1,100
Special Services	50,000	100%	50,000	6,600	43,400
Miller Insurance Fees (Reins. Comm.) (See Note 2)	282,000	100%	282,000	279,000	3,000
I.B.C Statistical Plan Fees	10,000	100%	10,000	3,499	6,501
FSCO Assessment Fees	5,000	100%	5,000	2,000	3,000
Investment counsel fees	34,000	100%	34,000	21,327	12,673
Investment - Custodial	18,000	100%	18,000	17,051	949
Risk Management/Loss Prevention	50,000	100%	50,000	20,654	29,346
License Fee	5,000	100%	5,000	6,215	(1,215)
Insurance: Sundry	-		-	-	-
Sub-total	1,067,000		1,067,000	1,074,762	(7,762)
TOTAL	2,416,220		2,416,220	2,316,142	100,078

*** NOTE 1: PROFESSIONAL SERVICES - SEASONALLY WEIGHTED BUDGET**

This is based upon an analysis of the current budget and previous years' experience, the anticipated pattern of seasonal workflow is as follows:

First Quarter, ending March 31st	25%
Second Quarter, ending June 30th	46%
Third Quarter, ending September 30th	14%
Fourth Quarter, ending December 31st	15%
	<u>100%</u>

*** NOTE 2: MILLER INSURANCE FEES (Reins. Comm.)**

The annual budget is based upon the annual fee estimated for the policy period 2013/2014.

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
FINANCIAL ANALYSIS OF COMPREHENSIVE INCOME
For the Period Ending December 31, 2014

Exhibit V

	Year to Date December 31, 2014			Annual 2014
	Actual	Budget	Variance	Budget
Written Premium	13,080,403	14,660,000	1,579,597	14,660,000
Gross Written Premiums	13,080,403	14,660,000	1,579,597	14,660,000
Less: Reinsurance Ceded	10,582,777	11,350,000	767,223	11,350,000
Net Written Premiums	2,497,626	3,310,000	812,374	3,310,000
Change in Unearned Premiums	328,383	(108,000)	(436,383)	(108,000)
Earned Premiums	2,826,008	3,202,000	375,992	3,202,000
Claims Paid	(76,122)	70,000	146,122	70,000
Change in IBNR	391,000	691,000	300,000	691,000
Change in Case Reserve	13,000	-	(13,000)	-
Premium Deficiency Expense	-	-	-	-
Incurred Claims	327,878	761,000	433,122	761,000
Management and operating expenses	1,569,041	1,771,220	202,179	1,771,220
Reinsurance fees	279,000	282,000	3,000	282,000
Premium taxes	468,101	363,000	(105,101)	363,000
Total Operating Expenses	2,316,142	2,416,220	100,078	2,416,220
Underwriting Gain (Loss)	181,988	24,780	(157,208)	24,780
Investment Income	184,221	547,000	362,779	547,000
Income on Claim Related Matters	-	-	-	-
Interest Income on Premium Tax	-	-	-	-
NET GAIN/(LOSS)	<u>366,209</u>	<u>571,780</u>	<u>205,571</u>	<u>571,780</u>
Other comprehensive income (loss)				
Unrealized gains (losses) on available for sale financial assets arising during the year	100,944	-	-	-
Recognition of realized (gain) loss included in income	-	-	-	-
Other comprehensive income (loss) for the year	100,944	-	-	-
Total comprehensive income (loss)	<u>467,153</u>	<u>571,780</u>	<u>205,571</u>	<u>571,780</u>

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
For the Period Ending December 31, 2014

ALBERTA MAINTENANCE OF RESERVE AND GUARANTEE FUNDS
 (Section 99 and 100)

	Current Year to Date 12/31/2014 (in \$000's)	Prior Year End 12/31/2013 (in \$000's)
<u>Reserve Fund</u>		
Premiums collected or credited having one year or less to run	(1) 13,080	13,770
Less: Amount paid to licensed reinsurers	(2) 10,471	10,548
Premiums collected with more than one year to run, less expired portion	(3) -	-
Less: Amount paid to reinsurers on premiums on line 3, less expired portion.	(4) -	-
Subtotal (lines 1, minus line 2, plus line 3, minus line 4)	(5) 2,609	3,222
Reserve Fund Required (50% of Line 5)	(6) 1,305	1,611
<u>Guarantee Fund</u>		
Total Liabilities	(7) 84,993	81,852
Less: Unearned Premiums	(8) 6,382	6,834
Less: Recoverable from licensed reinsurers	(9) 68,446	66,613
Plus: Statutory Margin	(10) 50	50
Guarantee Fund Required (Line 7 minus Lines 8 and 9 plus line 10)	(11) 10,215	8,455
TOTAL RESERVE & GUARANTEE FUND REQUIRED (Line 6+11)	(12) 11,520	10,066
Cash & Approved Securities	(13) 19,539	17,663
Excess of Cash & Securities over Reserve & Guarantee Fund (line 13 minus line 12)	(14) 8,020	7,597

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Report on the Valuation of Policy Liabilities as at December 31, 2014

Draft Report
February 19, 2015

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, 2014. 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, 2014. The provision was derived using an aggregate approach based on the estimated internal claim management expenses for 2014, the annual indexing of such expenses by 3% 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 \$72,791,000 on a gross basis and \$3,075,000 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 1.85% 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	\$ 23,190,000	\$ 13,000
Provision for IBNR	47,447,000	908,000
Provision for ULAE	2,154,000	2,154,000
Total	\$ 72,791,000	\$ 3,075,000
Discounted Claim Liabilities	67,208,000	2,828,000
Provision for Adverse Deviation (“PFAD”)	8,149,000	3,565,000
Discounted Claim Liabilities plus PFAD	\$ 75,357,000	\$ 6,393,000
Carried in Financial Statements	\$ 75,357,000	\$ 6,393,000

Comparison of Actual and Expected Experience

The net claim development on prior policy years during 2014 was favorable by \$208,000. There is no development on policy periods prior to June 30, 2012 due to the loss portfolio transfer with Colchester, except for claim recoveries.



Valuation of Liabilities in Connection with Unearned Premium

CLLAS's net liabilities in connection with unearned premiums at December 31, 2014 were estimated per accepted actuarial practice at \$1,124,000 (i.e. on a discounted basis including PFAD). As CLLAS has net unearned premiums of \$1,213,000, the maximum deferrable policy acquisition expense is estimated at \$89,000 and there is no premium deficiency. CLLAS' recorded deferrable policy acquisition expense is \$89,000.

Valuation of Other Policy Liabilities

CLLAS has no other policy liabilities at December 31, 2014.

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, 2014
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, Québec 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.

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, 2014 to June 30, 2015 ****	\$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)

* 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 \$30million 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

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. 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 4,206 (including 42 patent and trademark agents) from 1987 to 2014. Included in the 4,200 lawyers are 228 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. Prior Heenan Blaikie lawyers joined various CLLAS firms in 2014. Their exposure was reflected both for the in-policy year pro-rated coverage as well as 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. The entire management team servicing CLLAS at Dion, Durrell + Associations Inc. joined Axxima Insurance Services.

There have not been any major changes in management policies and philosophy in recent years. There have been no management changes in 2014.

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.

Standard of Materiality

I have selected a standard of materiality deemed to be appropriate under the circumstances.

In selecting this materiality level, I have given due consideration to:

- The surplus position of CLLAS;
- The value of claim liabilities;
- The potential impact of errors on future premium levels and retro-assessments;
- The potential users of CLLAS'S financial statements; and
- The standard of materiality used by the auditor of \$1,500,000 and \$75,000 for uncorrected misstatement.

The potential users of the CLLAS'S financial statements include regulators, auditors, management and subscribers.

The level of materiality selected encompasses approximation errors as well as errors due to inaccurate information.

The foregoing considerations have resulted in the selection of a level of materiality of \$250,000, which represents 0.3% of gross claim liabilities and 3.9% of net claim liabilities at December 31, 2014.

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, 2014.

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 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 19, 2015 to present the results of this valuation.

I met with CLLAS'S audit committee on February 19, 2014, February 20, 2013 and February 15, 2012 to present the results of the 2013, 2012 and 2011 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 2014.

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 this report are reasonable and that the work has 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.

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, 2014 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	\$ 75,357,000	\$ 75,357,000
(2) Assumed unpaid claims and adjustment expenses	0	0
(3) Gross unpaid claims and adjustment expenses	75,357,000	75,357,000
(4) Ceded unpaid claims and adjustment expenses	68,964,000	68,964,000
(5) Other amounts to recover	0	0
(6) Other net liabilities	0	0
(7) Net unpaid claims and adjustment expenses [(3)-(4)-(5)+(6)]	\$ 6,393,000	\$ 6,393,000

Premium Liabilities	Carried in Annual Return	Actuary's Estimate
(1) Gross policy liabilities in connection with unearned premiums		\$ 8,226,000
(2) Net policy liabilities in connection with unearned premiums		1,124,000
(3) Gross unearned premiums	\$ 6,382,000	
(4) Net unearned premiums	1,213,000	
(5) Premium deficiency	0	\$ 0
(6) Other net liabilities	0	0
(7) Deferred policy acquisition expenses	89,000	
(8) Maximum policy acquisition expenses deferrable [(4)+(5)+(9)-(2)]		\$ 89,000
(9) Unearned Commissions	\$ 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, Québec
February 19, 2015

PART 4—COMPARISON OF ACTUAL AND EXPECTED EXPERIENCE

The expected experience represents the net ultimate loss projections as of December 31, 2005, through December 31, 2013, and the actual experience represents the net ultimate loss projections as of December 31, 2014. Exhibit 13.2 shows both actual and expected experience net of proportional reinsurance, stop loss reinsurance and loss portfolio transfer with Colchester.

Net development on prior years was favorable by \$208,000 for all policy periods combined. There is no development on policy periods prior to June 30, 2012 due to the loss portfolio transfer with Colchester, except for claims recoveries.

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 2014 were consistent with historical practices. The year-end cut-off date was December 31, 2014.
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 and net one-year claims runoffs were favorable in 2014.

Coverage Changes:	There have been no coverage changes since CLLAS's last valuation. 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 2014.
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 2013 which led to revised expected loss costs per lawyer for the period covering from July 1, 2013 through June 30, 2014. These were used in the December 31, 2014 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	\$ 109	\$ 113
\$4.0 xs \$1.0	1,112	1,131
\$5.0 xs \$5.0	595	618
\$10.0 xs \$10.0	755	797
\$30.0 xs \$20.0	919	953
\$30.0 xs minimum \$65.0	10	10
\$40.0 xs \$160.0	17	14
\$60.0 xs \$160.0	21	18

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 3.05% 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 \$507,000 in 2015;
- Indexing of such expenses at 3% a year in future years; and
- The portion of such annual expenses related to the outstanding claim liabilities as of December 31, 2014 will decrease at an annual rate of 1/7 per year from 2015 to 2021.

The provision for ULAE resulting from the above assumptions represents 3.05% of the gross case reserves and provision for IBNR as of December 31, 2014. A 3.05% assumption was selected to determine the provision for ULAE as of December 31, 2014. As shown in Exhibit 7, the provision amounts to \$2,154,000 (i.e. \$707,000 based on gross case reserves plus \$1,447,000 based on the gross provision IBNR).

Summary of Undiscounted Liabilities

The unpaid claim liabilities as of December 31, 2014 on an undiscounted basis are as follows:

	Gross	Ceded to Reinsurers	Net
Case Reserves	\$ 23,190,000	\$ 23,177,000	\$13,000
Provision for IBNR	47,447,000	46,539,000	908,000
Provision for ULAE	2,154,000	0	2,154,000
Total	\$ 72,791,000	\$ 69,716,000	\$ 3,075,000

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 1.85% (2.40% at December 31, 2013) was selected based on the yield of CLLAS' investment portfolio as at December 31, 2014. The basis upon which this selection was made can be found on Exhibit 8. The yield reflects the market value of bonds since CLLAS has classified its bond portfolio as available-for-sale. The selected discount rate is 0.11% less than the indication to account for investment management expenses.

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, 2013 valuation.

Selected Margin for Reinsurance Recovery

Given that a material amount of ceded liabilities are with unlicensed reinsurers, the margin for reinsurance recovery was selected at 5.0%. The selected margin is unchanged from the one selected in the December 31, 2013 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, 2013 valuation.

Summary of Discounted Liabilities and Provisions for Adverse Deviation

The unpaid claim liabilities as of December 31, 2014 are summarized as follows:

Claim Liabilities	Gross	Ceded to Reinsurers	Net
Undiscounted	\$ 72,791,000	\$ 69,716,000	\$ 3,075,000
Discounted	67,208,000	64,380,000	2,828,000
PFAD	8,149,000	4,584,000	3,565,000
Discounted plus PFAD	\$ 75,357,000	\$ 68,964,000	\$ 6,393,000

Impact of Changes in Methodology and Assumptions on Reserve Estimates

There was no change in methodology from the previous year's valuation. The total impact of changes in assumptions implemented in my December 31, 2014 valuation is a decrease of \$1,098,000 and a decrease of \$153,000 in gross and net discounted liabilities plus provision for adverse deviation.

The total impact of the changes in discount rate is an increase of \$1,719,000 and \$148,000 in gross and net discounted liabilities plus provision for adverse deviation.

Subsequent Events

We are not aware of any events subsequent to the December 31, 2014 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, 2014 are \$6,382,000 and \$1,213,000 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 2014/2015 from CLLAS's 2014/2015 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 3.05% 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 \$89,000. CLLAS has recorded deferred policy acquisition expenses of \$89,000.

Premium Deficiency

There is no premium deficiency at December 31, 2014.

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.

Other Policy Liabilities

CLLAS has no other policy liabilities at December 31, 2014.

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.

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

- For 2014/2015, 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.

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	\$ 68,964,000
Liabilities in Connection with Unearned Premium	7,102,000
Other Policy Liabilities	0
Total	\$ 76,066,000

Unusual Problems or Delays

I have discussed reinsurance matters with CLLAS' 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, 2014:

- 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 2014 and 2015 (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, 2014	Gross Case Reserve at December 31, 2014
Reported in CLLAS's Financial Records	\$ 178,359,924	\$ 23,189,745
Reported in CLLAS's Claims Bordereaux	178,359,924	23,189,745
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, 2005 through December 31, 2014 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

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)

<u>Fiscal Period</u>	<u>Layer (in million \$)</u>	<u>Retained Portion</u>	<u>Portion Reinsured with:</u>	
			<u>Registered Companies</u>	<u>Unregistered Companies</u>
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%

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

Exhibit 1.1
Canadian Lawyers Liability Assurance Society

Cumulative Paid Losses and ALAE (in \$000s)
Gross of Reinsurance
As at December 31, 2014

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	17,696
2002/2003	0	0	4	5	10	342	868	3,395	3,398	3,416	3,422	3,444	3,465						4,381
2003/2004	0	0	22,503	24,279	24,447	25,735	28,084	37,302	37,503	38,933	38,933	38,933							39,362
2004/2005	0	11	912	945	975	980	987	1,262	1,262	1,262	1,262								2,531
2005/2006	0	3	3	683	712	712	712	712	764	766									1,403
2006/2007	0	0	0	0	0	0	6,389	6,469	6,474										7,369
2007/2008	0	0	2,166	2,184	13,439	14,160	14,165	14,168											18,625
2008/2009	0	5	5	5	5	355	355												2,219
2009/2010	0	20	20	523	523	7,637													13,768
2010/2011	0	1,663	2,155	2,160	3,696														19,513
2011/2012	10	107	107	196															8,848
2012/2013	0	0	12																10,162
2013/2014	0	0																	12,227
2014/2015	0																		7,049

* 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%	81.4%	81.4%	81.4%	81.4%	81.4%	81.4%	81.4%
1992/1993										93.3%	99.7%	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%	49.8%	53.2%	54.9%	55.8%	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%	100.0%
2000/2001																		
2001/2002				17.2%	17.8%	97.1%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%
2002/2003			0.1%	0.1%	0.2%	7.8%	19.8%	77.5%	77.6%	78.0%	78.1%	78.6%	79.1%					
2003/2004			57.2%	61.7%	62.1%	65.4%	71.3%	94.8%	95.3%	98.9%	98.9%	98.9%						
2004/2005		0.4%	36.0%	37.3%	38.5%	38.7%	39.0%	49.9%	49.9%	49.9%	49.9%							
2005/2006		0.2%	0.2%	48.6%	50.7%	50.7%	50.7%	50.7%	50.7%	54.4%	54.6%							
2006/2007							86.7%	87.8%	87.9%									
2007/2008			11.6%	11.7%	72.2%	76.0%	76.1%	76.1%										
2008/2009		0.2%	0.2%	0.2%	0.2%	16.0%	16.0%											
2009/2010		0.1%	0.1%	3.8%	3.8%	55.5%												
2010/2011		8.5%	11.0%	11.1%	18.9%													
2011/2012	0.1%	1.2%	1.2%	2.2%														
2012/2013			0.1%															
2013/2014																		
2014/2015																		

Payout Pattern Selections

	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210
Selected at 12/31/2013	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 12/31/2014	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, 2014

[illegible]

Exhibit 1.3
Canadian Lawyers Liability Assurance Society

Incurred Losses (in \$000s)
Gross of Reinsurance
As at December 31, 2014

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	2,232	3,423	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593	3,593
1991/1992	0	0	1,750	2,500	4,050	9,244	7,054	7,536	7,536	7,536	7,536	7,436	7,417	7,417	7,417	7,417	7,417	7,417
1992/1993	0	0	0	0	0	0	0	500	500	339	339	327	327	327	327	327	327	327
1993/1994	0	0	0	17,246	19,070	19,031	22,031	31,030	31,030	31,030	31,030	32,530	32,530	30,655	30,655	30,655	30,655	30,655
1994/1995	0	801	2,782	8,704	9,153	10,003	9,819	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	750	1,365	1,395	1,443	3,443	3,753	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
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	18,099	21,051	20,512	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	7,421	7,421	8,282	8,276	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	500	500	1,000	1,000	1,000	1,000	0	0	0	0	0	0	0
2001/2002	500	500	6,700	8,688	19,351	18,749	18,749	18,749	18,254	18,254	17,554	17,554	17,554	17,554	17,554	17,554	17,554	17,554
2002/2003	0	100	100	100	4,600	5,898	6,094	6,521	6,521	6,521	6,521	6,521	6,521	4,021				
2003/2004	0	500	27,420	28,054	28,054	29,047	31,609	38,666	39,253	38,933	38,933	38,933						
2004/2005	1,000	1,775	1,850	1,850	1,850	1,850	1,850	2,074	2,074	2,074	2,074							
2005/2006	0	3	3	712	712	712	712	712	814	816								
2006/2007	250	1,550	1,800	2,550	3,550	6,750	6,967	6,568	6,474									
2007/2008	0	0	4,266	6,766	15,366	15,266	16,366	17,749										
2008/2009	0	25	25	5	1,105	955	1,355											
2009/2010	25	1,300	2,300	4,120	8,023	11,908												
2010/2011	0	2,027	3,750	7,242	15,242													
2011/2012	225	122	107	1,557														
2012/2013	0	0	25															
2013/2014	0	0																
2014/2015	0																	

Reported Age-to-Age Factors

Policy Period	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-210	To Ult
1987/1988																		
1988/1989																		
1989/1990																		
1990/1991				1.200	1.000	0.333	11.158	1.534	1.050	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1991/1992			1.429	1.620	2.282	0.763	1.068	1.000	1.000	1.000	0.987	0.997	1.000	1.000	1.000	1.000	1.000	
1992/1993								1.000	0.678	1.000	0.963	1.000	1.000	1.000	1.000	1.000	1.000	
1993/1994				1.106	0.998	1.158	1.408	1.000	1.000	1.000	1.048	1.000	0.942	1.000	1.000	1.000	1.000	
1994/1995		3.473	3.129	1.052	1.093	0.982	0.949	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1995/1996		1.820	1.022	1.034	2.386	1.090	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996/1997																		
1997/1998																		
1998/1999		19.605	4.294	1.163	0.974	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1999/2000						1.000	1.116	0.999	1.026	1.000	1.000	1.000	1.000	1.000	1.000			
2000/2001						1.000	2.000	1.000	1.000	1.000								
2001/2002	1.000	13.400	1.297	2.227	0.969	1.000	1.000	0.974	1.000	0.962	1.000	1.000	1.000					
2002/2003		1.000	1.000	46.000	1.282	1.033	1.070	1.000	1.000	1.000	1.000	0.617						
2003/2004		54.839	1.023	1.000	1.035	1.088	1.223	1.015	0.992	1.000	1.000							
2004/2005	1.775	1.042	1.000	1.000	1.000	1.000	1.121	1.000	1.000	1.000								
2005/2006		1.000	251.330	1.000	1.000	1.000	1.000	1.143	1.002									
2006/2007	6.200	1.161	1.417	1.392	1.901	1.032	0.943	0.986										
2007/2008			1.586	2.271	0.993	1.072	1.085											
2008/2009		1.000	0.202	219.163	0.864	1.419												
2009/2010	52.000	1.769	1.791	1.947	1.484													
2010/2011		1.849	1.931	2.105														
2011/2012	0.542	0.878	14.547															
2012/2013																		
2013/2014																		
2014/2015																		

Reported Averages

	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-210	To Ult
Simple Average																		
All years	12.303	7.911	19.133	17.830	1.284	0.997	1.809	1.043	0.982	0.997	1.000	0.961	0.994	1.000	1.000	1.000	1.000	
Latest 5	26.271	1.374	4.011	45.376	1.249	1.105	1.074	1.029	0.999	0.992	1.000	0.904	1.000	1.000	1.000	1.000	1.000	
Medial Average																		
All years	2.992	4.284	2.728	4.651	1.232	1.015	1.157	1.011	1.002	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	
Latest 5	-	1.385	1.770	2.108	1.159	1.035	1.068	1.005	1.000	1.000	1.000	1.000	1.000	-	1.000	1.000	1.000	
Volume Weighted Average																		
All years	4.834	6.046	1.884	1.412	1.173	1.032	1.141	1.008	0.999	0.995	1.003	0.977	0.982	1.000	1.000	1.000	1.000	
Latest 5	13.797	1.786	1.885	2.093	1.238	1.067	1.144	1.011	0.995	0.990	0.986	0.953	1.000	1.000	1.000	1.000	1.000	

Reported Factor Selections

	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-210	To Ult
Selected at 12/31/2013	2.019	2.524	1.500	1.296	1.200	1.071	1.005	1.010	1.010	1.005	1.000	1.002	1.010	1.008	1.000	1.000	1.000	1.000
Selected at 12/31/2014	1.996	2.410	1.522	1.317	1.180	1.057	1.005	1.010	1.010	1.005	1.000	1.002	1.010	1.008	1.000	1.000	1.000	1.000
Factor to ultimate	12.625	6.325	2.625	1.725	1.310	1.110	1.050	1.045	1.035	1.025	1.020	1.020	1.018	1.008	1.000	1.000	1.000	1.000
Selected % of Ultimate	0.079	0.158	0.381	0.580	0.763	0.901	0.952	0.957	0.966	0.976	0.980	0.980	0.983	0.993	1.000	1.000	1.000	1.000

Exhibit 1.4
Canadian Lawyers Liability Assurance Society

Cumulative Paid Losses and ALAE (in \$000s)
Net of Proportional Reinsurance
As at December 31, 2014

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	5,645
2002/2003	0	0	4	5	10	342	868	3,395	3,398	3,416	3,422	3,444	3,465						4,191
2003/2004	0	0	7,481	9,033	9,064	10,352	11,009	12,342	12,503	13,933	13,933	13,933							14,137
2004/2005	0	11	912	945	975	980	987	1,262	1,262	1,262	1,262	1,262							2,289
2005/2006	0	3	3	683	712	712	712	712	764	766									1,089
2006/2007	0	0	0	0	0	0	5,688	5,764	5,769										6,203
2007/2008	0	0	2,166	2,184	8,361	8,520	8,521	8,521											12,558
2008/2009	0	5	5	5	5	355	355												1,840
2009/2010	0	20	20	523	523	7,441													12,833
2010/2011	0	1,663	2,155	2,160	3,696														13,080
2011/2012	10	107	107	129															2,473
2012/2013	0	0	12																334
2013/2014	0	0																	380
2014/2015	0																		220

* 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%	
1999/2000						6.1%	6.1%	78.8%	78.8%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
2000/2001																		
2001/2002				27.0%	27.8%	98.0%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%	99.2%				
2002/2003			0.1%	0.1%	0.2%	8.2%	20.7%	81.0%	81.1%	81.5%	81.7%	82.2%	82.7%					
2003/2004			52.9%	63.9%	64.1%	73.2%	77.9%	87.3%	88.4%	98.6%	98.6%	98.6%						
2004/2005		0.5%	39.8%	41.3%	42.6%	42.8%	43.1%	55.1%	55.2%	55.1%	55.2%							
2005/2006		0.3%	0.3%	62.7%	65.4%	65.4%	65.4%	65.4%	70.2%	70.3%								
2006/2007								91.7%	92.9%	93.0%								
2007/2008			17.2%	17.4%	66.6%	67.8%	67.9%	67.9%										
2008/2009		0.3%	0.3%	0.3%	0.3%	19.3%	19.3%											
2009/2010		0.2%	0.2%	4.1%	4.1%	58.0%												
2010/2011		12.7%	16.5%	16.5%	28.3%													
2011/2012	0.4%	4.3%	4.3%	5.2%														
2012/2013			3.6%															
2013/2014																		
2014/2015																		

Payout Pattern Selections

	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210
Selected at 12/31/2013	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 12/31/2014	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, 2014

[illegible]

Exhibit 1.6
Canadian Lawyers Liability Assurance Society

Incurred Losses (in \$000s)
Net of Proportional Reinsurance
As at December 31, 2014

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	250	300	300	100	1,116	1,712	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797
1991/1992	0	0	875	1,250	2,025	3,722	3,284	3,530	3,530	3,530	3,530	3,480	3,470	3,470	3,470	3,470	3,470	3,470
1992/1993	0	0	0	0	0	0	0	250	250	170	170	163	163	163	163	163	163	163
1993/1994	0	0	0	5,014	6,063	6,056	6,891	8,616	8,616	8,616	8,616	8,886	8,886	8,886	8,388	8,388	8,388	8,388
1994/1995	0	400	1,391	4,326	4,550	4,975	4,883	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	375	682	698	721	1,721	1,876	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
1997/1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1998/1999	0	108	2,108	2,233	6,570	6,362	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	2,810	2,810	3,358	3,356	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	250	250	500	500	500	500	0	0	0	0	0	0	0
2001/2002	250	250	3,350	4,344	6,465	6,200	6,200	6,200	5,952	5,952	5,602	5,602	5,602	5,602	5,602	5,602	5,602	5,602
2002/2003	0	100	100	100	4,600	5,898	6,094	6,521	6,521	6,521	6,521	6,521	6,521	4,021	6,521	6,521	6,521	6,521
2003/2004	0	500	11,236	10,973	10,973	11,097	11,471	13,666	14,253	13,933	13,933	13,933	13,933	13,933	13,933	13,933	13,933	13,933
2004/2005	1,000	1,775	1,850	1,850	1,850	1,850	1,850	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074
2005/2006	0	3	3	712	712	712	712	712	814	816	816	816	816	816	816	816	816	816
2006/2007	250	1,550	1,800	2,550	3,550	6,150	6,193	5,824	5,769	5,769	5,769	5,769	5,769	5,769	5,769	5,769	5,769	5,769
2007/2008	0	0	4,266	6,766	9,624	9,606	10,706	12,103	12,103	12,103	12,103	12,103	12,103	12,103	12,103	12,103	12,103	12,103
2008/2009	0	25	25	5	1,105	955	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355
2009/2010	25	1,300	2,300	4,120	8,023	11,712	11,712	11,712	11,712	11,712	11,712	11,712	11,712	11,712	11,712	11,712	11,712	11,712
2010/2011	0	2,027	3,750	6,742	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442	10,442
2011/2012	225	122	107	469	469	469	469	469	469	469	469	469	469	469	469	469	469	469
2012/2013	0	0	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
2013/2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014/2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Reported Age-to-Age Factors

Policy Period	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-210	To Ult
1987/1988																		
1988/1989																		
1989/1990																		
1990/1991				1.200	1.000	0.333	11.158	1.534	1.050	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1991/1992			1.429	1.620	1.838	0.882	1.075	1.000	1.000	1.000	0.986	0.997	1.000	1.000	1.000	1.000	1.000	1.000
1992/1993								1.000	0.678	1.000	0.963	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993/1994				1.209	0.999	1.138	1.250	1.000	1.000	1.000	1.031	1.000	0.944	1.000	1.000	1.000	1.000	1.000
1994/1995		3.473	3.110	1.052	1.093	0.982	0.949	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995/1996		1.820	1.022	1.034	2.386	1.090	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996/1997																		
1997/1998																		
1998/1999		19.605	1.059	2.943	0.968	0.983	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999/2000						1.000	1.195	1.000	1.032	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000/2001						1.000	2.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001/2002	1.000	13.400	1.297	1.488	0.959	1.000	1.000	0.960	1.000	0.941	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002/2003		1.000	1.000	46.000	1.282	1.033	1.070	1.000	1.000	1.000	1.000	0.617	1.000	1.000	1.000	1.000	1.000	1.000
2003/2004		22.471	0.977	1.000	1.011	1.034	1.191	1.043	0.978	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004/2005	1.775	1.042	1.000	1.000	1.000	1.000	1.121	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005/2006		1.000	251.330	1.000	1.000	1.000	1.000	1.143	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006/2007	6.200	1.161	1.417	1.392	1.732	1.007	0.940	0.991	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007/2008			1.586	1.422	0.998	1.115	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130
2008/2009		1.000	0.202	219.163	0.864	1.419	1.419	1.419	1.419	1.419	1.419	1.419	1.419	1.419	1.419	1.419	1.419	1.419
2009/2010	52.000	1.769	1.791	1.947	1.460	1.460	1.460	1.460	1.460	1.460	1.460	1.460	1.460	1.460	1.460	1.460	1.460	1.460
2010/2011		1.849	1.798	1.549	1.549	1.549	1.549	1.549	1.549	1.549	1.549	1.549	1.549	1.549	1.549	1.549	1.549	1.549
2011/2012	0.542	0.878	4.383	4.383	4.383	4.383	4.383	4.383	4.383	4.383	4.383	4.383	4.383	4.383	4.383	4.383	4.383	4.383
2012/2013																		
2013/2014																		
2014/2015																		

Reported Averages

	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-210	To Ult
Simple Average																		
All years	12.303	5.421	18.227	17.814	1.239	1.001	1.805	1.045	0.981	0.995	0.998	0.961	0.994	1.000	1.000	1.000	1.000	1.000
Latest 5	26.271	1.374	1.952	45.095	1.211	1.108	1.077	1.035	0.996	0.988	1.000	0.904	1.000	1.000	1.000	1.000	1.000	1.000
Medial Average																		
All years	2.992	4.284	1.682	4.633	1.180	1.019	1.152	1.014	1.001	1.000	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Latest 5	-	1.385	1.725	1.640	1.153	1.041	1.084	1.014	1.000	1.000	1.000	1.000	1.000	-	1.000	1.000	1.000	1.000
Volume Weighted Average																		
All years	4.877	3.968	1.548	1.494	1.197	1.033	1.110	1.015	0.997	0.994	0.995	0.941	0.986	1.000	1.000	1.000	1.000	1.000
Latest 5	13.797	1.786	1.733	1.622	1.266	1.080	1.111	1.022	0.989	0.988	0.983	0.886	1.000	1.000	1.000	1.000	1.000	1.000

Reported Factor Selections

	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-210	To Ult
Selected at 12/31/2013	2.019	2.524	1.500	1.296	1.200	1.071	1.005	1.010	1.010	1.005	1.000	1.002	1.010	1.008	1.000	1.000	1.000	1.000
Selected at 12/31/2014	1.996	2.410	1.522	1.317	1.180	1.057	1.005	1.010	1.010	1.005	1.000	1.002	1.010	1.008	1.000	1.000	1.000	1.000
Factor to ultimate	12.625	6.325	2.625	1.725	1.310	1.110	1.050	1.045	1.035	1.025	1.020	1.020	1.018	1.008	1.000	1.000	1.000	1.000
Selected % of Ultimate	0.079	0.158	0.381	0.580	0.763	0.901	0.952	0.957	0.966	0.976	0.980	0.980	0.983	0.993	1.000	1.000	1.000	1.000

Cumulative Number of Claims Reported
Gross and Net of Reinsurance
As at December 31, 2014

[illegible]

Number of Claims Open
Gross and Net of Reinsurance
As at December 31, 2014

[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, 2014

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	3.060	2.021	1.355	1.149	1.056	0.996	0.968	0.969	0.980	0.989	0.994	0.996	0.999	1.001
50,000	3.714	2.359	1.489	1.219	1.093	1.015	0.976	0.974	0.982	0.990	0.995	0.996	0.999	1.001
100,000	4.526	2.768	1.646	1.305	1.144	1.039	0.988	0.982	0.988	0.994	0.998	0.998	1.000	1.002
200,000	5.511	3.170	1.738	1.357	1.164	1.039	0.984	0.986	0.993	0.999	1.005	1.003	1.004	1.004
300,000	5.735	3.231	1.722	1.344	1.150	1.020	0.965	0.974	0.986	0.993	1.001	1.000	1.002	1.004
500,000	6.619	3.518	1.692	1.307	1.121	0.987	0.938	0.960	0.979	0.987	0.998	1.000	0.999	1.003
1,000,000	12.625	6.325	2.625	1.725	1.310	1.110	1.050	1.045	1.035	1.025	1.020	1.020	1.018	1.008
Selected	12.625	6.325	2.625	1.725	1.310	1.110	1.050	1.045	1.035	1.025	1.020	1.020	1.018	1.008
Selected IBNR Factor	0.921	0.842	0.619	0.420	0.237	0.099	0.048	0.043	0.034	0.024	0.020	0.020	0.017	0.007

* 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, 2014

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(3.05%)	\$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, 2014

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(3.05%)	\$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, 2014

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(3.15%)	\$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, 2014

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(3.15%)	\$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, 2014

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(3.15%)	\$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, 2014

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(3.15%)	\$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, 2014

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(3.15%)	\$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
As at December 31, 2014

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	1,918	1,918	1,918	1,918	1,918	1,945	1,462	
Expected Loss Cost per Lawyer	\$70	\$1,463	\$1,167	\$948	\$436	\$82	\$43	
Gross Expected Loss Volume	\$134,248	\$2,805,790	\$2,238,112	\$1,818,106	\$836,175	\$159,517	\$62,859	
IBNR Factor	0	0.000	0.000	0.000	0.000	0.000	0	
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(3.05%)	\$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 to Registered	0.0000	0.4680	0.7598	0.7761	0.7912	0.8600	0.8816	
Reinsured to Unregistered	0.0000	0.0320	0.0402	0.0439	0.0838	0.1400	0.1184	
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 2.9
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2001-1
As at December 31, 2014

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	2,090	2,090	2,090	2,090	2,090	2,096	1,561	
Expected Loss Cost per Lawyer	\$70	\$1,463	\$1,167	\$948	\$436	\$82	\$43	
Gross Expected Loss Volume	\$146,300	\$3,057,670	\$2,439,030	\$1,981,320	\$911,240	\$171,858	\$67,116	
IBNR Factor	0	0.000	0.000	0.000	0.000	0.000	0	
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(3.05%)	\$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 to Registered	0.0000	0.4680	0.7598	0.7761	0.7912	0.8600	0.8816	
Reinsured to Unregistered	0.0000	0.0320	0.0402	0.0439	0.0838	0.1400	0.1184	
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 2.10
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2001-2
As at December 31, 2014

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	2,067	2,067	2,067	2,067	2,067	2,096	1,568	
Expected Loss Cost per Lawyer	\$70	\$1,463	\$1,167	\$948	\$436	\$82	\$43	
Gross Expected Loss Volume	\$144,690	\$3,024,021	\$2,412,189	\$1,959,516	\$901,212	\$171,831	\$67,424	
IBNR Factor	0.008	0.008	0.008	0.008	0.008	0.008	0.008	
IBNR Amount	\$1,158	\$24,192	\$19,298	\$15,676	\$7,210	\$1,375	\$539	\$69,447
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$1,158	\$24,192	\$19,298	\$15,676	\$7,210	\$1,375	\$539	\$69,447
Paid to Date	\$0	\$7,154,054	\$7,500,000	\$2,890,929	\$0	\$0	\$0	\$17,544,983
Total Ultimate Incurred	\$1,158	\$7,178,246	\$7,519,298	\$2,906,605	\$7,210	\$1,375	\$539	\$17,614,430
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$35	\$738	\$589	\$478	\$220	\$42	\$16	\$2,118
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$35	\$738	\$589	\$478	\$220	\$42	\$16	\$2,118
<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 to Registered	0.0000	0.4680	0.8000	0.7897	0.7912	0.8600	0.8816	
Reinsured to Unregistered	0.0000	0.0320	0.0000	0.0303	0.0838	0.1400	0.1184	
Paid to Date Retained	\$0	\$3,577,027	\$1,500,000	\$520,367	\$0	\$0	\$0	\$5,597,394
Paid Ceded to								
Registered Reinsurers	\$0	\$3,348,097	\$6,000,000	\$2,282,966	\$0	\$0	\$0	\$11,631,064
Unregistered Reinsurers	\$0	\$228,930	\$0	\$87,595	\$0	\$0	\$0	\$316,525
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	\$1,158	\$12,096	\$3,860	\$2,822	\$901	\$0	\$0	\$20,836
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$11,322	\$15,438	\$12,379	\$5,704	\$1,182	\$476	\$46,501
Unregistered Reinsurers	\$0	\$774	\$0	\$475	\$604	\$192	\$64	\$2,110
Total Reserves Retained	\$1,158	\$12,096	\$3,860	\$2,822	\$901	\$0	\$0	\$20,836
Reserves Ceded to								
Registered Reinsurers	\$0	\$11,322	\$15,438	\$12,379	\$5,704	\$1,182	\$476	\$46,501
Unregistered Reinsurers	\$0	\$774	\$0	\$475	\$604	\$192	\$64	\$2,110

Exhibit 2.11
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2002-1
As at December 31, 2014

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	1,663	
Expected Loss Cost per Lawyer	\$70	\$1,463	\$1,167	\$948	\$436	\$82	\$43	
Gross Expected Loss Volume	\$152,215	\$3,181,294	\$2,537,642	\$2,061,426	\$948,082	\$178,309	\$71,509	
IBNR Factor	0.008	0.008	0.008	0.008	0.008	0.008	0.008	
IBNR Amount	\$1,218	\$25,450	\$20,301	\$16,491	\$7,585	\$1,426	\$572	\$73,044
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$1,218	\$25,450	\$20,301	\$16,491	\$7,585	\$1,426	\$572	\$73,044
Paid to Date	\$0	\$8,773	\$0	\$0	\$0	\$0	\$0	\$8,773
Total Ultimate Incurred	\$1,218	\$34,224	\$20,301	\$16,491	\$7,585	\$1,426	\$572	\$81,817
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$37	\$776	\$619	\$503	\$231	\$44	\$17	\$2,228
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$37	\$776	\$619	\$503	\$231	\$44	\$17	\$2,228
<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 to Registered	0.0000	0.4680	0.8000	0.7897	0.7912	0.8600	0.8816	
Reinsured to Unregistered	0.0000	0.0320	0.0000	0.0303	0.0838	0.1400	0.1184	
Paid to Date Retained	\$0	\$4,387	\$0	\$0	\$0	\$0	\$0	\$4,387
Paid Ceded to								
Registered Reinsurers	\$0	\$4,106	\$0	\$0	\$0	\$0	\$0	\$4,106
Unregistered Reinsurers	\$0	\$281	\$0	\$0	\$0	\$0	\$0	\$281
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	\$1,218	\$12,725	\$4,060	\$2,968	\$948	\$0	\$0	\$21,920
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$11,911	\$16,241	\$13,023	\$6,001	\$1,227	\$504	\$48,907
Unregistered Reinsurers	\$0	\$814	\$0	\$500	\$636	\$200	\$68	\$2,217
Total Reserves Retained	\$1,218	\$12,725	\$4,060	\$2,968	\$948	\$0	\$0	\$21,920
Reserves Ceded to								
Registered Reinsurers	\$0	\$11,911	\$16,241	\$13,023	\$6,001	\$1,227	\$504	\$48,907
Unregistered Reinsurers	\$0	\$814	\$0	\$500	\$636	\$200	\$68	\$2,217

Exhibit 2.12
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2002-2
As at December 31, 2014

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	0.018	0.018	0.018	0.018	0.018	0.018	0.018	
IBNR Amount	\$2,857	\$59,651	\$47,909	\$39,219	\$18,161	\$3,601	\$1,738	\$173,136
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$2,857	\$59,651	\$47,909	\$39,219	\$18,161	\$3,601	\$1,738	\$173,136
Paid to Date	\$0	\$271,947	\$0	\$0	\$0	\$0	\$0	\$271,947
Total Ultimate Incurred	\$2,857	\$331,598	\$47,909	\$39,219	\$18,161	\$3,601	\$1,738	\$445,083
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$87	\$1,819	\$1,461	\$1,196	\$554	\$110	\$53	\$5,281
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$87	\$1,819	\$1,461	\$1,196	\$554	\$110	\$53	\$5,281
<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	\$2,857	\$59,651	\$9,582	\$7,059	\$2,270	\$0	\$0	\$81,420
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$38,327	\$32,160	\$11,518	\$2,753	\$317	\$85,075
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$4,373	\$848	\$1,421	\$6,642
Total Reserves Retained	\$2,857	\$59,651	\$9,582	\$7,059	\$2,270	\$0	\$0	\$81,420
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$38,327	\$32,160	\$11,518	\$2,753	\$317	\$85,075
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$4,373	\$848	\$1,421	\$6,642

Exhibit 2.13
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2003-1
As at December 31, 2014

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	0.018	0.018	0.018	0.018	0.018	0.018	0.018	
IBNR Amount	\$3,086	\$64,427	\$51,745	\$42,360	\$19,616	\$3,889	\$1,799	\$186,922
Case Reserves	\$0	\$556,541	\$0	\$0	\$0	\$0	\$0	\$556,541
Total Reserves (Ind. & Leg.)	\$3,086	\$620,968	\$51,745	\$42,360	\$19,616	\$3,889	\$1,799	\$743,463
Paid to Date	\$0	\$3,192,658	\$0	\$0	\$0	\$0	\$0	\$3,192,658
Total Ultimate Incurred	\$3,086	\$3,813,626	\$51,745	\$42,360	\$19,616	\$3,889	\$1,799	\$3,936,121
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$94	\$1,965	\$1,578	\$1,292	\$598	\$119	\$55	\$5,701
Case Reserves LAE	\$0	\$16,975	\$0	\$0	\$0	\$0	\$0	\$16,975
Total LAE(3.05%)	\$94	\$18,940	\$1,578	\$1,292	\$598	\$119	\$55	\$22,676
<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	\$3,192,658	\$0	\$0	\$0	\$0	\$0	\$3,192,658
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	\$556,541	\$0	\$0	\$0	\$0	\$0	\$556,541
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	\$3,086	\$64,427	\$10,349	\$7,625	\$2,452	\$0	\$0	\$87,939
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$41,396	\$34,735	\$12,440	\$2,974	\$328	\$91,873
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$4,723	\$916	\$1,471	\$7,110
Total Reserves Retained	\$3,086	\$620,968	\$10,349	\$7,625	\$2,452	\$0	\$0	\$644,480
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$41,396	\$34,735	\$12,440	\$2,974	\$328	\$91,873
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$4,723	\$916	\$1,471	\$7,110

Exhibit 2.14
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2003-2
As at December 31, 2014

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	0.020	0.020	0.020	0.020	0.020	0.020	0.020	
IBNR Amount	\$3,570	\$74,780	\$57,236	\$48,145	\$22,685	\$4,838	\$2,325	\$213,579
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$3,570	\$74,780	\$57,236	\$48,145	\$22,685	\$4,838	\$2,325	\$213,579
Paid to Date	\$0	\$1,637,555	\$0	\$0	\$0	\$0	\$0	\$1,637,555
Total Ultimate Incurred	\$3,570	\$1,712,336	\$57,236	\$48,145	\$22,685	\$4,838	\$2,325	\$1,851,134
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$109	\$2,281	\$1,746	\$1,468	\$692	\$148	\$71	\$6,514
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$109	\$2,281	\$1,746	\$1,468	\$692	\$148	\$71	\$6,514
<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	\$3,570	\$74,780	\$11,447	\$8,666	\$2,836	\$0	\$0	\$101,299
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$45,788	\$39,479	\$13,044	\$3,573	\$225	\$102,108
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$6,806	\$1,265	\$2,101	\$10,171
Total Reserves Retained	\$3,570	\$74,780	\$11,447	\$8,666	\$2,836	\$0	\$0	\$101,299
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$45,788	\$39,479	\$13,044	\$3,573	\$225	\$102,108
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$6,806	\$1,265	\$2,101	\$10,171

Exhibit 2.15
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2004-1
As at December 31, 2014

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	0.020	0.020	0.020	0.020	0.020	0.020	0.020	
IBNR Amount	\$3,603	\$75,481	\$57,592	\$48,496	\$22,862	\$4,883	\$2,347	\$215,266
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$3,603	\$75,481	\$57,592	\$48,496	\$22,862	\$4,883	\$2,347	\$215,266
Paid to Date	\$0	\$7,295,780	\$7,500,000	\$12,500,000	\$10,000,000	\$0	\$0	\$37,295,780
Total Ultimate Incurred	\$3,603	\$7,371,261	\$7,557,592	\$12,548,496	\$10,022,862	\$4,883	\$2,347	\$37,511,046
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$110	\$2,302	\$1,757	\$1,479	\$697	\$149	\$72	\$6,566
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$110	\$2,302	\$1,757	\$1,479	\$697	\$149	\$72	\$6,566
<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	\$3,603	\$75,481	\$11,518	\$8,729	\$2,858	\$0	\$0	\$102,190
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$46,074	\$39,767	\$13,146	\$3,606	\$227	\$102,820
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$6,859	\$1,277	\$2,121	\$10,256
Total Reserves Retained	\$3,603	\$75,481	\$11,518	\$8,729	\$2,858	\$0	\$0	\$102,190
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$46,074	\$39,767	\$13,146	\$3,606	\$227	\$102,820
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$6,859	\$1,277	\$2,121	\$10,256

Exhibit 2.16
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2004-2
As at December 31, 2014

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	0.020	0.020	0.020	0.020	0.020	0.020	0.020	
IBNR Amount	\$3,746	\$79,084	\$60,877	\$51,779	\$24,657	\$5,595	\$2,718	\$228,455
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$3,746	\$79,084	\$60,877	\$51,779	\$24,657	\$5,595	\$2,718	\$228,455
Paid to Date	\$0	\$1,223,995	\$0	\$0	\$0	\$0	\$0	\$1,223,995
Total Ultimate Incurred	\$3,746	\$1,303,079	\$60,877	\$51,779	\$24,657	\$5,595	\$2,718	\$1,452,451
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$114	\$2,412	\$1,857	\$1,579	\$752	\$171	\$83	\$6,968
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$114	\$2,412	\$1,857	\$1,579	\$752	\$171	\$83	\$6,968
<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	\$3,746	\$79,084	\$12,175	\$9,320	\$3,082	\$0	\$0	\$107,407
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$45,657	\$42,459	\$15,546	\$4,188	\$263	\$108,113
Unregistered Reinsurers	\$0	\$0	\$3,044	\$0	\$6,029	\$1,407	\$2,455	\$12,934
Total Reserves Retained	\$3,746	\$79,084	\$12,175	\$9,320	\$3,082	\$0	\$0	\$107,407
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$45,657	\$42,459	\$15,546	\$4,188	\$263	\$108,113
Unregistered Reinsurers	\$0	\$0	\$3,044	\$0	\$6,029	\$1,407	\$2,455	\$12,934

Exhibit 2.17
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2005-1
As at December 31, 2014

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	0.020	0.020	0.020	0.020	0.020	0.020	0.020	
IBNR Amount	\$3,749	\$79,147	\$60,727	\$51,711	\$24,637	\$5,599	\$2,704	\$228,273
Case Reserves	\$711,662	\$100,000	\$0	\$0	\$0	\$0	\$0	\$811,662
Total Reserves (Ind. & Leg.)	\$715,411	\$179,147	\$60,727	\$51,711	\$24,637	\$5,599	\$2,704	\$1,039,935
Paid to Date	\$38,338	\$0	\$0	\$0	\$0	\$0	\$0	\$38,338
Total Ultimate Incurred	\$753,749	\$179,147	\$60,727	\$51,711	\$24,637	\$5,599	\$2,704	\$1,078,273
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$114	\$2,414	\$1,852	\$1,577	\$751	\$171	\$82	\$6,962
Case Reserves LAE	\$21,706	\$3,050	\$0	\$0	\$0	\$0	\$0	\$24,756
Total LAE(3.05%)	\$21,820	\$5,464	\$1,852	\$1,577	\$751	\$171	\$82	\$31,718
<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	\$711,662	\$100,000	\$0	\$0	\$0	\$0	\$0	\$811,662
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	\$3,749	\$79,147	\$12,145	\$9,308	\$3,080	\$0	\$0	\$107,428
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$45,545	\$42,403	\$15,534	\$4,191	\$261	\$107,934
Unregistered Reinsurers	\$0	\$0	\$3,036	\$0	\$6,024	\$1,408	\$2,443	\$12,911
Total Reserves Retained	\$715,411	\$179,147	\$12,145	\$9,308	\$3,080	\$0	\$0	\$919,090
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$45,545	\$42,403	\$15,534	\$4,191	\$261	\$107,934
Unregistered Reinsurers	\$0	\$0	\$3,036	\$0	\$6,024	\$1,408	\$2,443	\$12,911

Exhibit 2.18
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2005-2
As at December 31, 2014

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	0.024	0.024	0.024	0.024	0.024	0.024	0.024	
IBNR Amount	\$4,726	\$99,759	\$77,357	\$66,682	\$32,160	\$7,915	\$3,884	\$292,482
Case Reserves	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Total Reserves (Ind. & Leg.)	\$4,726	\$149,759	\$77,357	\$66,682	\$32,160	\$7,915	\$3,884	\$342,482
Paid to Date	\$0	\$762,712	\$0	\$0	\$0	\$0	\$0	\$762,712
Total Ultimate Incurred	\$4,726	\$912,471	\$77,357	\$66,682	\$32,160	\$7,915	\$3,884	\$1,105,194
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$144	\$3,043	\$2,359	\$2,034	\$981	\$241	\$118	\$8,921
Case Reserves LAE	\$0	\$1,525	\$0	\$0	\$0	\$0	\$0	\$1,525
Total LAE(3.05%)	\$144	\$4,568	\$2,359	\$2,034	\$981	\$241	\$118	\$10,446
<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	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
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	\$4,726	\$99,759	\$15,471	\$12,003	\$4,020	\$0	\$0	\$135,979
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$58,018	\$53,345	\$28,140	\$7,915	\$1,398	\$148,816
Unregistered Reinsurers	\$0	\$0	\$3,868	\$1,334	\$0	\$0	\$2,486	\$7,687
Total Reserves Retained	\$4,726	\$149,759	\$15,471	\$12,003	\$4,020	\$0	\$0	\$185,979
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$58,018	\$53,345	\$28,140	\$7,915	\$1,398	\$148,816
Unregistered Reinsurers	\$0	\$0	\$3,868	\$1,334	\$0	\$0	\$2,486	\$7,687

Exhibit 2.19
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2006-1
As at December 31, 2014

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	0.024	0.024	0.024	0.024	0.024	0.024	0.024	
IBNR Amount	\$4,775	\$100,800	\$78,047	\$67,311	\$32,471	\$7,997	\$3,936	\$295,338
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$4,775	\$100,800	\$78,047	\$67,311	\$32,471	\$7,997	\$3,936	\$295,338
Paid to Date	\$0	\$2,833	\$0	\$0	\$0	\$0	\$0	\$2,833
Total Ultimate Incurred	\$4,775	\$103,633	\$78,047	\$67,311	\$32,471	\$7,997	\$3,936	\$298,171
<u>Derivation of Loss Adjustment Expenses</u>								
IBNR LAE	\$146	\$3,074	\$2,380	\$2,053	\$990	\$244	\$120	\$9,008
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$146	\$3,074	\$2,380	\$2,053	\$990	\$244	\$120	\$9,008
<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	\$4,775	\$100,800	\$15,609	\$12,116	\$4,059	\$0	\$0	\$137,359
IBNR Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$58,535	\$53,849	\$28,412	\$7,997	\$1,417	\$150,211
Unregistered Reinsurers	\$0	\$0	\$3,902	\$1,346	\$0	\$0	\$2,519	\$7,768
Total Reserves Retained	\$4,775	\$100,800	\$15,609	\$12,116	\$4,059	\$0	\$0	\$137,359
Reserves Ceded to								
Registered Reinsurers	\$0	\$0	\$58,535	\$53,849	\$28,412	\$7,997	\$1,417	\$150,211
Unregistered Reinsurers	\$0	\$0	\$3,902	\$1,346	\$0	\$0	\$2,519	\$7,768

Exhibit 2.20
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2006-2
As at December 31, 2014

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	0.034	0.034	0.034	0.034	0.034	0.034	0.034	0.034	
IBNR Amount	\$15,070	\$153,649	\$124,897	\$106,126	\$44,037	\$3,423	\$1,694	\$537	\$449,433
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$15,070	\$153,649	\$124,897	\$106,126	\$44,037	\$3,423	\$1,694	\$537	\$449,433
Paid to Date	\$0	\$5,593,313	\$880,794	\$0	\$0	\$0	\$0	\$0	\$6,474,107
Total Ultimate Incurred	\$15,070	\$5,746,962	\$1,005,691	\$106,126	\$44,037	\$3,423	\$1,694	\$537	\$6,923,540
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$460	\$4,686	\$3,809	\$3,237	\$1,343	\$104	\$52	\$16	\$13,708
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$460	\$4,686	\$3,809	\$3,237	\$1,343	\$104	\$52	\$16	\$13,708
<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	\$15,070	\$153,649	\$24,979	\$19,103	\$5,505	\$0	\$0	\$0	\$218,306
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$93,673	\$81,717	\$38,532	\$3,423	\$610	\$537	\$218,492
Unregistered Reinsurers	\$0	\$0	\$6,245	\$5,306	\$0	\$0	\$1,084	\$0	\$12,635
Total Reserves Retained	\$15,070	\$153,649	\$24,979	\$19,103	\$5,505	\$0	\$0	\$0	\$218,306
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$93,673	\$81,717	\$38,532	\$3,423	\$610	\$537	\$218,492
Unregistered Reinsurers	\$0	\$0	\$6,245	\$5,306	\$0	\$0	\$1,084	\$0	\$12,635

Exhibit 2.21
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2007-1
As at December 31, 2014

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	0.034	0.034	0.034	0.034	0.034	0.034	0.034	0.034	
IBNR Amount	\$14,875	\$151,655	\$123,625	\$104,996	\$43,558	\$3,390	\$1,736	\$1,302	\$445,137
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$14,875	\$151,655	\$123,625	\$104,996	\$43,558	\$3,390	\$1,736	\$1,302	\$445,137
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$14,875	\$151,655	\$123,625	\$104,996	\$43,558	\$3,390	\$1,736	\$1,302	\$445,137
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$454	\$4,625	\$3,771	\$3,202	\$1,329	\$103	\$53	\$40	\$13,577
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$454	\$4,625	\$3,771	\$3,202	\$1,329	\$103	\$53	\$40	\$13,577
<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	\$14,875	\$151,655	\$24,725	\$18,899	\$5,445	\$0	\$0	\$0	\$215,598
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$92,719	\$80,847	\$38,114	\$3,390	\$625	\$1,302	\$216,997
Unregistered Reinsurers	\$0	\$0	\$6,181	\$5,250	\$0	\$0	\$1,111	\$0	\$12,542
Total Reserves Retained	\$14,875	\$151,655	\$24,725	\$18,899	\$5,445	\$0	\$0	\$0	\$215,598
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$92,719	\$80,847	\$38,114	\$3,390	\$625	\$1,302	\$216,997
Unregistered Reinsurers	\$0	\$0	\$6,181	\$5,250	\$0	\$0	\$1,111	\$0	\$12,542

Exhibit 2.22
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2007-2
As at December 31, 2014

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	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	
IBNR Amount	\$10,692	\$152,068	\$129,590	\$95,717	\$38,419	\$2,836	\$1,173	\$547	\$431,042
Case Reserves	\$0	\$81,594	\$0	\$0	\$0	\$0	\$0	\$0	\$81,594
Total Reserves (Ind. & Leg.)	\$10,692	\$233,662	\$129,590	\$95,717	\$38,419	\$2,836	\$1,173	\$547	\$512,636
Paid to Date	\$0	\$2,184,414	\$0	\$0	\$0	\$0	\$0	\$0	\$2,184,414
Total Ultimate Incurred	\$10,692	\$2,418,076	\$129,590	\$95,717	\$38,419	\$2,836	\$1,173	\$547	\$2,697,050
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$326	\$4,638	\$3,953	\$2,919	\$1,172	\$87	\$36	\$17	\$13,147
Case Reserves LAE	\$0	\$2,489	\$0	\$0	\$0	\$0	\$0	\$0	\$2,489
Total LAE(3.05%)	\$326	\$7,127	\$3,953	\$2,919	\$1,172	\$87	\$36	\$17	\$15,635
<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	\$2,184,414	\$0	\$0	\$0	\$0	\$0	\$0	\$2,184,414
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	\$81,594	\$0	\$0	\$0	\$0	\$0	\$0	\$81,594
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	\$10,692	\$152,068	\$38,877	\$17,229	\$4,802	\$0	\$0	\$0	\$223,669
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$84,234	\$73,702	\$33,616	\$2,836	\$422	\$547	\$195,357
Unregistered Reinsurers	\$0	\$0	\$6,480	\$4,786	\$0	\$0	\$751	\$0	\$12,016
Total Reserves Retained	\$10,692	\$233,662	\$38,877	\$17,229	\$4,802	\$0	\$0	\$0	\$305,262
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$84,234	\$73,702	\$33,616	\$2,836	\$422	\$547	\$195,357
Unregistered Reinsurers	\$0	\$0	\$6,480	\$4,786	\$0	\$0	\$751	\$0	\$12,016

Exhibit 2.23
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2008-1
As at December 31, 2014

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	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	
IBNR Amount	\$11,042	\$157,044	\$133,640	\$98,691	\$39,616	\$2,923	\$1,208	\$571	\$444,735
Case Reserves	\$0	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500,000
Total Reserves (Ind. & Leg.)	\$11,042	\$3,657,044	\$133,640	\$98,691	\$39,616	\$2,923	\$1,208	\$571	\$3,944,735
Paid to Date	\$0	\$4,000,000	\$7,500,000	\$483,257	\$0	\$0	\$0	\$0	\$11,983,257
Total Ultimate Incurred	\$11,042	\$7,657,044	\$7,633,640	\$581,948	\$39,616	\$2,923	\$1,208	\$571	\$15,927,992
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$337	\$4,790	\$4,076	\$3,010	\$1,208	\$89	\$37	\$17	\$13,564
Case Reserves LAE	\$0	\$106,750	\$0	\$0	\$0	\$0	\$0	\$0	\$106,750
Total LAE(3.05%)	\$337	\$111,540	\$4,076	\$3,010	\$1,208	\$89	\$37	\$17	\$120,314
<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	\$11,042	\$157,044	\$40,092	\$17,764	\$4,952	\$0	\$0	\$0	\$230,894
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$86,866	\$75,992	\$34,664	\$2,923	\$435	\$571	\$201,451
Unregistered Reinsurers	\$0	\$0	\$6,682	\$4,935	\$0	\$0	\$773	\$0	\$12,390
Total Reserves Retained	\$11,042	\$3,657,044	\$40,092	\$17,764	\$4,952	\$0	\$0	\$0	\$3,730,894
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$86,866	\$75,992	\$34,664	\$2,923	\$435	\$571	\$201,451
Unregistered Reinsurers	\$0	\$0	\$6,682	\$4,935	\$0	\$0	\$773	\$0	\$12,390

Exhibit 2.24
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2008-2
As at December 31, 2014

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	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	
IBNR Amount	\$15,816	\$154,010	\$124,260	\$88,179	\$43,762	\$919	\$308	\$140	\$427,392
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$15,816	\$154,010	\$124,260	\$88,179	\$43,762	\$919	\$308	\$140	\$427,392
Paid to Date	\$0	\$355,042	\$0	\$0	\$0	\$0	\$0	\$0	\$355,042
Total Ultimate Incurred	\$15,816	\$509,052	\$124,260	\$88,179	\$43,762	\$919	\$308	\$140	\$782,434
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$482	\$4,697	\$3,790	\$2,689	\$1,335	\$28	\$9	\$4	\$13,035
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$482	\$4,697	\$3,790	\$2,689	\$1,335	\$28	\$9	\$4	\$13,035
<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	\$355,042	\$0	\$0	\$0	\$0	\$0	\$0	\$355,042
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	\$15,816	\$154,010	\$43,491	\$21,163	\$5,470	\$0	\$0	\$0	\$239,949
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$74,556	\$62,607	\$38,292	\$919	\$111	\$140	\$176,624
Unregistered Reinsurers	\$0	\$0	\$6,213	\$4,409	\$0	\$0	\$197	\$0	\$10,819
Total Reserves Retained	\$15,816	\$154,010	\$43,491	\$21,163	\$5,470	\$0	\$0	\$0	\$239,949
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$74,556	\$62,607	\$38,292	\$919	\$111	\$140	\$176,624
Unregistered Reinsurers	\$0	\$0	\$6,213	\$4,409	\$0	\$0	\$197	\$0	\$10,819

Exhibit 2.25
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2009-1
As at December 31, 2014

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	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	
IBNR Amount	\$16,184	\$157,601	\$126,962	\$90,067	\$44,694	\$938	\$313	\$141	\$436,900
Case Reserves	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Total Reserves (Ind. & Leg.)	\$16,184	\$1,157,601	\$126,962	\$90,067	\$44,694	\$938	\$313	\$141	\$1,436,900
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$16,184	\$1,157,601	\$126,962	\$90,067	\$44,694	\$938	\$313	\$141	\$1,436,900
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$494	\$4,807	\$3,872	\$2,747	\$1,363	\$29	\$10	\$4	\$13,325
Case Reserves LAE	\$0	\$30,500	\$0	\$0	\$0	\$0	\$0	\$0	\$30,500
Total LAE(3.05%)	\$494	\$35,307	\$3,872	\$2,747	\$1,363	\$29	\$10	\$4	\$43,825
<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	\$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	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
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	\$16,184	\$157,601	\$44,437	\$21,616	\$5,587	\$0	\$0	\$0	\$245,425
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$76,177	\$63,948	\$39,107	\$938	\$113	\$141	\$180,424
Unregistered Reinsurers	\$0	\$0	\$6,348	\$4,503	\$0	\$0	\$200	\$0	\$11,052
Total Reserves Retained	\$16,184	\$1,157,601	\$44,437	\$21,616	\$5,587	\$0	\$0	\$0	\$1,245,425
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$76,177	\$63,948	\$39,107	\$938	\$113	\$141	\$180,424
Unregistered Reinsurers	\$0	\$0	\$6,348	\$4,503	\$0	\$0	\$200	\$0	\$11,052

Exhibit 2.26
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2009-2
As at December 31, 2014

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	0.099	0.099	0.099	0.099	0.099	0.099	0.099	0.099	
IBNR Amount	\$34,020	\$337,400	\$259,818	\$200,721	\$88,574	\$3,091	\$1,468	\$713	\$925,805
Case Reserves	\$0	\$2,270,520	\$0	\$0	\$0	\$0	\$0	\$0	\$2,270,520
Total Reserves (Ind. & Leg.)	\$34,020	\$2,607,920	\$259,818	\$200,721	\$88,574	\$3,091	\$1,468	\$713	\$3,196,325
Paid to Date	\$0	\$2,758,253	\$0	\$0	\$0	\$0	\$0	\$0	\$2,758,253
Total Ultimate Incurred	\$34,020	\$5,366,173	\$259,818	\$200,721	\$88,574	\$3,091	\$1,468	\$713	\$5,954,578
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$1,038	\$10,291	\$7,924	\$6,122	\$2,702	\$94	\$45	\$22	\$28,237
Case Reserves LAE	\$0	\$69,251	\$0	\$0	\$0	\$0	\$0	\$0	\$69,251
Total LAE(3.05%)	\$1,038	\$79,542	\$7,924	\$6,122	\$2,702	\$94	\$45	\$22	\$97,488
<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	\$2,758,253	\$0	\$0	\$0	\$0	\$0	\$0	\$2,758,253
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	\$2,270,520	\$0	\$0	\$0	\$0	\$0	\$0	\$2,270,520
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	\$34,020	\$337,400	\$116,918	\$56,202	\$13,286	\$0	\$0	\$0	\$557,826
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$135,105	\$136,490	\$75,288	\$3,091	\$528	\$713	\$351,216
Unregistered Reinsurers	\$0	\$0	\$7,795	\$8,029	\$0	\$0	\$939	\$0	\$16,763
Total Reserves Retained	\$34,020	\$2,607,920	\$116,918	\$56,202	\$13,286	\$0	\$0	\$0	\$2,828,346
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$135,105	\$136,490	\$75,288	\$3,091	\$528	\$713	\$351,216
Unregistered Reinsurers	\$0	\$0	\$7,795	\$8,029	\$0	\$0	\$939	\$0	\$16,763

Exhibit 2.27
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2010-1
As at December 31, 2014

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	0.099	0.099	0.099	0.099	0.099	0.099	0.099	0.099	
IBNR Amount	\$34,430	\$341,462	\$261,807	\$202,196	\$89,188	\$3,109	\$1,480	\$726	\$934,398
Case Reserves	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
Total Reserves (Ind. & Leg.)	\$34,430	\$2,341,462	\$261,807	\$202,196	\$89,188	\$3,109	\$1,480	\$726	\$2,934,398
Paid to Date	\$0	\$4,522,604	\$356,558	\$0	\$0	\$0	\$0	\$0	\$4,879,162
Total Ultimate Incurred	\$34,430	\$6,864,066	\$618,365	\$202,196	\$89,188	\$3,109	\$1,480	\$726	\$7,813,560
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$1,050	\$10,415	\$7,985	\$6,167	\$2,720	\$95	\$45	\$22	\$28,499
Case Reserves LAE	\$0	\$61,000	\$0	\$0	\$0	\$0	\$0	\$0	\$61,000
Total LAE(3.05%)	\$1,050	\$71,415	\$7,985	\$6,167	\$2,720	\$95	\$45	\$22	\$89,499
<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	\$34,430	\$341,462	\$117,813	\$56,615	\$13,378	\$0	\$0	\$0	\$563,698
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$136,140	\$137,493	\$75,810	\$3,109	\$533	\$726	\$353,810
Unregistered Reinsurers	\$0	\$0	\$7,854	\$8,088	\$0	\$0	\$947	\$0	\$16,889
Total Reserves Retained	\$34,430	\$2,341,462	\$117,813	\$56,615	\$13,378	\$0	\$0	\$0	\$2,563,698
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$136,140	\$137,493	\$75,810	\$3,109	\$533	\$726	\$353,810
Unregistered Reinsurers	\$0	\$0	\$7,854	\$8,088	\$0	\$0	\$947	\$0	\$16,889

Exhibit 2.28
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2010-2
As at December 31, 2014

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	0.237	0.237	0.237	0.237	0.237	0.237	0.237	0.237	
IBNR Amount	\$73,839	\$757,831	\$592,976	\$470,037	\$206,093	\$11,223	\$6,452	\$3,058	\$2,121,507
Case Reserves	\$0	\$35,405	\$0	\$0	\$0	\$0	\$0	\$0	\$35,405
Total Reserves (Ind. & Leg.)	\$73,839	\$793,236	\$592,976	\$470,037	\$206,093	\$11,223	\$6,452	\$3,058	\$2,156,912
Paid to Date	\$242,012	\$14,595	\$0	\$0	\$0	\$0	\$0	\$0	\$256,607
Total Ultimate Incurred	\$315,851	\$807,831	\$592,976	\$470,037	\$206,093	\$11,223	\$6,452	\$3,058	\$2,413,519
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$2,252	\$23,114	\$18,086	\$14,336	\$6,286	\$342	\$197	\$93	\$64,706
Case Reserves LAE	\$0	\$1,080	\$0	\$0	\$0	\$0	\$0	\$0	\$1,080
Total LAE(3.05%)	\$2,252	\$24,194	\$18,086	\$14,336	\$6,286	\$342	\$197	\$93	\$65,786
<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	\$14,595	\$0	\$0	\$0	\$0	\$0	\$0	\$256,607
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	\$35,405	\$0	\$0	\$0	\$0	\$0	\$0	\$35,405
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	\$73,839	\$757,831	\$296,488	\$141,011	\$41,219	\$0	\$0	\$0	\$1,310,387
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$281,664	\$317,275	\$164,874	\$11,223	\$2,323	\$3,058	\$780,416
Unregistered Reinsurers	\$0	\$0	\$14,824	\$11,751	\$0	\$0	\$4,129	\$0	\$30,704
Total Reserves Retained	\$73,839	\$793,236	\$296,488	\$141,011	\$41,219	\$0	\$0	\$0	\$1,345,792
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$281,664	\$317,275	\$164,874	\$11,223	\$2,323	\$3,058	\$780,416
Unregistered Reinsurers	\$0	\$0	\$14,824	\$11,751	\$0	\$0	\$4,129	\$0	\$30,704

Exhibit 2.29
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2011-1
As at December 31, 2014

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	0.237	0.237	0.237	0.237	0.237	0.237	0.237	0.237	
IBNR Amount	\$74,725	\$766,930	\$601,370	\$476,733	\$209,066	\$11,391	\$6,592	\$3,140	\$2,149,948
Case Reserves	\$0	\$2,510,699	\$7,500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$11,510,699
Total Reserves (Ind. & Leg.)	\$74,725	\$3,277,628	\$8,101,370	\$1,976,733	\$209,066	\$11,391	\$6,592	\$3,140	\$13,660,647
Paid to Date	\$0	\$3,439,302	\$0	\$0	\$0	\$0	\$0	\$0	\$3,439,302
Total Ultimate Incurred	\$74,725	\$6,716,931	\$8,101,370	\$1,976,733	\$209,066	\$11,391	\$6,592	\$3,140	\$17,099,949
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$2,279	\$23,391	\$18,342	\$14,540	\$6,377	\$347	\$201	\$96	\$65,573
Case Reserves LAE	\$0	\$76,576	\$228,750	\$45,750	\$0	\$0	\$0	\$0	\$351,076
Total LAE(3.05%)	\$2,279	\$99,968	\$247,092	\$60,290	\$6,377	\$347	\$201	\$96	\$416,650
<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	\$3,439,302	\$0	\$0	\$0	\$0	\$0	\$0	\$3,439,302
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	\$2,510,699	\$3,750,000	\$450,000	\$0	\$0	\$0	\$0	\$6,710,699
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	\$74,725	\$766,930	\$300,685	\$143,020	\$41,813	\$0	\$0	\$0	\$1,327,173
IBNR Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$285,651	\$321,795	\$167,253	\$11,391	\$2,373	\$3,140	\$791,603
Unregistered Reinsurers	\$0	\$0	\$15,034	\$11,918	\$0	\$0	\$4,219	\$0	\$31,171
Total Reserves Retained	\$74,725	\$3,277,628	\$4,050,685	\$593,020	\$41,813	\$0	\$0	\$0	\$8,037,872
Reserves Ceded to									
Registered Reinsurers	\$0	\$0	\$3,848,151	\$1,334,295	\$167,253	\$11,391	\$2,373	\$3,140	\$5,366,604
Unregistered Reinsurers	\$0	\$0	\$202,534	\$49,418	\$0	\$0	\$4,219	\$0	\$256,171

Exhibit 2.30
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2011-2
As at December 31, 2014

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	0.420	0.420	0.420	0.420	0.420	0.420	0.420	0.420	
IBNR Amount	\$122,563	\$1,226,136	\$628,775	\$766,469	\$854,448	\$1,225	\$2,267	\$6,806	\$3,608,689
Case Reserves	\$0	\$1,360,254	\$0	\$0	\$0	\$0	\$0	\$0	\$1,360,254
Total Reserves (Ind. & Leg.)	\$122,563	\$2,586,390	\$628,775	\$766,469	\$854,448	\$1,225	\$2,267	\$6,806	\$4,968,943
Paid to Date	\$106,507	\$89,746	\$0	\$0	\$0	\$0	\$0	\$0	\$196,253
Total Ultimate Incurred	\$229,070	\$2,676,136	\$628,775	\$766,469	\$854,448	\$1,225	\$2,267	\$6,806	\$5,165,196
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$3,738	\$37,397	\$19,178	\$23,377	\$26,061	\$37	\$69	\$208	\$110,065
Case Reserves LAE	\$0	\$41,488	\$0	\$0	\$0	\$0	\$0	\$0	\$41,488
Total LAE(3.05%)	\$3,738	\$78,885	\$19,178	\$23,377	\$26,061	\$37	\$69	\$208	\$151,553
<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	\$106,507	\$22,437	\$0	\$0	\$0	\$0	\$0	\$0	\$128,944
Paid Ceded to									
Colchester	\$0	\$22,437	\$0	\$0	\$0	\$0	\$0	\$0	\$22,437
Registered Reinsurers	\$0	\$44,873	\$0	\$0	\$0	\$0	\$0	\$0	\$44,873
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Case Reserves Retained	\$0	\$340,064	\$0	\$0	\$0	\$0	\$0	\$0	\$340,064
Case Reserves Ceded to									
Colchester	\$0	\$340,064	\$0	\$0	\$0	\$0	\$0	\$0	\$340,064
Registered Reinsurers	\$0	\$680,127	\$0	\$0	\$0	\$0	\$0	\$0	\$680,127
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IBNR Reserves Retained	\$122,563	\$306,534	\$157,194	\$191,617	\$213,612	\$0	\$0	\$0	\$991,520
IBNR Reserves Ceded to									
Colchester	\$0	\$306,534	\$157,194	\$191,617	\$213,612	\$0	\$0	\$0	\$868,957
Registered Reinsurers	\$0	\$613,068	\$314,387	\$383,235	\$427,224	\$1,225	\$1,723	\$5,173	\$1,746,035
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$544	\$1,634	\$2,178
Total Reserves Retained	\$122,563	\$646,597	\$157,194	\$191,617	\$213,612	\$0	\$0	\$0	\$1,331,584
Reserves Ceded to									
Colchester	\$0	\$646,597	\$157,194	\$191,617	\$213,612	\$0	\$0	\$0	\$1,209,020
Registered Reinsurers	\$0	\$1,293,195	\$314,387	\$383,235	\$427,224	\$1,225	\$1,723	\$5,173	\$2,426,162
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$544	\$1,634	\$2,178

Exhibit 2.31
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2012-1
As at December 31, 2014

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	0.420	0.420	0.420	0.420	0.420	0.420	0.420	0.420	
IBNR Amount	\$125,984	\$1,260,353	\$646,322	\$775,807	\$864,857	\$1,240	\$2,290	\$5,754	\$3,682,606
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$125,984	\$1,260,353	\$646,322	\$775,807	\$864,857	\$1,240	\$2,290	\$5,754	\$3,682,606
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$125,984	\$1,260,353	\$646,322	\$775,807	\$864,857	\$1,240	\$2,290	\$5,754	\$3,682,606
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$3,842	\$38,441	\$19,713	\$23,662	\$26,378	\$38	\$70	\$175	\$112,319
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$3,842	\$38,441	\$19,713	\$23,662	\$26,378	\$38	\$70	\$175	\$112,319
<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	\$125,984	\$315,088	\$161,580	\$193,952	\$216,214	\$0	\$0	\$0	\$1,012,818
IBNR Reserves Ceded to									
Colchester	\$0	\$315,088	\$161,580	\$193,952	\$216,214	\$0	\$0	\$0	\$886,835
Registered Reinsurers	\$0	\$630,177	\$323,161	\$387,903	\$432,428	\$1,240	\$1,740	\$4,373	\$1,781,023
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$550	\$1,381	\$1,931
Total Reserves Retained	\$125,984	\$315,088	\$161,580	\$193,952	\$216,214	\$0	\$0	\$0	\$1,012,818
Reserves Ceded to									
Colchester	\$0	\$315,088	\$161,580	\$193,952	\$216,214	\$0	\$0	\$0	\$886,835
Registered Reinsurers	\$0	\$630,177	\$323,161	\$387,903	\$432,428	\$1,240	\$1,740	\$4,373	\$1,781,023
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$550	\$1,381	\$1,931

Exhibit 2.32
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2012-2
As at December 31, 2014

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	0.619	0.619	0.619	0.619	0.619	0.619	0.619	0.619	
IBNR Amount	\$154,324	\$1,505,312	\$860,264	\$1,082,279	\$1,409,519	\$12,777	\$12,291	\$31,550	\$5,068,316
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$154,324	\$1,505,312	\$860,264	\$1,082,279	\$1,409,519	\$12,777	\$12,291	\$31,550	\$5,068,316
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$154,324	\$1,505,312	\$860,264	\$1,082,279	\$1,409,519	\$12,777	\$12,291	\$31,550	\$5,068,316
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$4,707	\$45,912	\$26,238	\$33,009	\$42,990	\$390	\$375	\$962	\$154,584
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$4,707	\$45,912	\$26,238	\$33,009	\$42,990	\$390	\$375	\$962	\$154,584
<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	\$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	\$154,324	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$154,324
IBNR Reserves Ceded to									
Colchester	\$0	\$526,859	\$301,093	\$378,798	\$493,332	\$0	\$0	\$0	\$1,700,081
Registered Reinsurers	\$0	\$978,453	\$559,172	\$703,481	\$916,187	\$12,777	\$9,341	\$23,978	\$3,203,389
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$2,950	\$7,572	\$10,522
Total Reserves Retained	\$154,324	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$154,324
Reserves Ceded to									
Colchester	\$0	\$526,859	\$301,093	\$378,798	\$493,332	\$0	\$0	\$0	\$1,700,081
Registered Reinsurers	\$0	\$978,453	\$559,172	\$703,481	\$916,187	\$12,777	\$9,341	\$23,978	\$3,203,389
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$2,950	\$7,572	\$10,522

Exhibit 2.33
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2013-1
As at December 31, 2014

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	0.619	0.619	0.619	0.619	0.619	0.619	0.619	0.619	
IBNR Amount	\$154,324	\$1,505,312	\$860,264	\$1,082,279	\$1,409,519	\$12,777	\$12,291	\$31,550	\$5,068,316
Case Reserves	\$13,070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,070
Total Reserves (Ind. & Leg.)	\$167,394	\$1,505,312	\$860,264	\$1,082,279	\$1,409,519	\$12,777	\$12,291	\$31,550	\$5,081,386
Paid to Date	\$11,930	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,930
Total Ultimate Incurred	\$179,324	\$1,505,312	\$860,264	\$1,082,279	\$1,409,519	\$12,777	\$12,291	\$31,550	\$5,093,316
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$4,707	\$45,912	\$26,238	\$33,009	\$42,990	\$390	\$375	\$962	\$154,584
Case Reserves LAE	\$399	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$399
Total LAE(3.05%)	\$5,106	\$45,912	\$26,238	\$33,009	\$42,990	\$390	\$375	\$962	\$154,982
<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	\$11,930	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,930
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	\$13,070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,070
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	\$154,324	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$154,324
IBNR Reserves Ceded to									
Colchester	\$0	\$526,859	\$301,093	\$378,798	\$493,332	\$0	\$0	\$0	\$1,700,081
Registered Reinsurers	\$0	\$978,453	\$559,172	\$703,481	\$916,187	\$12,777	\$9,341	\$23,978	\$3,203,389
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$2,950	\$7,572	\$10,522
Total Reserves Retained	\$167,394	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$167,394
Reserves Ceded to									
Colchester	\$0	\$526,859	\$301,093	\$378,798	\$493,332	\$0	\$0	\$0	\$1,700,081
Registered Reinsurers	\$0	\$978,453	\$559,172	\$703,481	\$916,187	\$12,777	\$9,341	\$23,978	\$3,203,389
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$0	\$2,950	\$7,572	\$10,522

Exhibit 2.34
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period : 2013-2
As at December 31, 2014

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	0.842	0.842	0.842	0.842	0.842	0.842	0.842	0.842	
IBNR Amount	\$186,738	\$1,899,195	\$1,016,799	\$1,289,492	\$1,569,632	\$17,080	\$11,142	\$25,514	\$6,015,592
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$186,738	\$1,899,195	\$1,016,799	\$1,289,492	\$1,569,632	\$17,080	\$11,142	\$25,514	\$6,015,592
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$186,738	\$1,899,195	\$1,016,799	\$1,289,492	\$1,569,632	\$17,080	\$11,142	\$25,514	\$6,015,592
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$5,696	\$57,925	\$31,012	\$39,330	\$47,874	\$521	\$340	\$778	\$183,476
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$5,696	\$57,925	\$31,012	\$39,330	\$47,874	\$521	\$340	\$778	\$183,476
<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	\$186,738	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$186,738
IBNR Reserves Ceded to									
Colchester	\$0	\$569,758	\$305,040	\$386,848	\$470,890	\$0	\$0	\$0	\$1,732,536
Registered Reinsurers	\$0	\$1,329,436	\$711,759	\$902,645	\$1,098,743	\$15,030	\$10,362	\$23,728	\$4,091,703
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,050	\$780	\$1,786	\$4,616
Total Reserves Retained	\$186,738	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$186,738
Reserves Ceded to									
Colchester	\$0	\$569,758	\$305,040	\$386,848	\$470,890	\$0	\$0	\$0	\$1,732,536
Registered Reinsurers	\$0	\$1,329,436	\$711,759	\$902,645	\$1,098,743	\$15,030	\$10,362	\$23,728	\$4,091,703
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,050	\$780	\$1,786	\$4,616

Exhibit 2.35
Canadian Lawyers Liability Assurance Society

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

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	0.842	0.842	0.842	0.842	0.842	0.842	0.842	0.842	
IBNR Amount	\$192,863	\$1,961,491	\$1,050,152	\$1,331,790	\$1,621,119	\$17,640	\$11,142	\$25,514	\$6,211,711
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$192,863	\$1,961,491	\$1,050,152	\$1,331,790	\$1,621,119	\$17,640	\$11,142	\$25,514	\$6,211,711
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$192,863	\$1,961,491	\$1,050,152	\$1,331,790	\$1,621,119	\$17,640	\$11,142	\$25,514	\$6,211,711
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$5,882	\$59,825	\$32,030	\$40,620	\$49,444	\$538	\$340	\$778	\$189,457
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$5,882	\$59,825	\$32,030	\$40,620	\$49,444	\$538	\$340	\$778	\$189,457
<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	\$192,863	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$192,863
IBNR Reserves Ceded to									
Colchester	\$0	\$588,447	\$315,045	\$399,537	\$486,336	\$0	\$0	\$0	\$1,789,365
Registered Reinsurers	\$0	\$1,373,044	\$735,106	\$932,253	\$1,134,783	\$15,523	\$10,362	\$23,728	\$4,224,799
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,117	\$780	\$1,786	\$4,683
Total Reserves Retained	\$192,863	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$192,863
Reserves Ceded to									
Colchester	\$0	\$588,447	\$315,045	\$399,537	\$486,336	\$0	\$0	\$0	\$1,789,365
Registered Reinsurers	\$0	\$1,373,044	\$735,106	\$932,253	\$1,134,783	\$15,523	\$10,362	\$23,728	\$4,224,799
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,117	\$780	\$1,786	\$4,683

Exhibit 2.36
Canadian Lawyers Liability Assurance Society

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

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	0.921	0.921	0.921	0.921	0.921	0.921	0.921	0.921	
IBNR Amount	\$219,595	\$2,193,910	\$1,198,775	\$1,542,616	\$1,845,227	\$19,367	\$4,827	\$24,663	\$7,048,979
Case Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves (Ind. & Leg.)	\$219,595	\$2,193,910	\$1,198,775	\$1,542,616	\$1,845,227	\$19,367	\$4,827	\$24,663	\$7,048,979
Paid to Date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Ultimate Incurred	\$219,595	\$2,193,910	\$1,198,775	\$1,542,616	\$1,845,227	\$19,367	\$4,827	\$24,663	\$7,048,979
<u>Derivation of Loss Adjustment Expenses</u>									
IBNR LAE	\$6,698	\$66,914	\$36,563	\$47,050	\$56,279	\$591	\$147	\$752	\$214,994
Case Reserves LAE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LAE(3.05%)	\$6,698	\$66,914	\$36,563	\$47,050	\$56,279	\$591	\$147	\$752	\$214,994
<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	\$219,595	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$219,595
IBNR Reserves Ceded to									
Colchester	\$0	\$438,782	\$239,755	\$308,523	\$369,045	\$0	\$0	\$0	\$1,356,105
Registered Reinsurers	\$0	\$1,755,128	\$959,020	\$1,234,092	\$1,476,181	\$17,043	\$4,489	\$22,936	\$5,468,890
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,324	\$338	\$1,726	\$4,388
Total Reserves Retained	\$219,595	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$219,595
Reserves Ceded to									
Colchester	\$0	\$438,782	\$239,755	\$308,523	\$369,045	\$0	\$0	\$0	\$1,356,105
Registered Reinsurers	\$0	\$1,755,128	\$959,020	\$1,234,092	\$1,476,181	\$17,043	\$4,489	\$22,936	\$5,468,890
Unregistered Reinsurers	\$0	\$0	\$0	\$0	\$0	\$2,324	\$338	\$1,726	\$4,388

Exhibit 2.37
Canadian Lawyers Liability Assurance Society

IBNR - Reflecting Proportional Reinsurance
Period: All Years
As at December 31, 2014

<u>Layer</u>	<u>Total</u>
IBNR Amount	\$47,446,450
Case Reserves	\$23,189,745
Total Reserves (Ind. & Leg.)	\$70,636,195
Paid to Date	\$178,359,924
Total Ultimate Incurred	\$248,996,119
 Paid to Date Retained	 \$80,982,950
Paid Ceded to	
Colchester	\$22,437
Registered Reinsurers	\$89,744,673
Unregistered Reinsurers	\$7,609,865
 Case Reserves Retained	 \$17,369,554
Case Reserves Ceded to	
Colchester	\$340,064
Registered Reinsurers	\$5,255,127
Unregistered Reinsurers	\$225,000
 IBNR Reserves Retained	 \$8,948,885
IBNR Reserves Ceded to	
Colchester	\$10,033,960
Registered Reinsurers	\$28,177,979
Unregistered Reinsurers	\$285,627
 Total Reserves Retained	 \$26,318,439
Reserves Ceded to	
Colchester	\$10,374,023
Registered Reinsurers	\$33,433,106
Unregistered Reinsurers	\$510,627

Exhibit 3
Canadian Lawyers Liability Assurance Society

Summary of Loss Experience
Gross of Reinsurance
As at December 31, 2014

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	142,491	17,696,247	14,694,378	120%
2002/2003	3,464,605	556,541	360,059	4,381,205	17,346,379	25%
2003/2004	38,933,335	0	428,845	39,362,180	22,376,007	176%
2004/2005	1,262,333	811,662	456,728	2,530,723	24,676,487	10%
2005/2006	765,546	50,000	587,820	1,403,366	25,025,027	6%
2006/2007	6,474,107	0	894,570	7,368,677	33,356,139	22%
2007/2008	14,167,671	3,581,594	875,777	18,625,042	27,040,048	69%
2008/2009	355,042	1,000,000	864,292	2,219,335	24,343,680	9%
2009/2010	7,637,415	4,270,520	1,860,203	13,768,138	23,632,747	58%
2010/2011	3,695,910	11,546,104	4,271,455	19,513,469	20,852,074	94%
2011/2012	196,253	1,360,254	7,291,296	8,847,803	17,006,743	52%
2012/2013	11,930	13,070	10,136,632	10,161,632	14,228,728	71%
2013/2014	0	0	12,227,303	12,227,303	13,954,400	88%
2014/2015	0	0	7,048,979	7,048,979	6,513,836	108%
Total	178,359,924	23,189,745	47,446,450	248,996,119	375,093,383	66%
December 31, 1996 Retroassessment Call					7,000,000	
June 30, 1998 Retroassessment Call					1,600,000	
Total Including Retroassessment Calls				248,996,119	383,693,383	65%

(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, 2014

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	42,756	5,644,537	30.0%	\$4.7M xs \$3.3M	2,301,781	0	42,756	2,344,537	0	0	0	0
2002/2003	3,464,605	556,541	169,359	4,190,505	30.0%	\$7.5M xs \$5.5M	0	0	50,808	50,808	48,807	556,541	118,551	723,899
2003/2004	13,933,335	0	203,489	14,136,824	30.0%	\$7.5M xs \$5.5M	7,500,000	0	0	7,500,000	0	0	203,489	203,489
2004/2005	1,262,333	811,662	214,835	2,288,831	30.0%	\$7.5M xs \$5.5M	0	0	64,451	64,451	0	811,662	150,385	962,047
2005/2006	765,546	50,000	273,338	1,088,884	40.0%	\$9.5M xs \$5.5M	0	0	109,335	109,335	53,432	50,000	164,003	267,435
2006/2007	5,769,472	0	433,904	6,203,376	10.0%	\$5M xs \$15M	0	0	43,390	43,390	719,159	0	390,514	1,109,673
2007/2008	8,521,400	3,581,594	454,563	12,557,557	10.0%	\$5M xs \$15M	0	0	45,456	45,456	84,264	3,581,594	409,107	4,074,965
2008/2009	355,042	1,000,000	485,374	1,840,416	10.0%	\$5M xs \$15M	0	0	48,537	48,537	350,000	1,000,000	436,837	1,786,837
2009/2010	7,441,308	4,270,520	1,121,525	12,833,353	15.0%	\$10M xs \$15M	0	0	168,229	168,229	7,421,612	4,270,520	953,296	12,645,428
2010/2011	3,695,910	6,746,104	2,637,560	13,079,573	17.5%	\$10M xs \$15M	0	0	461,573	461,573	1,622,473	6,746,104	2,175,987	10,544,564
2011/2012	128,944	340,064	2,004,338	2,473,345	3.5%	\$22.5M xs \$17.5M	0	0	70,152	70,152	22,437	340,064	1,934,186	2,296,687
2012/2013	11,930	13,070	308,647	333,647	0.0%	\$10M xs \$5M	0	0	0	0	0	0	0	0
2013/2014	0	0	379,601	379,601	0.0%	\$10M xs \$5M	0	0	0	0	0	0	0	0
2014/2015	0	0	219,595	219,595	0.0%	\$10M xs \$5M	0	0	0	0	0	0	0	0
Total	80,993,311	17,369,554	8,948,885	107,311,750			20,483,684	0	1,104,687	21,588,371	10,322,185	17,356,484	6,936,354	34,615,024

(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, 2014

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	8,437,136	0	0	8,437,136	10,121,699	83%
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	11,930	13,070	308,647	333,647	3,352,235	10%
2013/2014	0	0	379,601	379,601	3,154,848	12%
2014/2015	0	0	219,595	219,595	1,238,593	18%
Total	50,187,441	13,070	907,844	51,108,355	121,059,841	42%
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				51,108,355	84,959,841	60%

(1) Fixed per L.P.T. for periods prior to June 30, 2012; 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
(2) 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, 2014

Calendar Year	(1) Estimated Annual Claims Management Expenses	(2) Assumed Portion Applicable to Losses Outstanding As at December 31, 2014	(3) Future Indexing (3% per year) As at December 31, 2014	(4) Estimated Provision As at December 31, 2014
2015	507,000	7/7	1.000	507,000
2016	507,000	6/7	1.030	447,609
2017	507,000	5/7	1.061	384,197
2018	507,000	4/7	1.093	316,579
2019	507,000	3/7	1.126	244,557
2020	507,000	2/7	1.159	167,929
2021	507,000	1/7	1.194	86,484
Total				2,154,354

Gross Outstanding Liabilities

(5)	Case Reserves	23,189,745
(6)	IBNR	47,446,450
(7)	Total	70,636,195

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

(8)	Indicated	3.05%
(9)	Selected	3.05%

(1) Based upon actual CLLAS internal claims management expenses of \$517,000 in 2014 and estimated 2015 expenses of \$507,000

(2) Selected per actuarial judgment

(3) = $1.03^{(\text{Year} - 2015)}$

(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, 2014

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	3.05%	0	0	3.05%	0	0
1988/1989	0	3.05%	0	0	3.05%	0	0
1989/1990	0	3.05%	0	0	3.05%	0	0
1990/1991	0	3.05%	0	0	3.05%	0	0
1991/1992	0	3.05%	0	0	3.05%	0	0
1992/1993	0	3.05%	0	0	3.05%	0	0
1993/1994	0	3.05%	0	0	3.05%	0	0
1994/1995	0	3.05%	0	0	3.05%	0	0
1995/1996	0	3.05%	0	0	3.05%	0	0
1996/1997	0	3.05%	0	0	3.05%	0	0
1997/1998	0	3.05%	0	0	3.05%	0	0
1998/1999	0	3.05%	0	0	3.05%	0	0
1999/2000	0	3.05%	0	0	3.05%	0	0
2000/2001	0	3.05%	0	0	3.05%	0	0
2001/2002	0	3.05%	0	142,491	3.05%	4,346	4,346
2002/2003	556,541	3.05%	16,975	360,059	3.05%	10,982	27,956
2003/2004	0	3.05%	0	428,845	3.05%	13,080	13,080
2004/2005	811,662	3.05%	24,756	456,728	3.05%	13,930	38,686
2005/2006	50,000	3.05%	1,525	587,820	3.05%	17,929	19,454
2006/2007	0	3.05%	0	894,570	3.05%	27,284	27,284
2007/2008	3,581,594	3.05%	109,239	875,777	3.05%	26,711	135,950
2008/2009	1,000,000	3.05%	30,500	864,292	3.05%	26,361	56,861
2009/2010	4,270,520	3.05%	130,251	1,860,203	3.05%	56,736	186,987
2010/2011	11,546,104	3.05%	352,156	4,271,455	3.05%	130,279	482,436
2011/2012	1,360,254	3.05%	41,488	7,291,296	3.05%	222,385	263,872
2012/2013	13,070	3.05%	399	10,136,632	3.05%	309,167	309,566
2013/2014	0	3.05%	0	12,227,303	3.05%	372,933	372,933
2014/2015	0	3.05%	0	7,048,979	3.05%	214,994	214,994
Total	23,189,745	3.05%	707,287	47,446,450	3.05%	1,447,117	2,154,404

- (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, 2014

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									
Canadian Imperial Bank BA	1,570,000		2015-01-28	1,567,249	1,567,249	2014-12-31	1.20%	1.20%	0.076
Bank of Nova Scotia BA	1,525,000		2015-01-30	1,522,455	1,522,455	2014-12-31	1.20%	1.20%	0.082
Toronto Dominion Bank BA	1,030,000		2015-01-05	1,028,173	1,028,173	2014-12-31	1.20%	1.20%	0.014
TREASURY BILLS									
Canada Treasury Bills	1,500,000		2015-01-15	1,498,230	1,498,230	2014-12-31	0.90%	0.90%	0.041
Canada Treasury Bills	1,630,000		2015-02-26	1,627,079	1,627,079	2014-12-31	0.90%	0.90%	0.155
Canada Treasury Bills	1,760,000		2015-02-12	1,757,950	1,757,950	2014-12-31	0.90%	0.90%	0.117
GOVERNMENT BONDS									
Canada Housing Trust	300,000	1.85%	2016-12-15	303,900	304,047	2014-12-31	1.15%	1.15%	1.929
Canada Housing Trust	250,000	1.75%	2018-06-15	250,275	252,738	2014-12-31	1.42%	1.43%	3.367
Canada Housing Trust	250,000	1.95%	2019-06-15	250,238	254,007	2014-12-31	1.58%	1.58%	4.288
Canada Housing Trust	200,000	2.40%	2022-12-15	200,740	204,523	2014-12-31	2.09%	2.10%	7.292
British Columbia Province	250,000	3.25%	2021-12-18	255,750	268,770	2014-12-31	2.09%	2.10%	6.311
Ontario Province	350,000	2.10%	2018-09-08	348,495	356,938	2014-12-31	1.54%	1.55%	3.544
Ontario Province	250,000	3.15%	2022-06-02	247,600	264,338	2014-12-31	2.30%	2.32%	6.684
Alberta Province	300,000	1.85%	2016-09-01	304,050	303,592	2014-12-31	1.12%	1.13%	1.639
Ontario Province	330,000	1.90%	2017-09-08	330,594	334,568	2014-12-31	1.37%	1.38%	2.616
CORPORATE BONDS									
Royal Bank of Canada	200,000	2.26%	2018-03-12	198,560	201,734	2014-12-31	1.98%	1.99%	3.082
Bank of Montreal	200,000	3.40%	2021-04-23	201,300	210,789	2014-12-31	2.47%	2.49%	5.717
Wells Fargo	200,000	2.94%	2019-07-25	200,040	206,308	2014-12-31	2.21%	2.23%	4.260
Bank of Nova Scotia	200,000	2.10%	2016-11-08	200,640	201,390	2014-12-31	1.72%	1.72%	1.823
Toronto Dominion Bank	200,000	2.43%	2017-08-15	201,460	203,024	2014-12-31	1.84%	1.85%	2.537
Wells Fargo	150,000	3.46%	2023-01-24	153,542	155,290	2014-12-31	2.96%	2.99%	7.024
Bank of Montreal	300,000	2.84%	2020-06-04	305,307	307,949	2014-12-31	2.32%	2.33%	5.062
TOTAL	12,945,000			12,953,626	13,031,141			1.96%	1.315

(10) Duration-Weighted Effective Market Yield: 1.96%

(11) Selected Discount Rate: 1.85%

(1) - (5) From Investment Manager

(6) Valuation Date = December 31, 2014

(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, 2014

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	5.00%	5.00%
			Potential problem reinsurers	1	1		
			Balance sheet exposure for each assuming company	1	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, 2014

Policy Period	(1)	(2)	(3)	(4)	(5)		(6)	(7)			(8)	(9)	(10)	(11)
	Undiscounted Liabilities				Present Value of Gross Outstanding Liabilities			Provisions for Adverse Deviation						Gross Claim Liabilities
	Case Reserves	Provision for IBNR	Provision for ULAE	Total	at 1.85%	at 1.35%		Claims at 10.00%	Reinsurance at 5.00%	Interest Rate at 0.50%			Total	
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	142,491	4,346	146,837	142,358	143,541	14,236	0	1,184	15,420	157,777	157,777	157,777	157,777
2002/2003	556,541	360,059	27,956	944,556	909,632	918,826	90,963	0	9,194	100,157	1,009,789	1,009,789	1,009,789	1,009,789
2003/2004	0	428,845	13,080	441,924	422,307	427,451	42,231	0	5,144	47,375	469,682	469,682	469,682	469,682
2004/2005	811,662	456,728	38,686	1,307,076	1,238,873	1,256,686	123,887	0	17,813	141,700	1,380,573	1,380,573	1,380,573	1,380,573
2005/2006	50,000	587,820	19,454	657,273	617,756	628,034	61,776	0	10,278	72,054	689,810	689,810	689,810	689,810
2006/2007	0	894,570	27,284	921,854	860,241	876,201	86,024	0	15,960	101,984	962,225	962,225	962,225	962,225
2007/2008	3,581,594	875,777	135,950	4,593,321	4,288,484	4,367,175	428,848	0	78,690	507,539	4,796,023	4,796,023	4,796,023	4,796,023
2008/2009	1,000,000	864,292	56,861	1,921,153	1,796,713	1,828,757	179,671	0	32,044	211,715	2,008,428	2,008,428	2,008,428	2,008,428
2009/2010	4,270,520	1,860,203	186,987	6,317,710	5,903,641	6,010,069	590,364	0	106,428	696,792	6,600,433	6,600,433	6,600,433	6,600,433
2010/2011	11,546,104	4,271,455	482,436	16,299,995	15,173,375	15,462,427	1,517,338	0	289,051	1,806,389	16,979,764	16,979,764	16,979,764	16,979,764
2011/2012	1,360,254	7,291,296	263,872	8,915,422	8,242,382	8,414,680	824,238	0	172,298	996,537	9,238,919	9,238,919	9,238,919	9,238,919
2012/2013	13,070	10,136,632	309,566	10,459,268	9,598,836	9,818,520	959,884	0	219,684	1,179,568	10,778,403	10,778,403	10,778,403	10,778,403
2013/2014	0	12,227,303	372,933	12,600,236	11,475,317	11,761,663	1,147,532	0	286,346	1,433,877	12,909,194	12,909,194	12,909,194	12,909,194
2014/2015	0	7,048,979	214,994	7,263,973	6,537,869	6,722,052	653,787	0	184,183	837,970	7,375,839	7,375,839	7,375,839	7,375,839
Total	23,189,745	47,446,450	2,154,404	72,790,599	67,207,785	68,636,083	6,720,778	0	1,428,298	8,149,076	75,356,861	75,356,861	75,356,861	75,356,861

(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 1.85% discount factor using the payment pattern selected in Exh. 1.1

(6) Present value of column (2) at a 1.35% discount factor using the payment pattern selected in Exh. 1.1

(7) = 10.00% x (5)

(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, 2014

Policy Period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Undiscounted Liabilities				Present Value of Net		Provisions for Adverse Deviation			Total	Net Claim Liabilities
	Case Reserves	Provision for IBNR	Provision for ULAE	Total	Outstanding Liabilities		Claims at 10.00%	Reinsurance at 5.00%	Interest Rate at 0.50%		
					at 1.85%	at 1.35%					
1987/1988	0	0	0	0	0	0	0	0	0	0	0
1988/1989	0	0	0	0	0	0	0	0	0	0	0
1989/1990	0	0	0	0	0	0	0	0	0	0	0
1990/1991	0	0	0	0	0	0	0	0	0	0	0
1991/1992	0	0	0	0	0	0	0	0	0	0	0
1992/1993	0	0	0	0	0	0	0	0	0	0	0
1993/1994	0	0	0	0	0	0	0	0	0	0	0
1994/1995	0	0	0	0	0	0	0	0	0	0	0
1995/1996	0	0	0	0	0	0	0	0	0	0	0
1996/1997	0	0	0	0	0	0	0	0	0	0	0
1997/1998	0	0	0	0	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0	0	0	0	0
2001/2002	0	0	4,346	4,346	4,213	4,248	421	6,907	35	7,364	11,577
2002/2003	0	0	27,956	27,956	26,923	27,195	2,692	44,135	272	47,100	74,022
2003/2004	0	0	13,080	13,080	12,499	12,651	1,250	20,490	152	21,893	34,392
2004/2005	0	0	38,686	38,686	36,667	37,194	3,667	60,110	527	64,304	100,972
2005/2006	0	0	19,454	19,454	18,284	18,588	1,828	29,974	304	32,106	50,390
2006/2007	0	0	27,284	27,284	25,461	25,933	2,546	41,739	472	44,757	70,218
2007/2008	0	0	135,950	135,950	126,927	129,257	12,693	208,078	2,329	223,100	350,027
2008/2009	0	0	56,861	56,861	53,178	54,126	5,318	87,177	948	93,443	146,621
2009/2010	0	0	186,987	186,987	174,732	177,882	17,473	286,445	3,150	307,069	481,800
2010/2011	0	0	482,436	482,436	449,091	457,646	44,909	736,214	8,555	789,678	1,238,769
2011/2012	0	0	263,872	263,872	243,952	249,052	24,395	399,921	5,100	429,416	673,368
2012/2013	13,070	308,647	309,566	631,283	579,351	592,610	57,935	450,974	13,259	522,169	1,101,519
2013/2014	0	379,601	372,933	752,534	685,350	702,451	68,535	539,498	17,102	625,135	1,310,485
2014/2015	0	219,595	214,994	434,589	391,147	402,167	39,115	307,336	11,019	357,470	748,618
Total	13,070	907,844	2,154,404	3,075,318	2,827,775	2,891,000	282,777	3,219,000	63,226	3,565,004	6,392,778

(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 1.85% discount factor using the payment pattern selected in Exh. 1.1

(6) Present value of column (2) at a 1.35% discount factor using the payment pattern selected in Exh. 1.1

(7) = 10.00% x (5)

(8) = 5.00% 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, 2014

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Policy Period	Undiscounted			Discounted incl. PFAD		
	Case Reserves	Provisions for IBNR and ULAE	Total Reserves	Case Reserves	Provisions for IBNR and ULAE	Total Reserves
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	146,837	146,837	0	158,000	158,000
2002/2003	556,541	388,015	944,556	557,000	453,000	1,010,000
2003/2004	0	441,924	441,924	0	470,000	470,000
2004/2005	811,662	495,414	1,307,076	812,000	569,000	1,381,000
2005/2006	50,000	607,273	657,273	50,000	640,000	690,000
2006/2007	0	921,854	921,854	0	962,000	962,000
2007/2008	3,581,594	1,011,727	4,593,321	3,582,000	1,214,000	4,796,000
2008/2009	1,000,000	921,153	1,921,153	1,000,000	1,008,000	2,008,000
2009/2010	4,270,520	2,047,190	6,317,710	4,271,000	2,329,000	6,600,000
2010/2011	11,546,104	4,753,891	16,299,995	11,546,000	5,434,000	16,980,000
2011/2012	1,360,254	7,555,168	8,915,422	1,360,000	7,879,000	9,239,000
2012/2013	13,070	10,446,198	10,459,268	13,000	10,765,000	10,778,000
2013/2014	0	12,600,236	12,600,236	0	12,909,000	12,909,000
2014/2015	0	7,263,973	7,263,973	0	7,376,000	7,376,000
Total	23,189,745	49,600,854	72,790,599	23,191,000	52,166,000	75,357,000

(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, 2014

(1) Calendar Year	(2) Undiscounted			(4)	(5) Discounted incl. PFAD			(7)
	Case Reserves	Provisions for IBNR and ULAE	Total Reserves		Case Reserves	Provisions for IBNR and ULAE	Total Reserves	
1987	0	0	0		0	0	0	0
1988	0	0	0		0	0	0	0
1989	0	0	0		0	0	0	0
1990	0	0	0		0	0	0	0
1991	0	0	0		0	0	0	0
1992	0	0	0		0	0	0	0
1993	0	0	0		0	0	0	0
1994	0	0	0		0	0	0	0
1995	0	0	0		0	0	0	0
1996	0	0	0		0	0	0	0
1997	0	0	0		0	0	0	0
1998	0	0	0		0	0	0	0
1999	0	0	0		0	0	0	0
2000	0	0	0		0	0	0	0
2001	0	73,418	73,418		0	79,000	79,000	
2002	278,271	267,426	545,696		278,000	306,000	584,000	
2003	278,271	414,970	693,240		278,000	462,000	740,000	
2004	405,831	468,669	874,500		406,000	519,000	925,000	
2005	430,831	551,344	982,175		431,000	604,000	1,035,000	
2006	25,000	764,564	789,564		25,000	801,000	826,000	
2007	1,790,797	966,791	2,757,588		1,791,000	1,088,000	2,879,000	
2008	2,290,797	966,440	3,257,237		2,291,000	1,111,000	3,402,000	
2009	2,635,260	1,484,172	4,119,432		2,635,000	1,669,000	4,304,000	
2010	7,908,312	3,400,540	11,308,852		7,908,000	3,882,000	11,790,000	
2011	6,453,179	6,154,529	12,607,708		6,453,000	6,656,000	13,109,000	
2012	686,662	9,000,683	9,687,345		687,000	9,322,000	10,009,000	
2013	6,535	11,523,217	11,529,752		7,000	11,837,000	11,844,000	
2014	0	13,564,091	13,564,091		0	13,831,000	13,831,000	
Total	23,189,745	49,600,854	72,790,599		23,190,000	52,167,000	75,357,000	

(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, 2014

(1) Policy Period	(2) Undiscounted		(4) Total Reserves	(5) Discounted incl. PFAD		(7) 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	4,346	4,346	0	12,000	12,000
2002/2003	0	27,956	27,956	0	74,000	74,000
2003/2004	0	13,080	13,080	0	34,000	34,000
2004/2005	0	38,686	38,686	0	101,000	101,000
2005/2006	0	19,454	19,454	0	50,000	50,000
2006/2007	0	27,284	27,284	0	70,000	70,000
2007/2008	0	135,950	135,950	0	350,000	350,000
2008/2009	0	56,861	56,861	0	147,000	147,000
2009/2010	0	186,987	186,987	0	482,000	482,000
2010/2011	0	482,436	482,436	0	1,239,000	1,239,000
2011/2012	0	263,872	263,872	0	673,000	673,000
2012/2013	13,070	618,213	631,283	13,000	1,089,000	1,102,000
2013/2014	0	752,534	752,534	0	1,310,000	1,310,000
2014/2015	0	434,589	434,589	0	749,000	749,000
Total	13,070	3,062,248	3,075,318	13,000	6,380,000	6,393,000

(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, 2014

(1) Calendar Year	(2) Undiscounted			(4) Total Reserves	(5) Discounted incl. PFAD			(7) Total Reserves
	(2) Case Reserves	(3) Provisions for IBNR and ULAE			(5) Case Reserves	(6) 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	2,173		2,173	0	6,000		6,000
2002	0	16,151		16,151	0	43,000		43,000
2003	0	20,518		20,518	0	54,000		54,000
2004	0	25,883		25,883	0	68,000		68,000
2005	0	29,070		29,070	0	76,000		76,000
2006	0	23,369		23,369	0	60,000		60,000
2007	0	81,617		81,617	0	210,000		210,000
2008	0	96,405		96,405	0	248,000		248,000
2009	0	121,924		121,924	0	314,000		314,000
2010	0	334,711		334,711	0	860,000		860,000
2011	0	373,154		373,154	0	956,000		956,000
2012	6,535	441,043		447,578	7,000	880,000		887,000
2013	6,535	685,374		691,909	7,000	1,199,000		1,206,000
2014	0	810,856		810,856	0	1,405,000		1,405,000
Total	13,070	3,062,248		3,075,318	14,000	6,379,000		6,393,000

(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, 2005 to December 31, 2014

Policy Period	Selected Ultimate Losses									
	as at Dec. 31, 2005	as at Dec. 31, 2006	as at Dec. 31, 2007	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
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	32,530,000	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	9,374,000	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	3,940,000	3,831,000	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	365,000	182,000	99,000	0	0	0	0	0	0	0
1997/1998	503,000	303,000	192,000	96,000	0	0	0	0	0	0
1998/1999	21,111,000	20,952,000	20,652,000	20,521,000	20,372,000	20,297,000	20,297,000	20,297,000	20,297,000	20,297,000
1999/2000	8,771,000	9,491,000	9,039,000	8,906,000	8,656,000	8,580,000	8,493,000	8,493,000	8,493,000	8,493,000
2000/2001	3,580,000	3,008,000	2,868,000	2,178,000	1,572,000	1,252,000	135,000	0	135,000	0
2001/2002	24,356,000	22,027,000	21,403,000	20,370,000	19,109,000	18,859,000	17,821,000	17,696,000	17,874,000	17,696,000
2002/2003	8,861,000	9,701,000	9,578,000	8,314,000	7,481,000	7,481,000	7,201,000	6,821,000	6,921,000	4,381,000
2003/2004	40,963,000	37,567,000	33,521,000	32,241,000	33,110,000	39,695,000	40,283,000	39,662,000	39,362,000	39,362,000
2004/2005	21,568,000	15,797,000	11,259,000	7,765,000	4,819,000	3,449,000	3,170,000	3,170,000	2,622,000	2,531,000
2005/2006	23,048,000	21,066,000	13,890,000	11,783,000	8,011,000	3,431,000	1,888,000	1,888,000	1,647,000	1,403,000
2006/2007	n/a	24,464,000	23,074,000	17,371,000	15,392,000	10,491,000	9,671,000	8,230,000	7,699,000	7,369,000
2007/2008	n/a	n/a	18,186,000	16,836,000	16,998,000	16,099,000	21,598,000	17,526,000	17,343,000	18,625,000
2008/2009	n/a	n/a	n/a	16,212,000	15,032,000	10,960,000	8,738,000	6,471,000	2,953,000	2,219,000
2009/2010	n/a	n/a	n/a	n/a	17,082,000	17,034,000	14,006,000	13,158,000	12,889,000	13,768,000
2010/2011	n/a	n/a	n/a	n/a	n/a	16,400,000	17,275,000	15,446,000	14,974,000	19,513,000
2011/2012	n/a	n/a	n/a	n/a	n/a	n/a	16,346,000	14,982,000	10,852,000	8,848,000
2012/2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15,196,000	13,903,000	10,162,000
2013/2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13,246,000	12,227,000
2014/2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	14,098,000
Total	210,307,000	219,700,000	218,815,000	217,647,000	222,688,000	229,082,000	241,976,000	244,090,000	246,264,000	256,046,000

Policy Period	Changes in Ultimate Losses								
	From 2005 to 2014	From 2006 to 2014	From 2007 to 2014	From 2008 to 2014	From 2009 to 2014	From 2010 to 2014	From 2011 to 2014	From 2012 to 2014	From 2013 to 2014
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	(1,875,000)	0	0	0	0	0	0	0	0
1994/1995	(55,000)	0	0	0	0	0	0	0	0
1995/1996	(197,000)	(88,000)	0	0	0	0	0	0	0
1996/1997	(365,000)	(182,000)	(99,000)	0	0	0	0	0	0
1997/1998	(503,000)	(303,000)	(192,000)	(96,000)	0	0	0	0	0
1998/1999	(814,000)	(655,000)	(355,000)	(224,000)	(75,000)	0	0	0	0
1999/2000	(278,000)	(998,000)	(546,000)	(413,000)	(163,000)	(87,000)	0	0	0
2000/2001	(3,580,000)	(3,008,000)	(2,868,000)	(2,178,000)	(1,572,000)	(1,252,000)	(135,000)	0	(135,000)
2001/2002	(6,660,000)	(4,331,000)	(3,707,000)	(2,674,000)	(1,413,000)	(1,163,000)	(125,000)	0	(178,000)
2002/2003	(4,480,000)	(5,320,000)	(5,197,000)	(3,933,000)	(3,100,000)	(3,100,000)	(2,820,000)	(2,440,000)	(2,540,000)
2003/2004	(1,601,000)	1,795,000	5,841,000	7,121,000	6,252,000	(333,000)	(921,000)	(300,000)	0
2004/2005	(19,037,000)	(13,266,000)	(8,728,000)	(5,234,000)	(2,288,000)	(918,000)	(639,000)	(639,000)	(91,000)
2005/2006	(21,645,000)	(19,663,000)	(12,487,000)	(10,380,000)	(6,608,000)	(2,028,000)	(485,000)	(485,000)	(244,000)
2006/2007	n/a	(17,095,000)	(15,705,000)	(10,002,000)	(8,023,000)	(3,122,000)	(2,302,000)	(861,000)	(330,000)
2007/2008	n/a	n/a	439,000	1,789,000	1,627,000	2,526,000	(2,973,000)	1,099,000	1,282,000
2008/2009	n/a	n/a	n/a	(13,993,000)	(12,813,000)	(8,741,000)	(6,519,000)	(4,252,000)	(734,000)
2009/2010	n/a	n/a	n/a	n/a	(3,314,000)	(3,266,000)	(238,000)	610,000	879,000
2010/2011	n/a	n/a	n/a	n/a	n/a	3,113,000	2,238,000	4,067,000	4,539,000
2011/2012	n/a	n/a	n/a	n/a	n/a	n/a	(7,498,000)	(6,134,000)	(2,004,000)
2012/2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(5,034,000)	(3,741,000)
2013/2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(1,019,000)
2014/2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	(61,090,000)	(63,114,000)	(43,604,000)	(40,217,000)	(31,490,000)	(18,371,000)	(22,417,000)	(14,369,000)	(4,316,000)

* 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, 2005 to December 31, 2014

Policy Period	Selected Ultimate Losses									
	as at Dec. 31, 2005	as at Dec. 31, 2006	as at Dec. 31, 2007	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
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	6,135,000	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	1,898,000	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	1,910,000	1,889,000	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	73,000	36,000	20,000	0	0	0	0	0	0	0
1997/1998	97,000	58,000	37,000	18,000	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	3,058,000	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	897,000	777,000	893,000	747,000	625,000	553,000	28,000	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	2,985,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	3,416,000	3,416,000	3,416,000
2003/2004	10,058,000	7,915,000	6,068,000	5,500,000	5,500,000	6,654,000	7,242,000	6,433,000	6,433,000	6,433,000
2004/2005	5,500,000	5,500,000	4,948,000	3,797,000	2,841,000	2,376,000	2,435,000	1,262,000	1,262,000	1,262,000
2005/2006	6,326,000	5,500,000	3,877,000	3,801,000	2,763,000	1,471,000	1,040,000	712,000	712,000	712,000
2006/2007	n/a	10,917,000	10,888,000	8,556,000	8,180,000	6,561,000	7,425,000	5,050,000	5,050,000	5,050,000
2007/2008	n/a	n/a	8,441,000	7,819,000	10,237,000	11,100,000	12,535,000	8,525,000	8,525,000	8,437,000
2008/2009	n/a	n/a	n/a	8,150,000	7,626,000	5,524,000	4,419,000	5,000	5,000	5,000
2009/2010	n/a	n/a	n/a	n/a	8,797,000	9,329,000	8,299,000	20,000	20,000	20,000
2010/2011	n/a	n/a	n/a	n/a	n/a	8,322,000	9,795,000	2,073,000	2,073,000	2,073,000
2011/2012	n/a	n/a	n/a	n/a	n/a	n/a	4,665,000	107,000	107,000	107,000
2012/2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	463,000	423,000	334,000
2013/2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	411,000	380,000
2014/2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	440,000
Total	48,904,000	58,880,000	63,331,000	66,547,000	74,728,000	80,049,000	86,042,000	50,725,000	51,096,000	51,328,000

Policy Period	Changes in Ultimate Losses								
	From 2005 to 2014	From 2006 to 2014	From 2007 to 2014	From 2008 to 2014	From 2009 to 2014	From 2010 to 2014	From 2011 to 2014	From 2012 to 2014	From 2013 to 2014
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	(497,000)	0	0	0	0	0	0	0	0
1994/1995	(15,000)	0	0	0	0	0	0	0	0
1995/1996	(39,000)	(18,000)	0	0	0	0	0	0	0
1996/1997	(73,000)	(36,000)	(20,000)	0	0	0	0	0	0
1997/1998	(97,000)	(58,000)	(37,000)	(18,000)	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0	0	0
1999/2000	242,000	0	0	0	0	0	0	0	0
2000/2001	(897,000)	(777,000)	(893,000)	(747,000)	(625,000)	(553,000)	(28,000)	0	0
2001/2002	0	0	0	0	0	0	0	0	0
2002/2003	431,000	(2,084,000)	(2,084,000)	(2,084,000)	(2,084,000)	(2,084,000)	(2,084,000)	0	0
2003/2004	(3,625,000)	(1,482,000)	365,000	933,000	933,000	(221,000)	(809,000)	0	0
2004/2005	(4,238,000)	(4,238,000)	(3,686,000)	(2,535,000)	(1,579,000)	(1,114,000)	(1,173,000)	0	0
2005/2006	(5,614,000)	(4,788,000)	(3,165,000)	(3,089,000)	(2,051,000)	(759,000)	(328,000)	0	0
2006/2007	n/a	(5,867,000)	(5,838,000)	(3,506,000)	(3,130,000)	(1,511,000)	(2,375,000)	0	0
2007/2008	n/a	n/a	(4,000)	618,000	(1,800,000)	(2,663,000)	(4,098,000)	(88,000)	(88,000)
2008/2009	n/a	n/a	n/a	(8,145,000)	(7,621,000)	(5,519,000)	(4,414,000)	0	0
2009/2010	n/a	n/a	n/a	n/a	(8,777,000)	(9,309,000)	(8,279,000)	0	0
2010/2011	n/a	n/a	n/a	n/a	n/a	(6,249,000)	(7,722,000)	0	0
2011/2012	n/a	n/a	n/a	n/a	n/a	n/a	(4,558,000)	0	0
2012/2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(129,000)	(89,000)
2013/2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(31,000)
2014/2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	(14,422,000)	(19,348,000)	(15,362,000)	(18,573,000)	(26,734,000)	(29,982,000)	(35,868,000)	(217,000)	(208,000)

* 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, 2014

GROSS

(1) Gross Unearned Premiums Reported in Annual Return	6,382,095
(2) Expected Loss and ALAE Ratio	120%
(3) Expected Losses and ALAE	7,653,614
(4) Expected ULAE	233,435
(5) Undiscounted Expected Losses and ALAE	7,887,049
(6) Discounted Claim Liabilities plus PFAD in Connection with Unearned Premium	7,906,823
(7) Policyholder Service Costs	319,105
(8) Gross Liabilities in Connection with Unearned Premium	8,225,928

RECOVERABLE FROM REINSURERS

(9) Ceded Unearned Premiums	5,168,601
(10) Discounted Claim Liabilities plus PFAD in Connection with Unearned Premium	7,101,583
(11) Doubtful Account	0
(12) Recoverable	7,101,583

NET

(13) Net unearned premiums reported in Annual Return	1,213,494
(14) Future Excess of Loss Reinsurance Cost	0
(15) Expected Loss and ALAE Ratio	20%
(16) Expected Losses and ALAE	242,699
(17) Expected ULAE	233,435
(18) Undiscounted Expected Losses and ALAE	476,134
(19) Discounted Claim Liabilities plus PFAD in Connection with Unearned Premium	805,240
(20) Policyholder Service Costs, (7)	319,105
(21) Net liabilities in Connection with Unearned Premium	1,124,345
(22) Deferred Policy Acquisition Expense (DPAE) Reported in Annual Return	89,149
(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	89,149
(26) Excess of Maximum Allowable DPAE over Reported DPAE	0
(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 2014/2015 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
at December 31, 2012

	Total
Gross	
(1) Undiscounted Outstanding Liabilities	7,887,049
(2) Discounted Outstanding Liabilities at 1.85%	6,979,597
(3) Discounted Outstanding Liabilities at 1.35%	7,208,863
(4) Interest Rate Margin	229,267
Claims Development Margin	
(5) Selected Margin on Development	10.00%
(6) Required Margin	697,960
Reinsurance Margin	
(7) Selected Margin on Reinsurance	5.00%
(8) Required Margin	n/a
(9) Total Provision for Adverse Deviation	927,227
(10) Selected Outstanding Liabilities	7,906,823
Net	
(11) Undiscounted Outstanding Liabilities	476,134
(12) Discounted Outstanding Liabilities at 1.85%	421,352
(13) Discounted Outstanding Liabilities at 1.35%	435,193
(14) Interest Rate Margin	13,841
Claims Development Margin	
(15) Selected Margin on Development	10.00%
(16) Required Margin	42,135
Reinsurance Margin	
(17) Selected Margin on Reinsurance	5.00%
(18) Required Margin	327,912
(19) Total Provision for Adverse Deviation	383,888
(20) Selected Outstanding Liabilities	805,240

- (1) = Exh. 14.1, line (5)
(2) = (1) x discount factor at 1.85% per selected payment pattern
(3) = (1) x discount factor at 1.35% 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 (19)
(12) = (11) x discount factor at 1.85% per selected payment pattern
(13) = (11) x discount factor at 1.35% 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, 2014

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 (2014)	Cumulative (2014 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	2004 & Prior	0	29,292	0	0	0	0	0	10.0%	102	0	102					
2	2005	0	3,848	0	0	0	0	0	10.0%	45	0	45	6,546	157	662	58.8%	48.2%
3	2006	0	987	0	0	0	0	0	10.0%	36	0	36	9,293	171	1,001	10.6%	0.2%
4	2007	0	2,881	0	0	0	0	0	10.0%	125	0	125	11,224	227	1,114	25.7%	16.5%
5	2008	-44	6,744	0	0	0	0	0	10.0%	148	0	148	9,967	166	720	67.7%	60.9%
6	2009	-44	4,221	0	0	0	0	0	10.0%	187	0	187	9,831	121	619	42.9%	38.1%
7	2010	0	12	0	0	0	0	0	10.0%	511	0	511	8,945	105	559	0.1%	-0.4%
8	2011	0	1,047	0	0	0	0	0	10.0%	568	0	568	6,571	72	288	15.9%	20.0%
9	2012	0	1,090	7	154	161	148	15	10.0%	425	3	591	4,227	119	11	29.6%	38.4%
10	2013	6	59	6	344	350	320	32	10.0%	495	8	855	3,254	9	4	12.6%	27.9%
11	2014	6	6	0	409	409	371	37	10.0%	577	10	995	2,816	11	1	14.7%	35.4%
12	Total	-76	50,187	13	908	920	839	84	10.0%	3,219	21	4,163	72,674	1,158	4,979	30.6%	26.9%
17	MfAD: Reinsurance (%)											5.00%					
18	MfAD: Interest Rate (%)											0.50%					
19	Interest Rate to Discount Unpaid Claims and Adjustment Expenses (%)											1.85%					

Exhibit 15.2
Canadian Lawyers Liability Assurance Society

Unpaid Claims and Loss Ratio Analysis Exhibit
Net of Reinsurance and in Thousands of Dollars
As at December 31, 2014

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 (2014)	Cumulative (2014 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	2004 & Prior	0	29,292	0	0	0	0	0	0	102	0	102					
2	2005	0	3,848	0	0	0	0	0	0	45	0	45	6,546	157	662	58.8%	48.2%
3	2006	0	987	0	0	0	0	0	0	36	0	36	9,293	171	1,001	10.6%	0.2%
4	2007	0	2,881	0	0	0	0	0	0	125	0	125	11,224	227	1,114	25.7%	16.5%
5	2008	-44	6,744	0	0	0	0	0	0	148	0	148	9,967	166	720	67.7%	60.9%
6	2009	-44	4,221	0	0	0	0	0	0	187	0	187	9,831	121	619	42.9%	38.1%
7	2010	0	12	0	0	0	0	0	0	511	0	511	8,945	105	559	0.1%	-0.4%
8	2011	0	1,047	0	0	0	0	0	0	568	0	568	6,571	72	288	15.9%	20.0%
9	2012	0	1,090	7	154	161	148	15	0	425	3	591	4,227	119	11	29.6%	38.4%
10	2013	6	59	6	344	350	320	32	0	495	8	855	3,254	9	4	12.6%	27.9%
11	2014	6	6	0	409	409	371	37	0	577	10	995	2,816	11	1	14.7%	35.4%
12	Total	-76	50,187	13	908	920	839	84	0	3,219	21	4,163	72,674	1,158	4,979	30.6%	26.9%
13	ULAE - Total											2,230					
14	"Facility Association" and "Plan"											0					
15	Other reserves											0					
16	Grand Total											6,393					



Actuaries & Insurance Management Advisors

Canadian Lawyers Liability Assurance Society

Actuarial Valuation of Policy Liabilities as at December 31, 2014

Presentation to the Audit Committee
February 19, 2015

CLLAS

Scope of the Actuarial Valuation

- 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

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

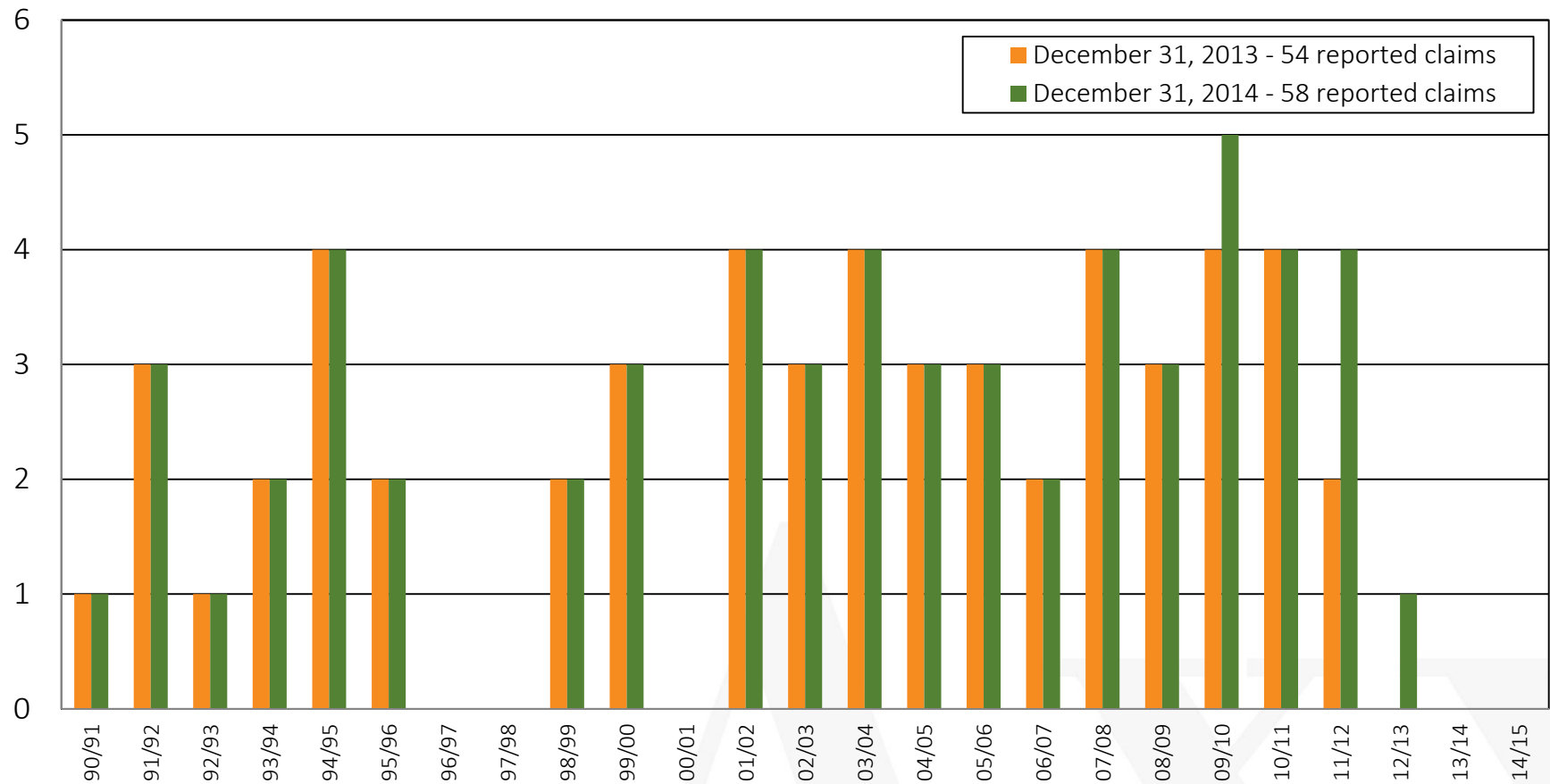
CLLAS

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

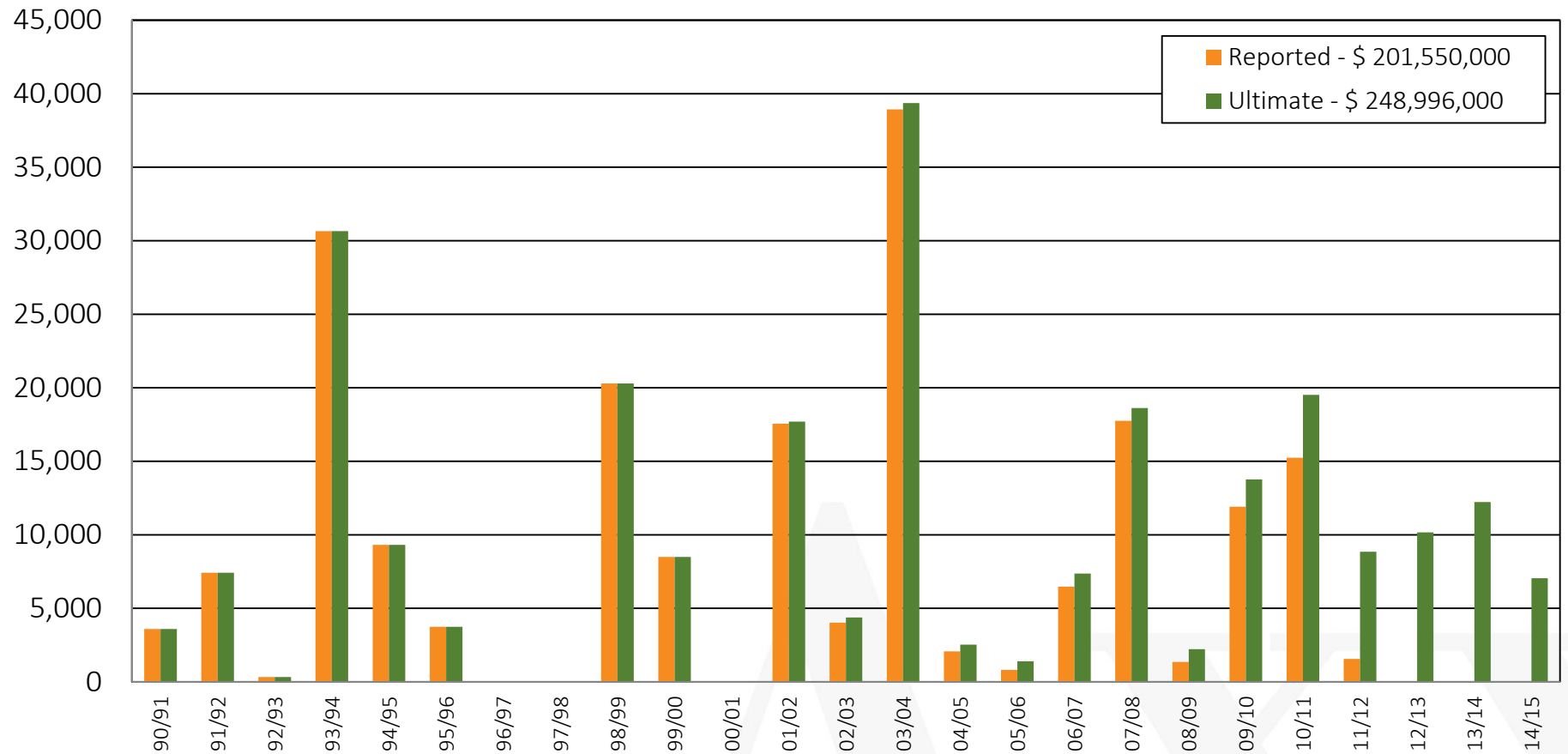
Reported Incurred Loss Activity – Claim Counts *



* Includes non-zero claims only

CLLAS

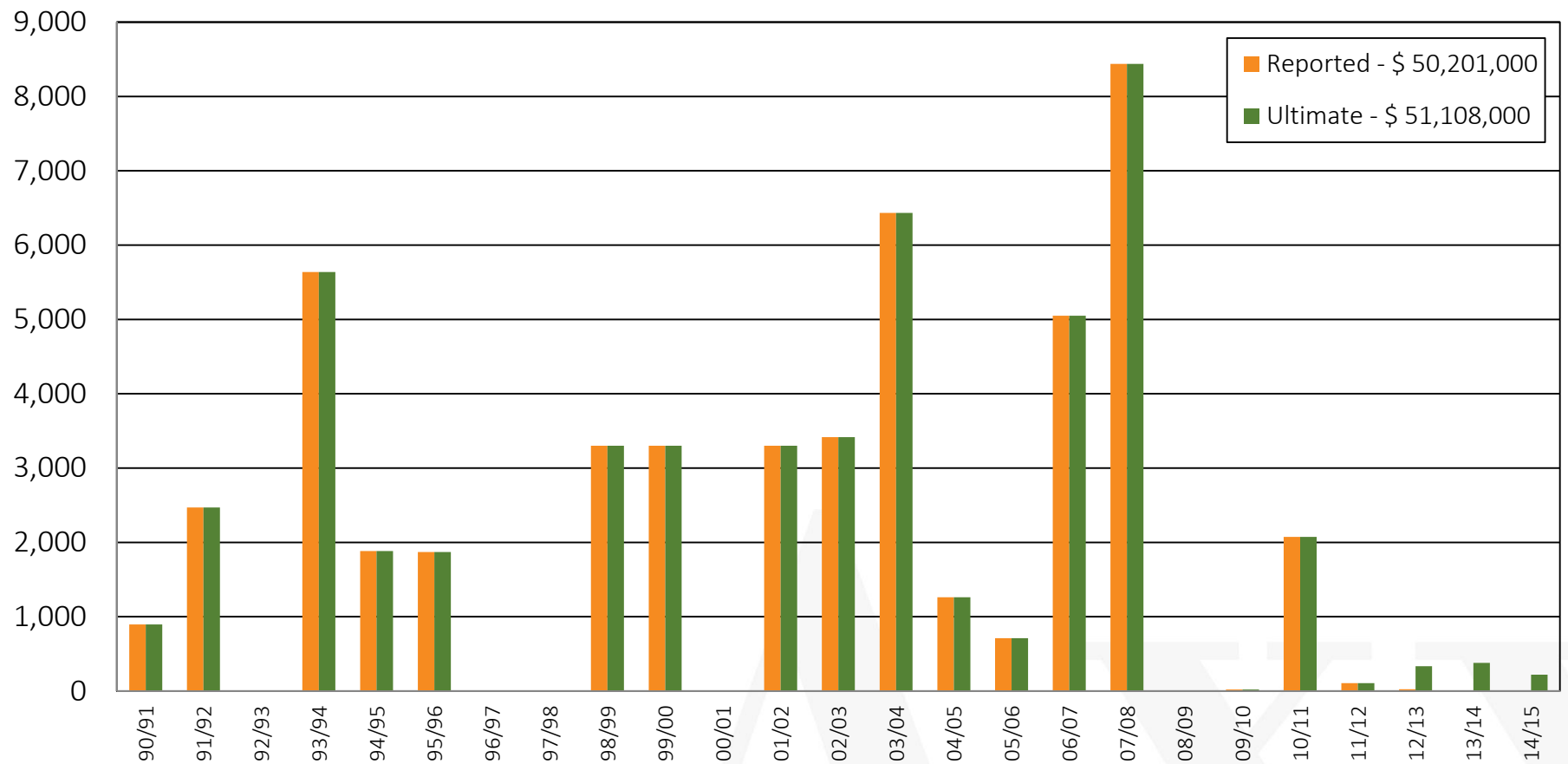
Gross Reported vs. Ultimate Losses* (in \$000's)



* Excluding ULAE

CLLAS

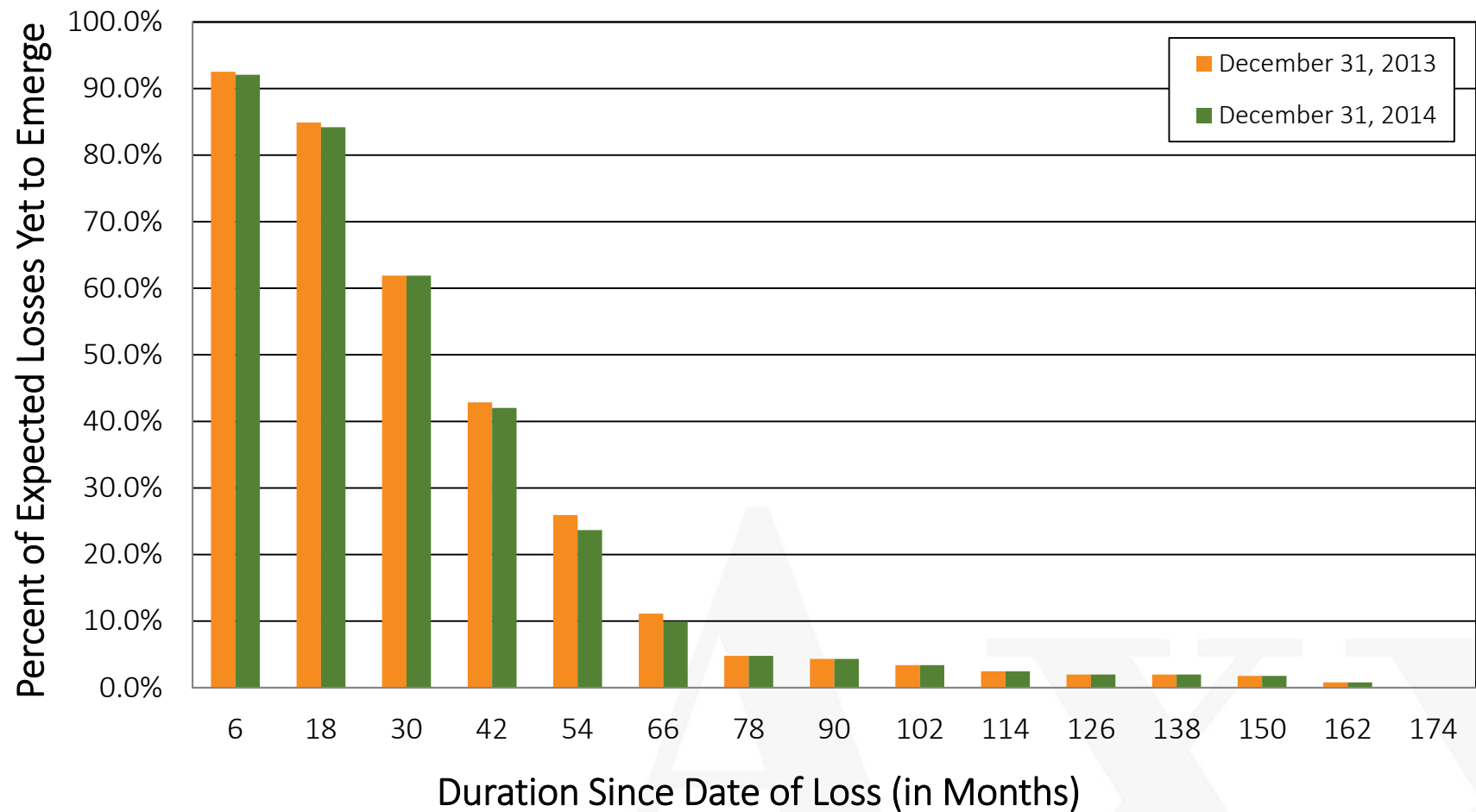
Net Reported vs. Ultimate Losses* (in \$000's)



* 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

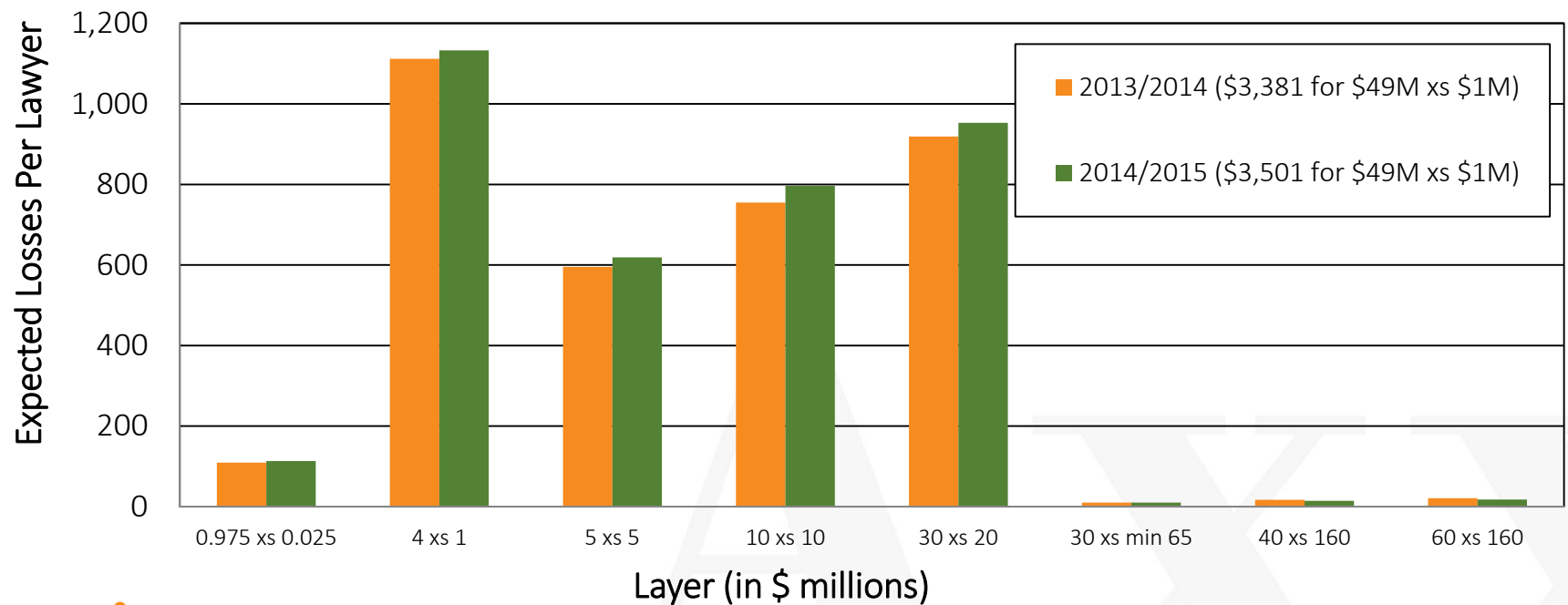
Loss Development Factors



CLLAS

2014/2015 Expected Loss Costs

- Revision of expected loss costs for 2014/2015 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 2014/2015

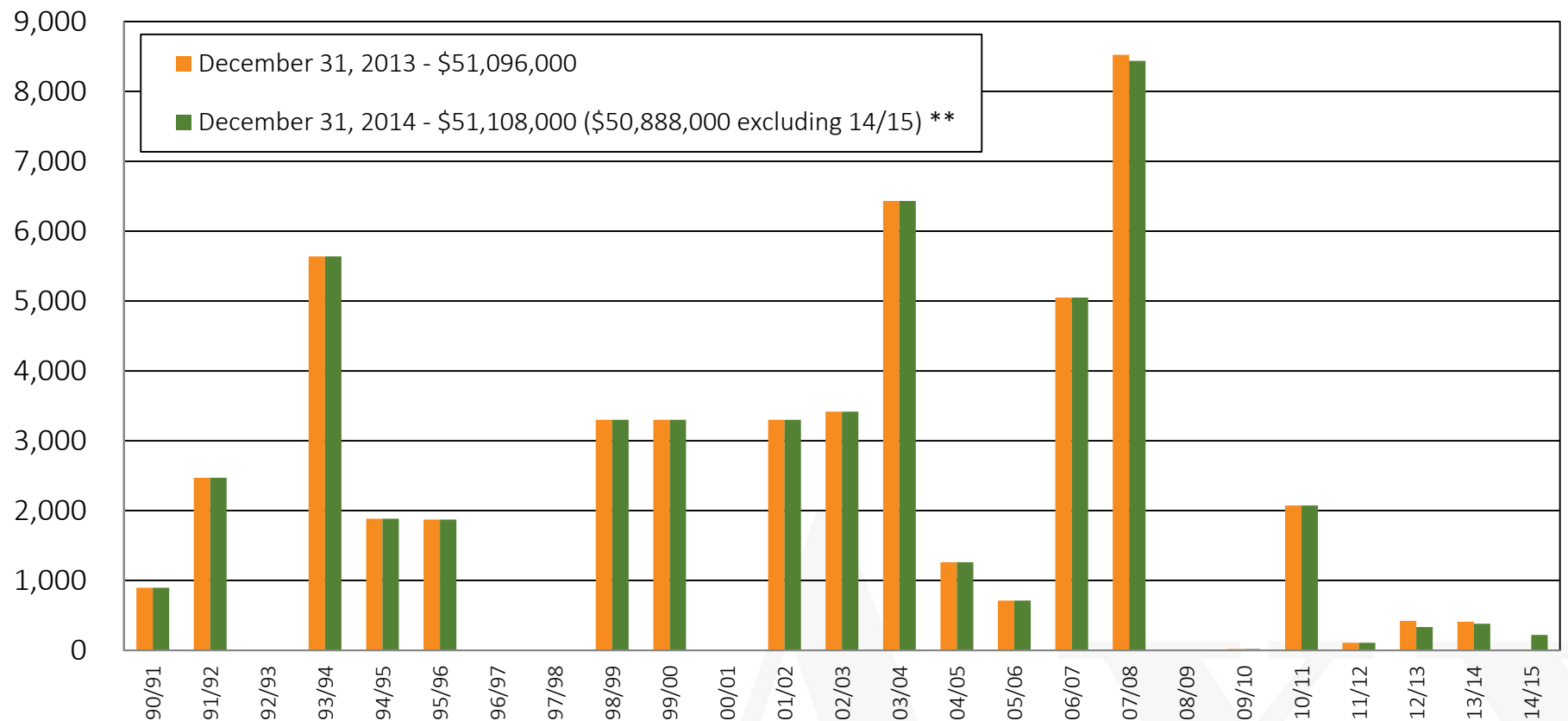
- Colchester retains 20% of the layer \$49,000,000 xs \$1,000,000
- The per-claim retention for CLLAS subject to the aggregate limit includes:
 - 100% of the layer \$975,000 xs \$25,000
 - 0% of the layer \$49,000,000 xs \$1,000,000
- Colchester provides aggregate reinsurance coverage of \$10,000,000 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.

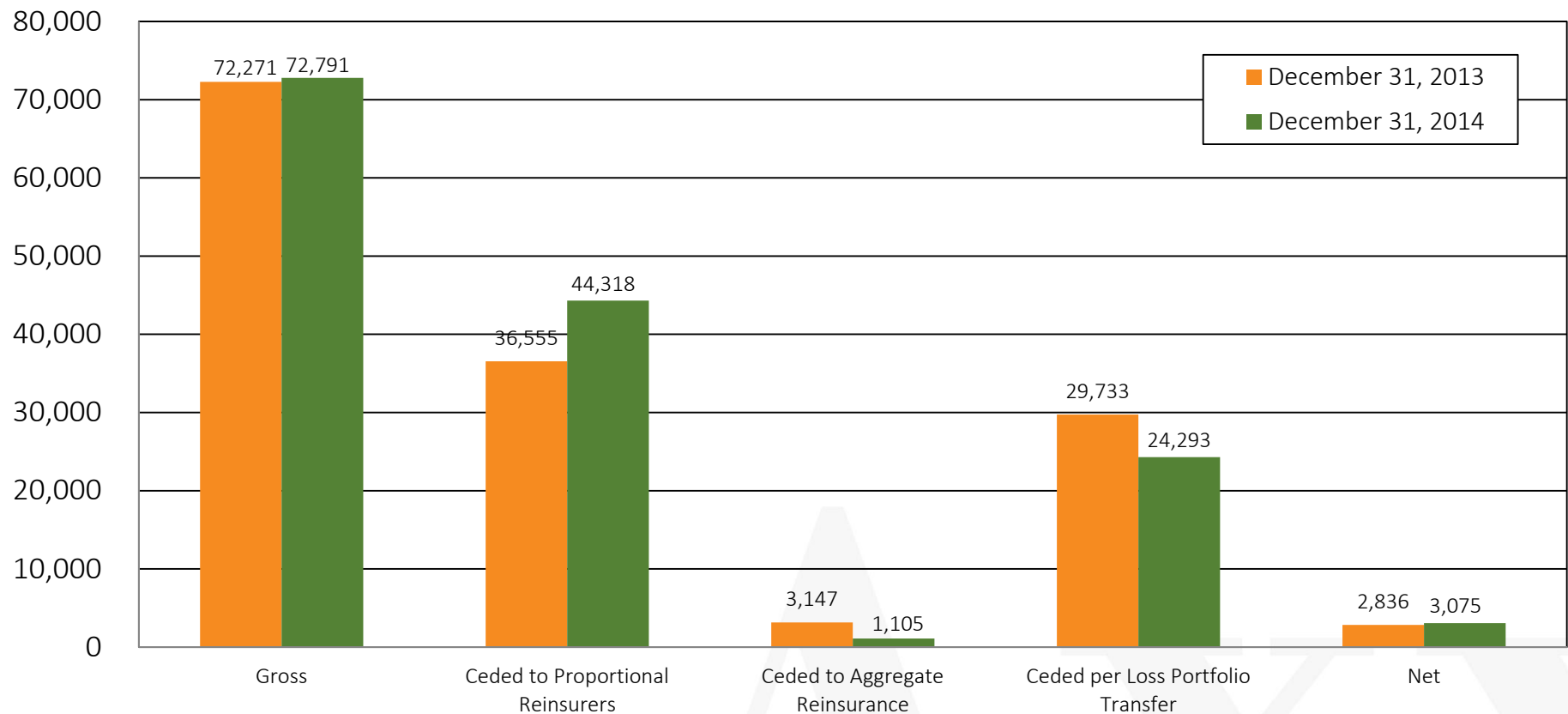
CLLAS

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, 2014
- Loading of 3.05% applied to gross case reserves and gross provisions for IBNR
- Provision for ULAE at December 31, 2014: \$2,154,000
- 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 1.85% (2.40% in 2013) was selected based on the market yield of CLLAS' fixed income portfolio at December 31, 2014 since CLLAS has classified its fixed income portfolio as available-for-sale per IFRS 9

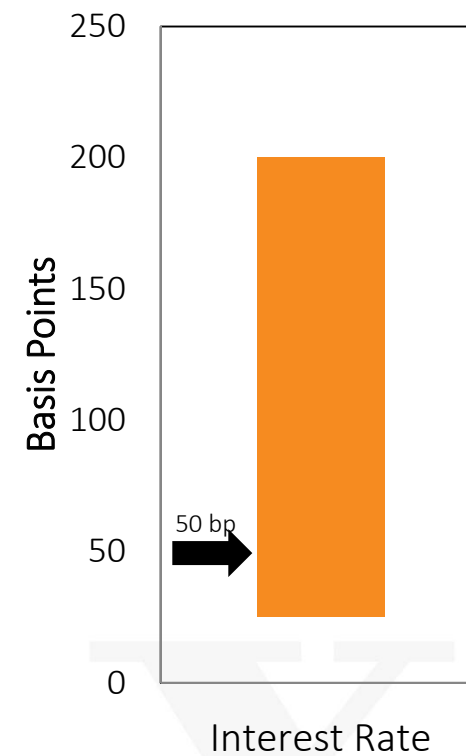
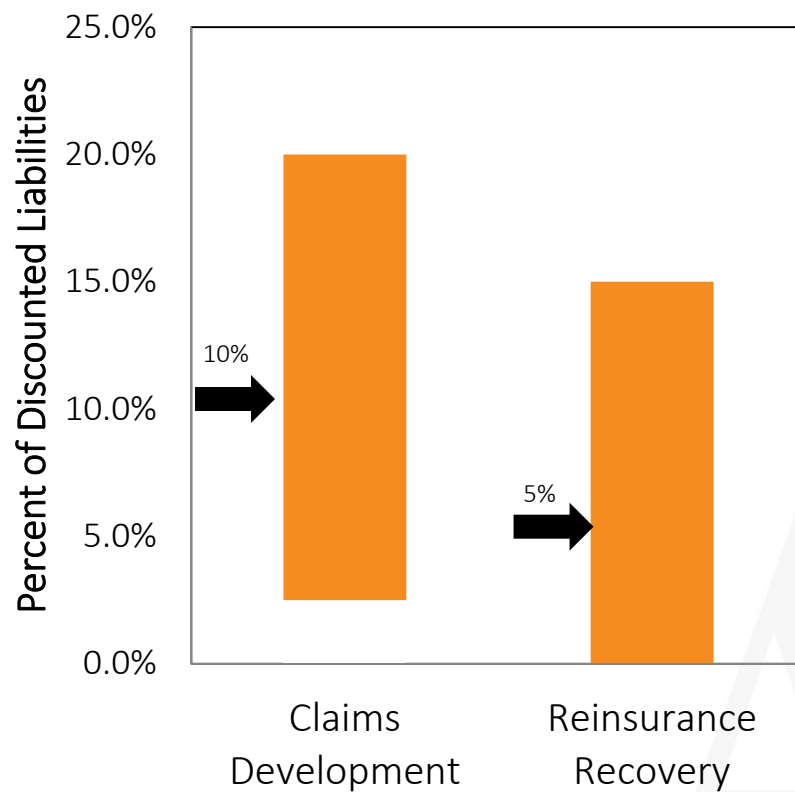
CLLAS

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



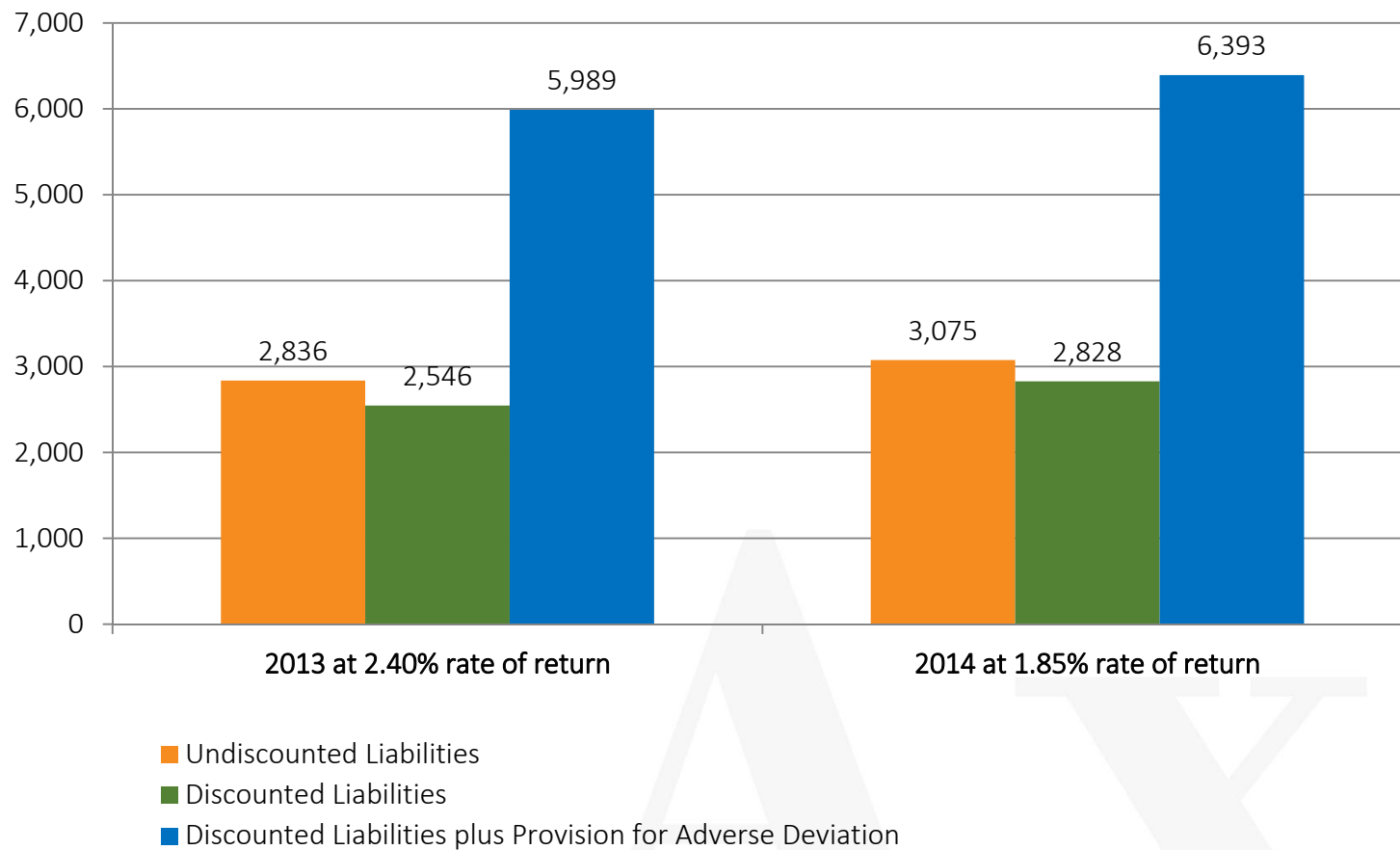
CLLAS

Impact of changes in methodology and assumptions

- There was no change in methodology in the valuation at December 31, 2014
- The impact of the change in loss development factors and ULAE load represents an decrease of \$153,000 in the net discounted claim liabilities
- The change in discount rate and PFAD led to an increase of \$148,000 in net discounted claim liabilities

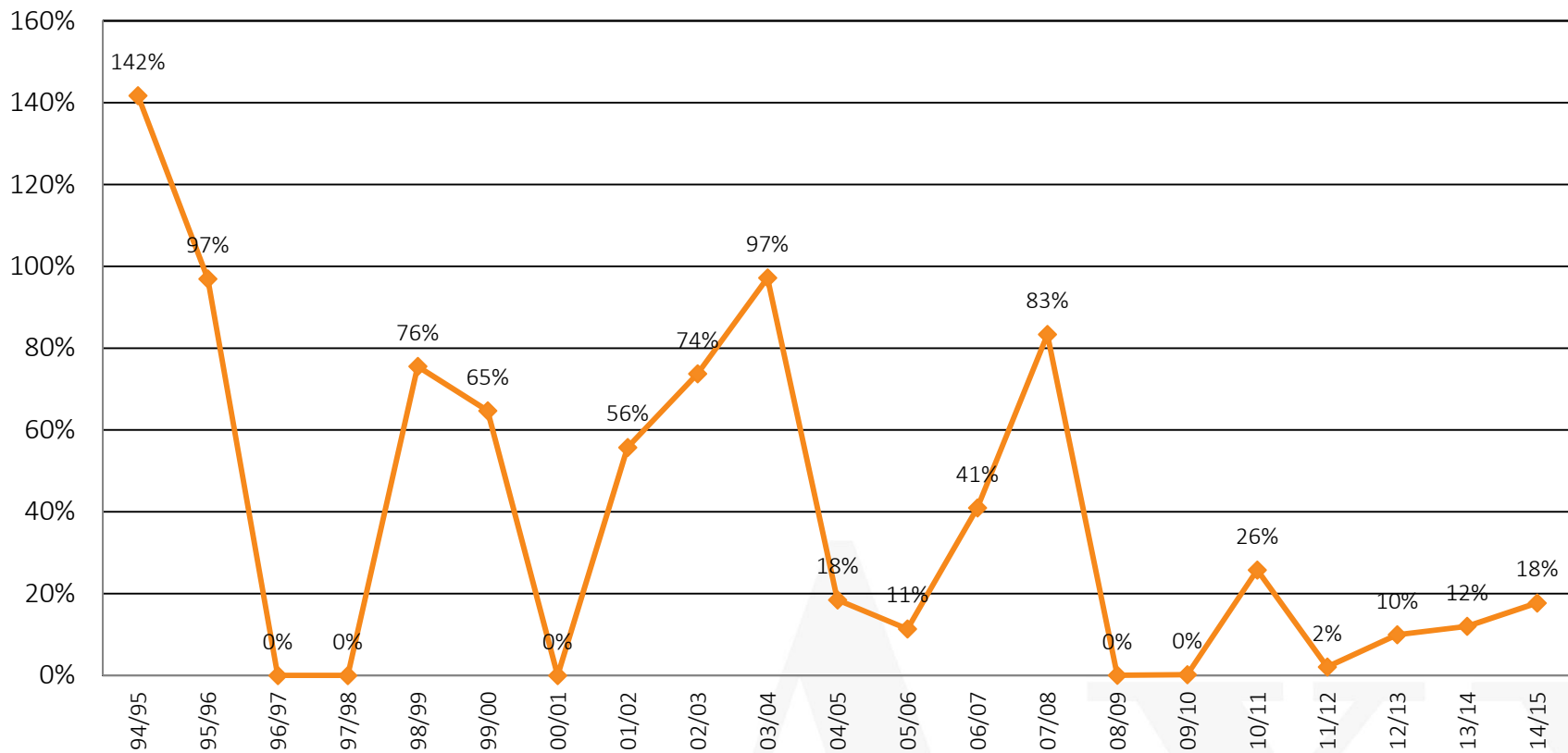
CLLAS

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 \$89,000

CLLAS

External Peer Review

Axxima

AXX

Canadian Lawyers Liability Assurance Society

External Actuarial Peer Review of the Appointed Actuary's
Report as at December 31, 2014

February 18, 2015





February 18, 2015

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, 2014. 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 black ink, appearing to read "Lisa Yeung", written in a cursive style.

Lisa Yeung FCIA FCAS

Audit and Assurance Group

Enclosure

*PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

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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, 2014. 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 2014 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 which confirmed that appropriate valuation process controls are in place and operate properly, and that there were no material issues with data integrity of the administration and valuation systems.

The external audit uses an overall materiality limit of \$1,500,000 and \$75,000 for uncorrected misstatement. 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 made a recommendation that relates to the inclusion of descriptive details regarding methodology for selecting industry development factors. My other recommendation applies to the provision for ILAE which is reasonable; however, consider other assumptions for the length of time period and the rate of decrease applied to the estimated 2015 claims management expenses.

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, 2014. 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 Lisa Yeung, 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
PwC Tower
18 York Street, Suite 2600
Toronto, Ontario M5J 0B2

Telephone: (416) 814-5703
Fax: (416) 814-3220
Email: lisa.yeung@ca.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, 2014. 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. This external review was completed concurrently with the external audit of CLLAS which confirmed that the appropriate valuation process controls are in place and operate properly, and that there were no material issues with data integrity of the administration and valuation systems.

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.

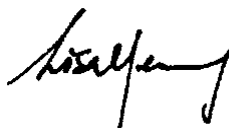
Expression of Opinion

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, 2014 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 2014 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 
Lisa Yeung, FCIA FCAS
February 18, 2015

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.

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.

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

- **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 2015 and assumes this expense will decrease at an annual rate of 1/7 from 2015 to 2021 and also indexes the expenses at 3% per year for the future years. To determine the ILAE for CLLAS, the AA then sums up the estimated future expenses from 2015 to 2021. The provision for the ILAE is reasonable and appropriate for CLLAS.

Recommendation 2: The provision for ILAE is reasonable; however, consider other assumptions for the length of time period and rate of decrease applied to the estimated 2015 claims management expenses.

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 5.0%. 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 1.85%, which is net of an investment management expense of 0.11%. The selected discount rate is calculated using the weighted effective yield of the investment portfolio as at December 31, 2014. The portfolio yield is a weighted average of each individual security in the portfolio, with the duration and market value used as weights.

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 \$89,000 which is identical to the maximum allowable of \$89,000.

The AA states on page 24 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.

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 during 2014.

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.

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. I discussed the following issues with the Appointed Actuary:

1. Claims recovery amounts included in the comparison of actual and expected experience prior to loss portfolio transfer.
2. Methodology for determining Internal Loss Adjustment Expenses.
3. Industry data used to selected loss development factors applied to CLLAS.

Recommendations

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

1. Provide descriptive details regarding methodology for selecting industry development factors.
2. The provision for ILAE is reasonable; however, consider other assumptions for the length of time period and rate of decrease applied to the estimated 2015 claims management expenses.

February 17, 2015

Private & Confidential

Mr. Nicholas Leblovic
Chair
Canadian Lawyers Liability Assurance Society
c/o Davies, Ward, Philips & Vineberg LLP
40th Floor
155 Wellington Street West
Toronto, Ontario M5V 3J7

Dear Nick,

The purpose of this letter is to set out the proposed operating budget for CLLAS for 2015, including the proposed budget for the provision of Management and Professional Services.

TOTAL OPERATING BUDGET FOR 2015

The draft total operating budget for 2015 is presented in Attachment A to this letter, together with the budget and actual figures for 2014. A discussion of the “Other Expense” lines is immediately below.

- **Audit Expenses.** Audit expenses for 2014 were essentially on budget. The three-year arrangement we had with Deloitte on audit fees has come to an end and the fee for 2015 has not yet been agreed. The budget reflects a conservative estimate of the likely fee.
- **Premium Taxes.** The budget for premium taxes for 2014 was based on the expiring year’s premium. Premium taxes for the year were as expected but the premium tax expense in the year was higher than budgeted due to a limit on the maximum allowable deferred expenses. In other words, CLLAS was not allowed to defer the full amount of premium taxes attributable to the second half of the 2014/15 policy year, and therefore had to expense a portion of those premium taxes in 2014. The impact of this can be seen in the 2015 budget number, which is correspondingly reduced.

- **Special Services.** This line tracks expenses related to external legal and other professional services provided to CLLAS. It finished the year well under budget. We propose to maintain the budget for 2015 at the historical level.
- **Miller Fees.** Miller fees for the 2013/14 policy year were agreed at \$279,000. Miller has agreed to the same fee for the 2014/15 policy year. We propose to maintain the budget for this item at the 2014 budgeted level (\$282,000) to allow for a small increase to the Miller fee for the 2015/16 policy year.
- **Assessment Fees.** The assessment fees are charged to CLLAS by the regulators vary each year due to reassessments done by the regulators for prior years (based on their own costs and revenues). We have no control over this item but are proposing reductions to these lines to track recent fee levels.
- **Investment Counsel Fees.** Investment counsel fees for 2014 were lower than budgeted because more funds were held in short term investments than we anticipated. Fees charged by the investment manager are lower on short term investments than on long term investments. The fees for 2015 have been budgeted based on the estimated split between the short and long term funds for the year.
- **Risk Management/Loss Prevention.** The Risk Management/Loss Prevention line finished the year under budget. Fees paid to Bluedrop for the CLLAS e-learning course are now related to maintenance not development. We can anticipate this lower level of fees to continue into 2015 but we can anticipate fees related to the “re-audit” process. Subject to input from the Risk Management Committee, we propose to leave this budget line unchanged for 2015.

PROFESSIONAL AND MANAGEMENT SERVICES

1. Management Services

Management Services are provided on a fixed fee basis, with the exception of Claims Analysis, which is a variable line item, related to management of CLLAS’ active large loss files. Management Services finished the year \$30,872 over its budget of \$624,000. The proposed budget for 2015 is \$635,000, an increase of \$11,000, or 1.8%, over the previous year.

Details by line are presented in the following table:

Activity	2014 Budget	2014 Actual	Fav/ (Unfav) Variance	2015 Budget (proposed)	Change
Financial	\$165,000	\$165,000	\$ 0	\$180,000	\$15,000
General Admin.	\$ 81,000	\$ 81,000	\$ 0	\$ 83,000	\$ 2,000
Claims Admin.	\$306,000	\$306,000	\$ 0	\$300,000	(\$ 6,000)
Claims Analysis*	\$ 72,000	\$102,872	\$30,872	\$ 72,000	\$ 0
Total	\$624,000	\$654,872	\$30,872	\$635,000	\$11,000

* Variable

- (a) **Financial Reporting.** Activity on the Financial Reporting line tracked over budget in 2014 as we moved to implement and maintain new Alberta regulatory requirements, including the enhanced annual business plan, monitoring of financial ratios, etc. We anticipate this level of activity to continue in 2015. As a result, we are proposing a budget for the Financial Reporting line of \$180,000, which is an increase of \$15,000, or 9.1%, over 2014.
- (b) **General Administration.** Activity on the General Administration line (e.g. Board meeting preparation, renewal applications, policy preparation, risk management initiatives, miscellaneous enquiries from Subscribers, etc.) was within expectations in 2014. We are proposing a small adjustment (2.5%) to the General Administration line for 2015 to account for wage inflation.
- (c) **Claims Administration.** The Claims Administration line remained active in 2014 due in part to the reinsurance attachment point of \$1 million (i.e. reinsurers are concerned with all claims reserved at \$500,000 or more ground up). We continue to work on efficiencies in claims management and administration. At the beginning of 2015, we hired an additional claims examiner (Treasa O'Loughlin, a lawyer called in 2010) in order to manage claims volumes on CLLAS and other client accounts effectively. We are proposing a slight reduction in this line (from \$306,000 to \$300,000, or 2.0%) for 2015.
- (d) **Claims Analysis.** The Claims Analysis line, which tracks activity on the claims where CLLAS is actively involved in claims management (due to the nature or significance of the particular claims) finished 2014 over budget. As you are aware, CLLAS is currently facing a number of very complex claims, many of them class actions. The Claims

Analysis line is variable, i.e. it is adjusted quarterly based on activity in the year. Given that activity can vary considerably year over year, we propose no change to this line for 2015.

We are proposing no change to the fixed fee structure, i.e. the services will be provided on a fixed fee basis, with the exception of the variable line for Claims Analysis. Please see Attachment B to this letter for a brief summary of the activity associated with each of the above line items.

2. Professional Services

Professional Services, i.e. actuarial, reinsurance and strategic services, are provided on a fee-for-service basis. Budgets are set at the beginning of the year, but the actual costs on these lines depends on the value of activity throughout the year. While the fees on the Strategic Services line exceeded budget (see discussion below), overall fees for 2014 were about \$125,000 (22%) under the budget of \$570,000. We are proposing an overall reduction on these lines of 6.1% compared to the prior year budget.

Details by line are discussed after the table.

	2014 Budget	2014 Actual	Fav/ (Unfav) Variance	2015 Budget (proposed)	Change
Actuarial	\$100,000	\$ 57,527	\$ 42,473	\$ 85,000	(\$ 15,000)
Reinsurance	\$350,000	\$238,230	\$111,770	\$300,000	(\$ 50,000)
Strategic	\$120,000	\$147,937	(\$ 27,937)	\$150,000	\$ 30,000
Total	\$570,000	\$443,694	\$126,306	\$535,000	(\$ 35,000)

- (a) **Actuarial Services and Reinsurance Services.** Activity on these two lines has been relatively stable for the past couple of years. We are proposing a downward adjustment of about 15% to both budget lines for 2015. The Reinsurance budget should prove to be adequate unless there is a need in 2015 to restructure the reinsurance program or to introduce new markets.
- (b) **Strategic Services.** In 2014, fees incurred on the Strategic Services line totaled about \$148,000 compared with a budget of \$120,000. Activities included work relating to:

- CLLAS D&O insurance,
- the Alberta Superintendent of Insurance Examination Report,
- coverage for Heenan Blaikie lateral hires,
- ORSA/risk appetite discussions,
- rate setting policy,
- cyber coverage discussions,
- preparation of strategic plan,
- CLLAS expansion initiative,
- RFP for actuarial peer review, and
- the Nova Scotia licence application.

Activity on the Strategic Services line is difficult to predict but given the CLLAS expansion initiatives currently underway we are proposing that the budget for this line for 2015 be increased to \$150,000 from \$120,000.

The foregoing are budget estimates only and to the extent that the level of activity on a particular line proves to be less than anticipated, the budget will of course not be fully expended.

We look forward to discussing this proposed budget with you and the CLLAS Advisory Board at the upcoming meeting. Please do not hesitate to call to discuss this matter in the meantime.

Sincerely,



Patrick Mahoney

PMM/

**Canadian Lawyers Liability Assurance Society
2015 Operating Budget**

	<u>FY 14 Budget</u>	<u>FY 14 Actual</u>	<u>Fav/ (Unfav) Variance</u>	<u>Proposed FY 2015 Budget</u>
MANAGEMENT SERVICES				
Financial	165,000	165,000	0	180,000
General Administration	81,000	81,000	0	83,000
Claims Administration	306,000	306,000	0	300,000
Claims Analysis	72,000	102,872	-30,872	72,000
Sub-Total Management Services	624,000	595,633	-30,872	635,000
PROFESSIONAL SERVICES				
Actuarial Services	100,000	57,527	42,473	85,000
Reinsurance Matters	350,000	238,230	111,770	300,000
Strategic Matters	120,000	147,937	-27,937	150,000
Sub-Total Professional Services	570,000	443,694	126,306	535,000
Total Management & Professional Services	<u>1,194,000</u>	<u>1,039,327</u>	<u>95,434</u>	<u>1,170,000</u>
HST on Consulting Fees	155,220	135,488	19,732	152,100
Total Consulting Services	<u>1,349,220</u>	<u>1,174,815</u>	<u>115,166</u>	<u>1,322,100</u>
OTHER EXPENSES				
Audit Expenses	95,000	96,008	(1,008)	103,000
Annual Dinner	7,000	6,443	557	7,000
Premium Taxes	363,000	468,101	(105,101)	269,000
Chairman's Expenses	2,000	2,770	(770)	3,000
Chairman's Honourium	75,000	75,000	-	75,000
Reinsurance Expense	11,000	10,540	460	11,000
D&O Insurance	13,500	13,851	(351)	14,000
Office Expenses	27,500	27,935	(435)	27,500
Office Expenses - Website management	3,000	2,870	130	3,000
Claims: Borderaux (LawPro/LIF)	16,000	14,900	1,100	14,600
Special Services	50,000	6,600	43,400	50,000
Miller Insurance Fees (Reins. Comm.)	282,000	279,000	3,000	282,000
I.B.C Statistical Plan Fees	10,000	3,499	6,501	5,000
FSCO Assessment Fees	5,000	2,000	3,000	3,000
Investment counsel fees	34,000	21,327	12,673	36,000
Investment - Custodial	18,000	17,051	949	18,000
Risk Management/Loss Prevention	50,000	20,654	29,346	50,000
Licensing Fee	5,000	6,215	(1,215)	6,500
Insurance Sundry	0	0	-	0
Sub-total	<u>1,067,000</u>	<u>1,074,762</u>	<u>-7,762</u>	<u>977,600</u>
TOTAL	<u>2,416,220</u>	<u>2,249,577</u>	<u>107,404</u>	<u>\$2,299,700</u>

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Management Services - Overview of Activity by Budget Line

Presented below is a brief summary of the activity associated with each of the Management Services budget lines, as well as a discussion of the guidelines for determining whether a claim falls within the “Claims Analysis” line, which operates on a fee for service basis.

1. Financial Reporting

The Financial Reporting area involves all financial functions including:

- compliance with regulatory/reporting requirements (including IBC reporting, P&C1 filings, province-specific filings)
- preparation of financial statements (quarterly and annual)
- facilitating regulatory audit and managing relationship with regulator
- managing year-end audit (Deloitte) and liaising with auditors
- interaction with the Audit Committee
- maintenance of cashbooks
- bank statement reconciliations
- accounts payable/receivable
- cheque preparation and deposit
- premium collection/remittance
- claims reimbursements from reinsurers
- liaison with investment manager
- budget variance analysis
- subscribers accounts

2. General Administration

The General Administration line covers work relating to:

- preparation for/attendance at Advisory Board meetings
- preparation for/attendance at standing committee meetings (e.g. policy, risk management - all meetings other than claims and audit)
- renewal applications
- premium invoices
- policy preparation and issuance
- policy inquiries
- miscellaneous inquiries from Subscribers
- general administrative matters
- website maintenance

3. Claims Administration

The Claims Administration line covers all claims activity except for senior consultant time spent on the claims that meet the criteria set out in Section 4 below. Activity on this line includes:

- maintenance of claims database
- maintenance of physical files
- initial file review
- acknowledgment and follow-up letters
- correspondence with insured firms
- interaction with underlying insurers (e.g. bordereaux updates)
- preparation for/attendance at Claims Committee meetings
- interaction with Claims Committee members
- liaison with reinsurers on claims (preparation of large loss reports, answering specific inquiries, managing reinsurer audits)
- preparation of claims activity schedule for Advisory Board meeting
- co-ordination of instructions to counsel

4. Claims Analysis

Pursuant to the agreement between CLLAS and Axxima, routine and recurring claims management/analysis work is provided by Axxima for a fixed fee to be agreed upon by the parties. Certain files require significant additional claims management work by Axxima on a claim by claim basis. Work on these claims will be accounted for as a separate budget line item.

The following guidelines dictate when a claim will move from the fixed fee to the variable fee category.

1. The underlying insurer (e.g. LawPRO, LSBC-LIF) has tendered the defence of the matter to CLLAS;
2. Settlement involving a potential contribution from CLLAS is being actively pursued; or
3. The Office of the General Manager has become very active in the management of the claim due to, for example, the potential of the claim.

Financial statements of

**Canadian Lawyers Liability
Assurance Society**

December 31, 2014

Canadian Lawyers Liability Assurance Society

December 31, 2014

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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, 2014, and the statements 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

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 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, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
_____, 2015

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Canadian Lawyers Liability Assurance Society

Statement of financial position

as at December 31

	2014	2013
	\$	\$
Assets		
Cash at bank	6,498,867	4,349,462
Short term investments (Note 4)	9,010,686	10,535,050
Bonds (Note 4)	4,030,005	2,778,853
Interest income due and accrued	18,437	14,915
Premiums receivable (Note 6)	4,354,998	4,522,408
Prepaid expenses	139,500	139,500
Deferred policy acquisition costs	89,149	192,969
Reinsurers' share of unearned premiums	5,168,601	5,292,272
Reinsurance receivable	371,647	120,021
Provision for unpaid claims and adjustment expenses recoverable from reinsurers (Note 5)	68,964,000	67,092,000
Total assets	98,645,890	95,037,450
Liabilities		
Accounts payable and accrued charges	1,571,240	412,738
Unearned premiums	6,382,095	6,834,148
Due to reinsurers	1,682,942	1,524,104
Provision for unpaid claims and adjustment expenses (Note 5)	75,357,000	73,081,000
Total liabilities	84,993,277	81,851,990
Equity		
Minimum surplus (Note 12)	50,000	50,000
Additional surplus (Note 12)	13,527,896	13,161,687
Accumulated other comprehensive income	74,717	(26,227)
Total equity	13,652,613	13,185,460
Total liabilities and equity	98,645,890	95,037,450

On behalf of the Advisory Board

Member

Member

Canadian Lawyers Liability Assurance Society

Statement of comprehensive income (loss)

years ended December 31

	2014	2013
	\$	\$
Premiums		
Written premiums	13,080,403	13,769,929
Reinsurance ceded	10,582,777	10,660,620
Net written premiums	2,497,626	3,109,309
Change in unearned premiums	328,383	115,507
Earned premiums	2,826,009	3,224,815
Expenses		
Claims (Note 5)	327,878	(192,000)
Premium deficiency adjustment	-	-
Operating expenses (Note 7)	1,848,042	1,810,398
Premium taxes	468,101	340,728
	2,644,021	1,959,126
Underwriting income (loss) for the year	181,988	1,265,689
Investment income (Note 4)	184,221	136,250
Interest income on premium tax	-	-
Net income (loss) for the year	366,209	1,401,939
Change in unrealized gains (losses) on available-for-sale financial assets arising during the year	100,944	(16,215)
Other comprehensive income (loss)	100,944	(16,215)
Comprehensive income (loss)	467,153	1,385,724

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, 2012	50,000	11,759,748	(10,012)	11,799,736
Net income (loss)		1,401,939		1,401,939
Other comprehensive income (loss)			(16,215)	(16,215)
Balance December 31, 2013	50,000	13,161,687	(26,227)	13,185,460
Net income (loss)		366,209		366,209
Other comprehensive income (loss)			100,944	100,944
Balance December 31, 2014	50,000	13,527,896	74,717	13,652,613

Canadian Lawyers Liability Assurance Society

Statement of cash flows years ended December 31

	2014	2013
	\$	\$
Operating activities		
Net income (loss) for the year	366,209	1,401,939
Changes in non-cash items:		
Interest income due and accrued	(3,522)	(14,915)
Premiums receivable	167,410	1,837,098
Unearned reinsurance premiums ceded	123,671	106,235
Prepaid Expenses	-	(3,000)
Deferred policy acquisition costs	103,820	(45,210)
Reinsurance receivable	(251,626)	1,749,487
Premium taxes receivable	-	-
Provision for unpaid claims and adjustment expenses recoverable from reinsurers	(1,872,000)	1,517,000
Provision for unpaid claims and adjustment expenses	2,276,000	(1,709,000)
Premium deficiency liability	-	-
Unearned premiums	(452,053)	(221,742)
Due to reinsurers	158,838	(1,814,419)
Accounts payable and accrued charges	1,158,502	(58,446)
Cash (used in) provided by operating activities	1,775,249	2,745,027
Investing activities		
Purchase of bonds	(1,160,101)	(2,792,389)
Maturities and disposal of bonds	-	-
Purchase of short term investments	(61,281,593)	(83,767,950)
Disposal of short term investments	62,848,279	86,529,286
Amortization of bond premium	(36,738)	(45,345)
Amortization of bond discount	4,309	111
(Gain)/loss on disposal of bonds	-	-
Cash provided by (used in) investing activities	374,156	(76,287)
Net (decrease) increase in cash	2,149,405	2,668,740
Cash balance, beginning of year	4,349,462	1,680,722
Cash balance, end of year	6,498,867	4,349,462
Cash balance comprises		
Cash at bank	6,498,867	4,349,462
Interest received	148,269	76,102

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

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 \$75,000 (2013 - \$75,000) 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.

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 3 and 8: Reinsurance (regarding insurance contract premium related to additional premium liability).

Notes 3 and 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.

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.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

3. Significant accounting policies (continued)

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.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

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 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) IFRS 4 – Insurance contracts

The International Accounting Standards Board ("IASB") issued a revised exposure draft ED/2013/7, Insurance Contracts (the "revised ED") on June 20, 2013. The revised ED represents the first comprehensive IFRS accounting model for insurance contracts and aims to provide a consistent basis for accounting for insurance contracts. The final standard is expected in 2015, and although the effective date has not yet been decided by the IASB it is not expected to be effective before 2019.

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

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additional changes related to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurements requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

The effective date for IFRS 9 (2010) and (2009) is January 1, 2018, with early adoption permitted. The Society is currently evaluating the impact of IFRS 9.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

4. Investments

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

	December 31, 2014		December 31, 2013	
	Fair value and carrying value	Amortized cost	Fair value and carrying value	Amortized cost
	\$	\$	\$	\$
Short term investments	9,010,686	9,008,354	10,535,050	10,538,302
Bonds	4,030,005	3,948,070	2,778,853	2,792,277
	13,040,691	12,956,424	13,313,903	13,330,579

The difference between amortized cost and market value of the AFS investments consists of gross unrealized gains of \$81,935 (2013: \$ Nil) and gross unrealized losses of \$7,218 (2013: \$26,226).

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.

b) Maturity profile of investments as at December 31:

	Term to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
2014	\$	\$	\$	\$
Short-term investments	9,010,686	-	-	9,010,686
Government of Canada bonds	-	810,792	204,523	1,015,315
Canadian public authorities bonds	-	995,098	533,108	1,528,206
Canadian corporate bonds	-	812,456	674,028	1,486,484
Total fair value	9,010,686	2,618,346	1,411,659	13,040,691

	Term to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
2013	\$	\$	\$	\$
Short-term investments	10,535,050	-	-	10,535,050
Government of Canada bonds	-	303,599	-	303,599
Canadian public authorities bonds	-	979,544	499,475	1,479,019
Canadian corporate bonds	-	598,154	398,081	996,235
Total fair value	10,535,050	1,881,297	897,556	13,313,903

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

4. Investments (continued)

c) Net investment income has the following components:

	2014	2013
	\$	\$
Interest income		
Bonds	80,626	1,321
Cash, cash equivalents and short term investments	71,167	89,695
	151,793	91,016
Amortization of discount (premium) on investments	32,428	45,234
Realised gain (loss) on disposal	-	-
Total net investment income	184,221	136,250

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.

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, 2014	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash at bank	6,498,867	-	-	6,498,867
Investments - available-for-sale				
Short term investments	-	9,010,686	-	
Bonds	-	4,030,005	-	
	-	13,040,691	-	-
	6,498,867	13,040,691	-	19,539,558

December 31, 2013	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash at bank	4,349,462	-	-	4,349,462
Investments - available-for-sale				
Short term investments	-	10,535,050	-	
Bonds	-	2,778,853	-	
	-	13,313,903	-	-
	4,349,462	13,313,903	-	17,663,365

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

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

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.

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, January 1, 2013	74,790,000	68,609,000	6,181,000
Incurred claims and claim adjustment expenses			
Provision for current year claims	7,343,000	6,591,000	752,000
Increase (decrease) in provision for claims of prior years	(3,507,762)	(2,981,762)	(526,000)
Increase (decrease) in provision due to discount rate change	(5,032,000)	(4,614,000)	(418,000)
Total incurred	(1,196,762)	(1,004,762)	(192,000)
Payments and recoveries attributable to			
Current year claims	-	-	-
Prior years claims	(512,238)	(512,238)	-
	(512,238)	(512,238)	-
Provision for unpaid claims and adjustment expenses, December 31, 2013	73,081,000	67,092,000	5,989,000
Incurred claims and claim adjustment expenses			
Provision for current year claims	7,154,000	6,428,000	726,000
Increase (decrease) in provision for claims of prior years	2,185,699	2,731,821	(546,122)
Increase (decrease) in provision due to discount rate change	1,719,000	1,571,000	148,000
Total incurred	11,058,699	10,730,821	327,878
Payments and recoveries attributable to			
Current year claims	-	-	-
Prior years claims	(8,782,699)	(8,858,821)	76,122
	(8,782,699)	(8,858,821)	76,122
Provision for unpaid claims and adjustment expenses, December 31, 2014	75,357,000	68,964,000	6,393,000

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

5. Unpaid claims and adjustment expenses (continued)

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, 2014

	Undiscounted	Discounted at 1.85%	Provisions for adverse deviation	Value per accepted actuarial practice
	\$	\$	\$	\$
Provision for unpaid claims and adjustment expenses				
Gross	72,791,000	67,208,000	8,149,000	75,357,000
Recoverable from reinsurers	69,715,000	64,380,000	4,584,000	68,964,000
Net	3,076,000	2,828,000	3,565,000	6,393,000

December 31, 2013

	Undiscounted	Discounted at 2.40%	Provisions for adverse deviation	Value per accepted actuarial practice
	\$	\$	\$	\$
Provision for unpaid claims and adjustment expenses				
Gross	72,271,000	65,196,000	7,885,000	73,081,000
Recoverable from reinsurers	69,435,000	62,650,000	4,442,000	67,092,000
Net	2,836,000	2,546,000	3,443,000	5,989,000

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 1.85% (2013: 2.40%) 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.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

5. Unpaid claims and adjustment expenses (continued)

d) Key assumptions (continued)

Changes in the assumptions used in the December 31, 2014 actuarial valuation resulted in a total decrease in net liabilities of \$153,000 (2013: \$415,000), which is due to the change in loss development factors used in the Bornhuetter-Ferguson method and change in unallocated loss adjustment expense load from 3.15% to 3.05% (2013 3.75% to 3.15%). The change in the discount rate and provisions for adverse deviation assumptions led to a further increase in the net liabilities of \$148,000 (2013: decrease of \$386,000).

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, 2015.

7. Expenses by nature

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

	2014	2013
	\$	\$
Management services	1,062,253	1,034,836
Legal and professional	603,982	621,605
Other expenses	181,807	153,957
Total	1,848,042	1,810,398

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, 2014 (July 1, 2013: \$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 eleven Toronto based legal firms or their related service corporations. Those eleven 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, 2014, Colchester received from the Society premiums of \$1,913,596 (July 1, 2013: \$2,878,831).

Colchester provides aggregate stop-loss reinsurance protection for a portion of the Society's retained risk. On July 1, 2014 this reinsurance had an attachment point of \$5,000,000 (July 1, 2013: \$5,000,000), and an annual aggregate limit of \$10,000,000 (July 1, 2013: \$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, 2014, the total reserves held and recoverable on the Society's financial statements relating to LPT was \$25,364,000 (2013- \$30,329,000). 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, 2014 the value of the security deposits exceeds the required amount.

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

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

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, a payment to that Subscriber may be due subsequent to June 30, 2017. The Society would consider whether as of June 30, 2017 there are no further liabilities relating to the underwriting periods prior to the date of the Subscriber's withdrawal in determining whether the distribution should be determined as of June 30, 2017 or a later date. Depending on the amount of such payment and the amount of the Society's surplus at that time, such payment may have a material effect on the equity position of the Society.

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.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

11. Risk management (continued)

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 6 year period, on both a gross and net of reinsurance basis:

Analysis of claims development - net and gross

	2009	2010	2011	2012	2013	2014	Total
	\$	\$	\$	\$	\$	\$	\$
Estimate of ultimate (by underwriting year):							
End of year	8,797,000	8,322,000	4,665,000	463,000	411,000	220,000	
One year later	9,329,000	9,795,000	107,000	423,000	380,000		
Two years later	8,299,000	2,073,000	107,000	333,000			
Three years later	20,000	2,073,000	107,000				
Four years later	20,000	2,073,000					
Five years later	20,000						
Current estimate of ultimate	20,000	2,073,000	107,000	333,000	380,000	220,000	3,133,000
Cumulative payments	(20,000)	(2,073,000)	(107,000)	(12,000)	-	-	(2,212,000)
Net liability	-	-	-	321,000	380,000	220,000	921,000
Total all years							
Six years net liability							921,000
Effect of discounting and PFAD							3,318,000
Unallocated loss adjustment expense							2,154,000
Provision for unpaid claims and adjusting expenses recoverable from reinsurers							68,964,000
Gross liability in statement of financial position							75,357,000

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

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, 2014.

	2014		2013	
	Net income for the year	Equity	Net income for the year	Equity
	\$	\$	\$	\$
5% increase in expected losses	(228,000)	(228,000)	(224,000)	(224,000)
5% decrease in expected losses	228,000	228,000	224,000	224,000
0.5% increase in discount rate	135,000	135,000	124,000	124,000
0.5% decrease in discount rate	(140,000)	(140,000)	(129,000)	(129,000)

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, 2014 is \$68,840,000.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

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.

	2014	2013
	\$	\$
Cash	6,498,867	4,349,462
Short term investments	9,010,686	10,535,050
Bonds	4,030,005	2,778,853
Interest income due and accrued	18,437	14,915
Premiums receivable	4,354,998	4,522,408
Reinsurance recoverable	371,647	120,021
Provision for unpaid claims and adjustment expenses recoverable from reinsurers	68,964,000	67,092,000
Total credit exposure	93,248,640	89,412,709

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:

	2014	2013
	%	%
Bonds, treasury bills and cash (< 1 year)	69.0	79.0
Government of Canada (> 1 year)	8.0	2.0
Canadian provincials (> 1 year)	12.0	11.0
Corporates (> 1 year)	11.0	8.0
Total portfolio	100.0	100.0

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, 2014

11. Risk management (continued)

b) Liquidity risk (continued)

	December 31, 2014			
	Due within 1 year	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
Provision for unpaid claims and adjustment expenses (net)	933,000	3,130,000	2,330,000	6,393,000
Due to reinsurers	1,682,942	-	-	1,682,942
Accounts payable and accrued charges	1,571,241	-	-	1,571,241
Total	4,187,183	3,130,000	2,330,000	9,647,183

	December 31, 2013			
	Due within 1 year	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
Provision for unpaid claims and adjustment expenses (net)	844,000	2,995,000	2,150,000	5,989,000
Due to reinsurers	1,524,104	-	-	1,524,104
Accounts payable and accrued charges	412,738	-	-	412,738
Total	2,780,842	2,995,000	2,150,000	7,925,842

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 \$237,998 (2013: \$210,171) 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 \$265,000 (2013: \$244,000) 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 \$188,709 (2013: \$147,728) 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 \$286,000 (2013: \$263,000) recorded through net income.

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

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, 2014, the equity was \$13,652,612 (2013: \$13,185,460). 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 and Ontario 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, 2014, the Society's MCT was 346% (2013: 328%). 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.

In accordance with sections 99 & 100 of the Alberta Insurance Act, the Society is required to maintain a reserve and guarantee fund. At December 31, 2014 the total reserve and guarantee funds required are as follows:

	2014 \$	2013 \$
Reserve fund		
Net premiums written during the period	13,080,000	13,770,000
Less: Amounts paid to licensed reinsurers	10,471,000	10,548,000
	2,609,000	3,222,000
Requirement	50%	50%
	1,305,000	1,611,000
Guarantee fund		
Total liabilities	84,993,000	81,852,000
Less: Unearned premiums	6,382,000	6,834,000
Recoverable from licensed reinsurers	68,446,000	66,613,000
Add: Statutory margin	50,000	50,000
	10,215,000	8,455,000
Total of reserve and guarantee fund	11,520,000	10,066,000
Cash and approved securities	19,540,000	17,663,000
Excess of cash and securities over reserve and guarantee fund	8,020,000	7,597,000

Canadian Lawyers Liability Assurance Society

Notes to the financial statements

For the year ended December 31, 2014

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. Date of authorization for issue

The financial statements were authorized for issue by the Advisory Board on _____.

DRAFT



Canadian Lawyers Liability Assurance Society

Year-end communication of 2014 Audit



To be presented to the Audit Committee
at the meeting on February 19, 2015



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February 16, 2015

Private and confidential

To the Chair and members of the Audit Committee of Canadian Lawyers Liability Assurance Society

Dear Audit Committee Members:

Report on audited annual financial statements and Minimum Capital Test Return

We are pleased to present our year-end communication on the results of our audits of the financial statements and the Minimum Capital Test Return (MCT Return) of Canadian Lawyers Liability Assurance Society (the "Society") as of and for the year ended December 31, 2014.

Our audits were conducted in accordance with Canadian Generally Accepted Auditing Standards (GAAS) and the results of our audits are summarized 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 management of the Society with whom we worked to discharge our responsibilities.

We look forward to discussing this report with you and answering any questions you may have.

Yours truly,

A handwritten signature in blue ink that reads "Deloitte LLP".

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

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Executive summary

This report summarizes the main findings arising from our audits.

Audit findings and other matters	
Audit scope	<p>Our audit of the Society's financial statements was designed to obtain reasonable, rather than absolute, assurance as to whether the financial statements are free of material misstatement.</p> <p>We confirm that no limitations were placed on the scope of our work and there have been no significant amendments to the audit scope and approach communicated in the audit plan.</p> <p>A description of our audit results has been included in Appendix A of this report.</p>
Significant audit risks	<p>In accordance with our audit plan, our procedures focused on the following areas that we identified as being subject to risk of material misstatement in the current year:</p> <ul style="list-style-type: none">• Provision for unpaid claims and adjustment expenses (valuation);• Recognition, measurement and disclosure of amounts owing to withdrawn subscribers• Revenue recognition; and• Management override of controls <p>We satisfactorily addressed these significant risks in our audit and have summarized the results of our audit procedures for these risk areas in Appendix B of this report.</p>
Internal control over financial reporting	<p>Our audit was not designed to provide a high degree of assurance that significant deficiencies, if any, would be detected. Accordingly, we are unable to and do not provide any assurance on the design or effective operation of internal control over financial reporting.</p> <p>No matters have come to our attention which indicate a significant deficiency in internal control over financial reporting.</p>
Fraud and illegal acts	<p>Based on the procedures we performed as recommended by Canadian Auditing Standard 240, <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>, we are not aware of any illegal acts or fraudulent events with respect to the Society during the year.</p>
Management judgment and accounting estimates	<p>Accounting estimates and interpretations are an integral part of the financial statements prepared by management. They reflect management's current judgments, based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.</p> <p>During the year ended December 31, 2014 management advised us that there were no changes made in the methodology of calculating the unpaid claims and adjustment expenses.</p> <p>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 International Financial Reporting Standards (IFRS) and is appropriate to the particular circumstances of the Society.</p> <p>Our views on the significant quantitative and qualitative aspects of the judgments and estimates made by management are presented in Appendix C of this report.</p>

Audit findings and other matters

Significant accounting policies	<p>The Society's significant accounting policies are set forth in Note 3 to the December 31, 2014 financial statements.</p> <p>In our judgment, the significant accounting practices, selected and applied by management are, in all material respects, acceptable under IFRS and are appropriate to the particular circumstances of the Society.</p>
Audit adjustments and uncorrected misstatements	<p>We have aggregated all uncorrected misstatements greater than our clearly trivial amount of \$75,000, those that are quantitatively insignificant but qualitatively material, and adjustments identified as a result of our audit and corrected by management.</p> <p>Our initial estimate of materiality as communicated to the Audit Committee on November 5, 2014 was \$1,500,000, and was based on the Q2 2014 internal financial statements. This materiality amount remained appropriate based on the year-end financial statements of the Society.</p> <p>During the audit, we identified no misstatements.</p>
Disclosure deficiencies	<p>We made various recommendations to management regarding financial statement disclosures, which have been reflected in the financial statements.</p> <p>To date there are no disclosure deficiencies. Disclosure deficiencies that are more than inconsequential, if any, noted during the course of completion of our audit will be presented at the Audit Committee meeting.</p>
Use of the work of experts	<p>We used the work of our actuarial expert as described in our audit plan document. There were no significant issues noted impacting our audits of the Society's financial statements including the MCT Return.</p>
Formal reporting responsibilities	<p>We are required by professional standards to report to you on certain matters to the extent we become aware of them during the performance of our audits.</p> <p>We have summarized the matters that are reportable to the Audit Committee in Appendix D and confirm to you that, as of the date of this report, there are no material matters included in Appendix D requiring your attention.</p>
Representation letters	<p>Management is responsible for the fair presentation of the financial statements of the Society in accordance with IFRS.</p> <p>We expect to receive a representation letter from management, dated February 25, 2015, acknowledging this responsibility.</p>
Independent Auditor's Reports	<p>We intend to issue unmodified audit reports on the financial statements of the Society, the P&C Annual Return for the year ended December 31, 2014 and on the MCT Return as at December 31, 2014 once the outstanding items referred to on page 2 are satisfactorily completed and the financial statements are approved by the Advisory Board. A draft of our Independent Auditor's Reports on these financial statements are included in Appendix E.</p>
Independence	<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, 2014.</p> <p>Our independence letter is included in Appendix F.</p>
Outstanding items	<p>As of the date of writing, certain aspects of our audit and file documentation are outstanding including:</p> <ul style="list-style-type: none"> • Receipt and review of the actuarial peer review report • Signed Appointed Actuary report • Receipt of signed managements representation letter • Performance of subsequent event procedures up to February 25, 2015 • Completion of final partner and Engagement Quality Control reviews. <p>We plan to issue our audit opinions dated February 25, 2015, following completion of the above procedures and approval of the financial statements by the Advisory Board.</p>

In conclusion

We would like to thank management for their contribution towards creating a constructive relationship between our respective teams and in helping us discharge our duties and responsibilities in a comprehensive and efficient manner.

Appendix A – Audit results

Status of deliverables

In our audit plan document, we identified a number of deliverables to be provided to you throughout the course of our audits. The status, as of February 19, 2015, of these items for the Society is as follows:

Deliverables	Status
2014 Audit scope and plan	Complete Dated November 5, 2014
Confirmation of our independence and reporting on non-audit services and relationships	Complete Dated February 16, 2015
Audit results	Complete Dated February 16, 2015
Auditor's report on the following statements: Annual financial statements Annual Return Form P&C-1 Minimum Capital Test Return	(a)
Letter of significant recommendations for management	No items of significance noted
Other requests the Audit Committee may have	No such requests

(a) Subject to Advisory Board approval and completion of items referred to on Page 2 of this report.

Use of the work of experts

The following expert assisted in our audits:

Provision for claims and adjustment expenses and asset/liability duration for the MCT Return	Our actuarial expert assisted in assessing the adequacy of the valuation of the provision for claims and adjustment expenses. The actuarial expert also assisted in the testing of duration of interest rate sensitive assets/liabilities for the MCT Return.
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Internal control matters

An audit is planned and performed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

We obtained an understanding of internal control relevant to the audits; however, not all controls are relevant to every audit. We evaluated the design of controls relevant to the audit and determined whether they have been implemented. We are not, however, required to determine whether all relevant controls are operating effectively. Although not required by Canadian GAAS, we may decide that, for a particular engagement, it makes sense to rely on the effective operation of some controls to determine our planned substantive procedures. In such cases, we would go beyond evaluating the design of relevant controls and determining whether they have been implemented to also test whether the controls on which we intend to rely are operating effectively.

During the course of our audits, we did not identify any significant deficiencies in the internal control over financial reporting. Our audits were not designed to provide a high degree of assurance that significant deficiencies, if any, would be detected. Accordingly, we are unable to and do not provide any assurance on the design or effective operation of internal control over financial reporting.

Because of the inherent limitations of internal controls, including the possibility of collusion or management override of controls, material misstatements due to fraud may occur and not be detected. Also, projections of any evaluation of the internal controls to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Significant events and related party transactions

During the course of our audits of the Society's financial statements, we have not identified any related party transactions that are not in the normal course of operations and that involve significant judgments by management concerning measurement or disclosure.

Legal and regulatory compliance

Management is responsible for ensuring that Society's operations are conducted in accordance with applicable laws and regulations. The responsibility for preventing and detecting non-compliance rests with management. The auditor is not and cannot be held responsible for preventing non-compliance with laws and regulations. In the course of our audits, we did not identify any illegal or possibly illegal acts or any areas of material non-compliance with laws and regulations by the Society.

Post-balance sheet events

Management is responsible for assessing subsequent events up to the date of release of the financial statements.

At the date of finalizing this report, we are not aware of any significant post balance sheet events that require disclosure or adjustment to the financial statements. We will update this assessment to February 25, 2015, the date of our auditor's report.

It should be noted that under Canadian Auditing Standard 560, *Subsequent Events*, the auditor is not obligated to perform any audit procedures regarding the financial statements after the date of the auditor's report. However, if, after the date of our reports but before the date the financial statements are released, a fact becomes known which could impact our auditor's reports, we will discuss the matter with management and, where appropriate, the Audit Committee to determine whether the financial statements need amendment and our auditor's reports need updating.

Compliance with IFRS

The audit allows us to express an opinion on whether the financial statements were prepared, in all material respects, in accordance with IFRS. The audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by management, and evaluating the overall presentation of the financial statements. Our report on the financial statements and communications required by Canadian GAAS are in accordance with our findings.

The results of our audits indicate that the financial statements of the Society are prepared in all material respects in accordance with IFRS.

Appendix B – Significant audit risks

Significant audit risks

The results of our audit work on areas of significant audit risks are set out below:

Areas of significant audit risk	Our audit response	Our findings
<p>Provision for Unpaid Claims and Adjustment Expenses (valuation)</p> <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>Estimates are complex and subject to variability. Relatively small variations in assumptions, selections of best estimate and margins for adverse deviations can have a significant impact on the Society's overall financial results.</p> <p>We assessed whether the reserves are appropriately established, carried and released.</p>	<p>This is an area subject to a significant amount of management judgment with respect to the assumptions and methodologies underlying the reserves. The actuarial reserving process utilizes a multitude of data sources and complex models to develop the estimate of policy liabilities.</p> <p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Utilized actuarial experts in the planning and execution of our audit procedures • Tested internal controls over the actuarial and claims processes • Selected and tested a representative sample of claims to ensure reserved amounts were properly supported and payments were 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, with focus on the reconciliation between the administrative and valuation systems • Reviewed the draft opinion of the Appointed Actuary • Assessed the reasonableness of key assumptions and methodologies • Carried out independent recomputations of the gross and net policy liabilities and compared to the Society's valuation • Reviewed the security in place for the amounts ceded to determine if it is sufficient to cover non-payments by the reinsurers • Reviewed the discount factor used and the application of discounting • Reviewed trends in the development of prior years' ultimate claims and performed a retrospective assessment (a look back test) to determine whether management judgments and assumptions relating to the estimates indicated a possible bias on the part of management. 	<ul style="list-style-type: none"> • We did not identify any significant deficiencies in internal control. • Our audit testing did not identify any discrepancies in the claims data. Our audit tests are based on sampling considering materiality and our risk assessment. • Our Actuarial expert reviewed actuarial methodologies and assumptions and has conducted various recomputation tests. The results of conducting these procedures were satisfactory and differences in computed amounts were within the range of acceptable actuarial practice. Security in place for amounts ceded is sufficient to cover non-payments by reinsurers <p>Subject to the completion of the outstanding items referred to on Page 2 of this report, the results of our audit procedures to date have been satisfactory.</p>

Areas of significant audit risk	Our audit response	Our findings
<p>Recognition and disclosure of subscriber withdrawals (occurrence, valuation and presentation)</p> <p>Subscriber withdrawals occur periodically and judgment is involved in determining the appropriate timing of recognition and valuation of amounts and appropriate note disclosures</p>	<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 recognised in respect of the liability arising on withdrawal of a subscriber Utilization of actuarial experts to test management's valuation of the recognised liability to the subscriber was not required given the future amounts, if any, owing to the 2012 withdrawn subscriber is determinable once all claims up to the withdrawal have been extinguished. Assessed the appropriateness and completeness of disclosures included in the financial statements 	<p>The results of our audit procedures were satisfactory.</p>
<p>Revenue recognition</p> <p>Revenue streams are contractually driven, although the level of manual intervention increases the risks.</p>	<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 test of details Agreed, on a sample basis, the insurance premiums recorded in the administration system to supporting documentation Obtained confirmation from the insured and tested reconciling items, if any For investment income performed test of details by selecting a sample of transactions and traced income to the source document and compared the individual income components to the prior year for any unusual movements. 	<p>The results of our audit procedures were satisfactory.</p>
<p>Management override of controls</p> <p>We are obliged under the auditing standard, <i>The auditor's responsibilities relating to fraud in the audit of financial statements</i>, to consider and report on the risk associated with the potential for management override of controls. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud, and thus a significant risk.</p>	<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 Examined accounting estimates for biases and evaluated whether the circumstances producing the bias, if any, represented a risk of material misstatement due to fraud. Selected journal entries for review that displayed characteristics of which could be indicative of fraud. 	<p>The results of our audit procedures were satisfactory.</p>

Appendix C – Management judgments and accounting estimates

Management judgments and accounting estimates

The financial statements of the Society are prepared by management who are responsible for the integrity and fairness of the data presented. The preparation of the financial statements requires management to exercise judgment in the selection and application of accounting policies including the determination of related amounts that must of necessity be based on estimates and judgments. These estimates and judgments are normally based on knowledge and experience about past and current events and on assumptions about future events.

Accounting policies involving significant management judgments and accounting estimates include those for valuation of the provision for unpaid claims and adjustment expenses and collectability of reinsurance receivable.

We have set out in the table on the following page our comments with respect to these significant management judgments and accounting estimates as at December 31, 2014 (with December 31, 2013 comparatives).

Management judgments and accounting estimates	2014 (in '000)	2013 (in '000)	Comments
Provision for unpaid claims and adjustment expenses – Gross	\$75,357	\$73,081	Management's estimate of actuarial liabilities is the most significant area of measurement uncertainty which utilizes complex models and significant management judgment for assumptions.
Provision for unpaid claims and adjustment expenses recoverable from reinsurer	\$68,964	\$67,092	We did not identify any significant reinsurance disputes. Our tests also did not identify any concerns related to the reinsurer credit defaults. Moreover, the security account in place for the unregistered reinsurer at December 31, 2014 amounted to \$68,840,000, (2013:\$71,298,000).
Net impact of changes in assumptions, provisions for adverse deviations and discount rate	\$5	\$801	<p>There were no changes made in the methodology of calculating provision for unpaid claims and adjustment expenses between last year and current year end. The Bornhuetter-Ferguson Method (BF) which is based on expected claims development patterns and expected losses continues to be the primary method relied upon by the Appointed Actuary.</p> <p>The discount rate was decreased to 1.85% (2013:2.4%), following movements in bond rates.</p> <p>We noted no changes to the provision for adverse deviations "PfAD" factor as compared to the prior year.</p>

In our judgment, the significant accounting estimates made by management are in all material respects, free of possible management bias and of material misstatement. We will discuss with the Audit Committee our views on the qualitative aspects of the above areas of judgment at the meeting on February 19, 2015. The disclosure in the financial statements around estimation uncertainty is in accordance with IFRS and is appropriate to the particular circumstances of the Society.

Appendix D – Reportable matters to the Audit Committee

We are required by professional standards and regulatory requirements to report to you any of the following matters to the extent we become aware of them during the course of the audits. Our findings are based on the audit work considered necessary by us to render our opinion on the Society's financial statements and the MCT Return.

Reportable matters	Comments
Fraud or possible fraud identified through the audit process	None noted
Illegal or possibly illegal acts	None noted
Related party transactions that are not in the normal course of business	None noted
Responsibility assumed by Deloitte Our Audit Strategy and Scope	As per our audit plan presented to the Audit Committee on November 12, 2014
Management judgments and accounting estimates	See management judgments and accounting estimates in Appendix C
Audit adjustments (non-trivial adjustments whether or not corrected)	None noted
Uncorrected misstatements determined by management to be immaterial	No uncorrected misstatements, misclassifications of disclosure matters were identified.
Significant accounting policies and unusual transactions	See significant accounting policies on page 2. No unusual transactions were noted
Alternative treatments under IFRS for accounting policies and practices related to material items (including specific transactions) that have been discussed with Management during the current audit period, including: Ramifications of the use of such alternative disclosures and treatments The treatment preferred by Deloitte.	No material items noted
Deloitte's judgments about the quality, not just the acceptability, of the Society's accounting principles as applied in its financial reporting	See management judgments and accounting estimates in Appendix C
Disagreements with management	None

Reportable matters	Comments
Consultation with other accountants	None
Major issues discussed with management prior to retention	None
Problems or difficulties encountered in performing the audits and management's response	None
Significant deficiencies in internal control, if any, identified by us during the year, in the conduct of the audit of the financial statements.	None noted. See internal control matters in Appendix A
Material written communications between Deloitte and management	See status of deliverables in Appendix A
All relationships between Deloitte and the Society that, in our professional judgment, may reasonably be thought to bear on independence.	See Independence Letter in Appendix F
A confirmation that Deloitte is independent with respect to the Society within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.	
Discuss the results of the procedures performed to identify fraud/illegal acts.	To be discussed at the meeting of the Audit Committee on February 19, 2015
Discuss the Society's annual audited financial statements with the Audit Committee.	To be discussed at the meeting of the Audit Committee on February 19, 2015

Appendix E – Draft Independent Auditor's Reports

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 audits.

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, 2014, 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

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 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, 2014, 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, Chartered Accountants
Licensed Public Accountants
February 25, 2015

2. Draft audit report on the P&C Annual 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, 2014 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 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, 2014 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, Chartered Accountants
Licensed Public Accountants
February 25, 2015

3. Draft audit report on the MCT 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 30.70 of the P&C Annual Return of Canadian Lawyers Liability Assurance Society as at December 31, 2014. 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, 2014 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, Chartered Accountants
Licensed Public Accountants
February 25, 2015

Appendix F – Independence letter



Deloitte LLP
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

February 16, 2015

To the Chair and Members of the Audit Committee of Canadian Lawyers Liability Assurance Society

Dear Audit Committee Members:

We have been engaged to audit the financial statements of Canadian Lawyers Liability Assurance Society (Society) for the year ended December 31, 2014.

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 Society, our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. You have also requested that we communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the appropriate provincial institute / ordre and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) economic dependence on a client; and
- (e) provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since February 19, 2014, the date of our last letter.

We are aware of the following relationships between the Society and our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. The following relationships represent matters that have occurred from February 19, 2014 to February 16, 2015.

- The fees chargeable to the Society for audit services are \$81,350 for the year ended December 31, 2014.

We hereby confirm that, we are independent with respect to the Society within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario as at February 16, 2015.

This report is intended solely for the use of the audit committee, the board of directors, management, and others within the Society and should not be used for any other purposes.

We look forward to discussing the matters addressed in this letter with you at our upcoming meeting on February 19, 2015.

Yours truly,

A handwritten signature in dark ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

Appendix G – Draft management representation letter

[Client letterhead]

February 25, 2015

Deloitte LLP
Chartered Accountants
Brookfield Place
181 Bay Street
Toronto, ON M5J 2V1

Attention: Neil Harrison

Dear Sirs:

Subject: Management Representation Letter for Canadian Lawyers Liability Assurance Society

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”), for the year ended December 31, 2014, which includes the following:

- The Company’s annual financial statements; and
- The Society’s financial statements contained on pages 20.10 to 20.60 of the P&C Annual Return to the Provincial Superintendents of Financial Institutions / Insurance

In addition, this representation letter is also provided for the audit of the Minimum Capital Test of the Society as contained on page 30.70 of the P&C Annual Return to the Provincial Superintendents of Financial Institutions / Insurance for the year ended December 31, 2014 (the “MCT Return”).

Unless otherwise indicated below, the annual financial statements, pages 20.10 to 20.60 of the P&C Annual Return and 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 IFRS as issued by the International Accounting Standards Board and whether the MCT Return has been prepared in accordance with the provisions of the Office of

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 5, 2014 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, 2014 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 Society. No events have occurred subsequent to December 31, 2014 that requires 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, including associated amounts receivable and payable, 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 February 25, 2015 as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected; all final adjusting journal entries have been reflected in the Financial Statements and 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, 2014 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.

Information provided

8. 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. 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 Society from whom you determined it necessary to obtain audit evidence.
9. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
10. 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.
11. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Society 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.
12. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Society'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.
13. We have disclosed to you all communications from regulatory agencies 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.
14. 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, including guarantees, non-monetary transactions and transactions for no consideration.
15. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
16. 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.
17. 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.
18. 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.

Independence matters

For purposes of the following paragraph, “Deloitte” shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

19. 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.
20. 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

21. 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.

Compliance with contractual agreements

22. 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.

Investments

23. With respect to the Society’s investment in fixed income which are classified as available for sale, at the end of the reporting period, we assessed whether there was any objective evidence that this investment was impaired. If any such evidence existed, we have disclosed to you all events that have occurred and facts that have been discovered and we determined the amount of any impairment loss in accordance with the applicable provisions of IAS 39, *Financial Instruments: Recognition and Measurement*.

Impairment

24. At the end of the reporting period, we assessed whether there was any indication that an asset may be impaired. If any such indication existed, we estimated the recoverable amount of the respective assets and determined whether an impairment loss should be recognized.

Plans or intentions affecting carrying value/classification of assets and liabilities

25. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.

Liabilities and contingencies

26. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, if any, whether written or oral, and they are appropriately reflected in the Financial Statements.

IFRS 13, Fair Value Measurement

27. The Company 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 Company considered the following items:
- unit of account;
 - principal market and where the principal market does not exist, the Company considered the most advantageous market;
 - pricing assumptions and considerations market participants would take into account; and
 - inputs that are available and the appropriate valuation technique(s).
29. In determining the fair value of the Company’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 Company has not made any adjustment to a Level 1 input except when it has met the circumstances in paragraph 79 of IFRS 13.
31. We have appropriately disclosed fair value information to assess both of the following:
- for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements;
 - for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period; and
 - for recurring and non-recurring fair value measurements, the level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2 or 3).
32. In applying the fair value hierarchy, the Company has applied consistent judgment in determining and prioritizing the appropriate level of inputs to the valuation techniques.
33. The Company has appropriately applied the transitional provisions prospectively to its annual period beginning on or after January 1, 2014 and prior comparative periods have not been adjusted.

Financial instruments

34. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:
- a. the fair value of financial instruments;
 - b. the impairment of financial assets classified as available-for-sale financial assets; and
 - c. financial instruments with characteristics of both liabilities and equity.
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, 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.

36. The Society has provided in its Financial Statements the disclosures in accordance with IFRS 7, *Financial Instruments: Disclosures*.

Various matters

37. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements, where applicable:

- 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.

38. The Society is in compliance with Minimum Capital Test requirements as contained in the Guideline.

Yours truly,

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Patrick Mahoney
General Manager

Gordon Goodman
Chair of the Audit Committee



www.deloitte.ca

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ASSURANCE SOCIETY

INVESTMENT REPORT
DECEMBER 31, 2014

MARTIN, LUCAS & SEAGRAM LTD.
INDEPENDENT INVESTMENT COUNSEL

Suite 620, 48 Yonge Street
Toronto, Ontario
M5E 1G9

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CLLAS
CANADIAN LAWYERS LIABILITY
ASSURANCE SOCIETY

COMMENTARY FOR THE QUARTER ENDING DECEMBER 31, 2014

Review of Market Yields

Money market yields held relatively steady during the fourth quarter, while longer term bond yields drifted erratically lower. At the short end of the curve, the yield on 3-month Treasury Bills ended the quarter down just one basis point. Meanwhile, further out the curve the decrease in yields was progressively greater as term increased. As a result, the most significant decline was recorded by the 10-year issue, where the yield fell 36 basis points, compared to a 29 basis point drop for the 5-year issue.

As a result of these shifts, the yield curve flattened with the yield advantage of 10-year issues over Treasury Bills decreasing from 123 basis points at the end of September to 88 at year-end.

	Jan. 1/95	Jun. 30/14	Sep. 30/14	Dec. 31/14
3-Month Treasury Bills	6.80%	0.94%	0.92%	0.91%
5-year Canadas	8.99%	1.53%	1.63%	1.34%
10-year Canadas	9.09%	2.24%	2.15%	1.79%

During the quarter, in the Short Term Investment Fund, activity involved the roll-over of money market securities.

In the Long Term Investment Fund a new Canada guaranteed issue was added to the list.

During the fourth quarter, the market value of the Long Term Investment Fund holdings increased by \$35,103, or 1.8% on a capital basis.

At December 31, 2014, the average term to maturity of the Long Term Investment Fund stood at 4.4 years.

The table below shows the distribution of the assets held in both the Short and Long Term Investment Funds at December 31.

<i>Distribution at December 31, 2014</i>	<i>Valuation</i>	<i>%</i>
Short Term Investment Fund	\$9,016,383	69.1%
Long Term Investment Fund	4,029,285	30.9%
TOTAL COMBINED VALUATION	\$13,045,669	100.0%

CLLAS

CANADIAN LAWYERS LIABILITY
ASSURANCE SOCIETY

The following pages set out tables, commentary and schedules on the items listed below:

- Total Returns vs. Benchmarks - Gross and Net of Fees
- Distribution of Securities in the Long Term Investment Fund
by Credit Risk and by Maturity
- Compliance Statement
- Quarterly Performance Report - Gross of Fees: Long Term Investment Fund
- Bond Market Commentary and Future Policy
- Security Holdings in the Short and Long Term Investment Funds
Listed and Valued Separately as at December 31, 2014
- Security Purchases and Sales
- Cash Reconciliations
- External Individual Credit Rating Report

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LONG TERM INVESTMENT FUND

TIME-WEIGHTED RATES OF TOTAL RETURN FOR PERIODS ENDING DECEMBER 31, 2014

	Since Inception Dec. 17/13	1 Year	Last 3 months
<i>Long Term Investment Fund</i> <i>– Gross of Fees</i>	3.89%	4.61%	1.48%
<i>Long Term Investment Fund</i> <i>– Net of Fees</i>	3.59%	4.31%	1.41%
Benchmark Portfolio **	5.03%	5.47%	1.63%

** The Benchmark Portfolio is based on the sum of the following total return indices:
60% Canada Short Bond Index
40% Canada Mid Bond Index

SHORT TERM INVESTMENT FUND

TIME-WEIGHTED RATES OF TOTAL RETURN FOR PERIOD ENDING DECEMBER 31, 2014

	Since Inception Oct. 1/08 *	Three Years*	Two Years*	One Year	Last 3 Months
<i>Short Term Investment Fund</i> <i>– Gross of Fees</i>	0.84%	0.91%	0.90%	0.89%	0.22%
<i>Short Term Investment Fund</i> <i>– Net of Fees</i>	0.71%	0.79%	0.80%	0.78%	0.19%
Benchmark Portfolio **	0.80%	0.92%	0.93%	0.89%	0.23%

* Annualized

** The Benchmark Portfolio, adopted from October 1, 2008, is based 100 %
on the total return index of the 30-day Treasury Bill Index

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LONG TERM INVESTMENT FUND

DISTRIBUTION OF SECURITIES BY CREDIT RISK
(Based on Market Values)

	Dec. 17/13	Dec. 31/13	Jun. 30/14	Sep. 30/14	Dec. 31/14
Bonds, Treasury Bills & Cash Less than 1 year term	100.0%	26.5%	0.0%	0.0%	0.0%
Canadas Greater than 1 year term		8.0%	21.2%	21.2%	25.2%
Provincials Greater than 1 year term		39.1%	39.9%	39.9%	37.9%
Corporates Greater than 1 year term		26.4%	38.9%	38.9%	36.9%
TOTAL PORTFOLIO	100.0%	100.0%	100.0%	100.0%	100.0%

LONG TERM INVESTMENT FUND

DISTRIBUTION OF SECURITIES BY MATURITY
(Based on Market Values)

	Dec. 31/13	Jun. 30/14	Sep. 30/14	Dec. 31/14
Under 1 year	26.5%	0.0%	0.0%	0.0%
1 - 3 years	21.4%	21.3%	35.4%	33.4%
3 - 5 years	28.4%	42.0%	33.2%	31.6%
5 - 7 years	5.3%	18.9%	13.6%	19.5%
7 - 10 years	18.5%	17.8%	17.8%	15.5%
TOTAL	100.0%	100.0%	100.0%	100.0%
Average Maturity (yrs)	3.54	4.64	4.39	4.35
Average Duration	3.24	4.28	4.05	4.02

SHORT TERM INVESTMENT FUND

	Dec. 31/13	Jun. 30/14	Sep. 30/14	Dec. 31/14
Short Term Average Duration	0.08	0.11	.11	.09

CLLAS

COMPLIANCE WITH INVESTMENT POLICY STATEMENT

AT DECEMBER 31, 2014

	Investment Limits	Investment Funds	Compliance
<i>Short Term Investment Fund</i>			
Maximum Term of Any Issue	1 year	0.2 years	Yes
Minimum Percentage of Total Fund (Short & Long)	40% of Total	69.1%	Yes
Minimum Canada & Provincial Percentage	50%	54.2%	Yes
Minimum Provincial Quality	A	N/A	Yes
Minimum Bank CD & BA Quality	R1	R1	Yes
<i>Long Term Investment Fund</i>			
Maximum Term of Any Issue	10 years	8.1 years	Yes
Maximum Percentage of Total Fund (Short & Long)	60% of Total	30.9%	Yes
Minimum Canada Percentage	20%	25.2%	Yes
Maximum Provincial Percentage	40%	37.9%	Yes
Minimum Canada & Provincial Percentage	60%	62.1%	Yes
Minimum Provincial Quality *	A	AA (low)	Yes
Maximum Corporate Percentage	40%	36.9%	Yes
Minimum Corporate Quality *	A	AA	Yes

** At time of purchase*

This will confirm that during the fourth quarter the Long Term Investment Fund was managed in compliance with the Investment Policy limits provided on December 3, 2013.

Similarly, during the same period the Short Term Fund remained in compliance with the Investment Policy Statement that became effective on May 5, 2012.

CLLAS

Martin, Lucas & Seagram Ltd. PERFORMANCE REPORT

GROSS OF FEES

CLLAS - LONG TERM INVESTMENT FUND

From 09-30-14 to 12-31-14

Portfolio Value on 09-30-14	3,793,442
Accrued Interest	20,792
Contributions	202,621
Withdrawals	-27,560
Realized Gains	0
Unrealized Gains	35,103
Interest	25,679
Dividends	0
Change in Accrued Interest	-2,357
Portfolio Value on 12-31-14	4,029,285
Accrued Interest	18,436
Average Capital	3,930,988
Total Gain before Fees	58,426
IRR for 0.25 Years	1.49%

CLLAS

BOND MARKET COMMENTARY AND FUTURE POLICY

Many of the global economic crosscurrents that prevailed in the latter half of 2014 are expected to carry into the New Year. On the positive side, the U.S. expansion gained considerable momentum during the final half of 2014, and a broad consensus expects the U.S. to be the largest contributor to global growth in 2015. In the wake of the strongest employment growth in fifteen years, U.S. unemployment has dropped to 5.6% and consumer and business confidence are at their highest levels since the recovery began. This bodes well for the consumer sector, which will receive additional support from a de facto tax cut due to the drop in energy prices. The reacceleration south of the border benefitted Canada last year, as growth in GDP moderately exceeded most forecasts. However, soft domestic demand has kept Canada on a more modest growth path compared to the U.S., and the drop in commodity and energy prices will weigh on aggregate growth going forward.

Outside of the U.S., results for the major economies have been disappointing on balance and the prospects remain clouded for 2015. Last year, growth in China consistently lagged projections and most forecasters expect growth will moderate again this year as the authorities attempt to strike the right balance between supporting domestically driven growth and implementing structural reforms to address financial imbalances. Economic trends in Europe and Japan have also weighed on the global expansion. Conditions in the euro zone deteriorated with the two largest core economies, Germany and France, experiencing minimal growth during the final half of 2014, while Italy moved back into recession. Looking ahead, the European Commission cut its 2015 growth forecast to just 1.1% and an unexpected drop in consumer prices last month has increased deflationary risks. Japan also fell back into recession in 2014 as the economy contracted for two consecutive quarters following the April sales tax hike.

Mixed trends in the global economy and currency markets have fuelled considerable volatility in the financial markets over the past few months and speculation surrounding the possibility that monetary policies will soon diverge has added to the uncertainty. While the U.S. Federal Reserve has indicated that the strengthening U.S. economy will allow them to begin normalizing interest rates later this year, officials in Europe, Japan and China have been signalling that additional stimulative measures will be introduced. As was widely expected, the European Central Bank has since adopted quantitative easing by expanding their purchases of private sector debt to an array of government bonds. These purchases, which amount to 60 billion euros a month, are scheduled to start this March and run to September 2016.

The plunge in oil prices has introduced another element of uncertainty to the outlook, particularly in light of the speed and magnitude of the decline to levels that make most non-OPEC production uneconomic longer term. Unlike the last cyclical downturn in prices, which was driven by a fall in demand during the 2008 financial crisis, the rout in oil prices since last summer has been primarily due to strong growth in supply. Saudi Arabia and other OPEC nations have fuelled the decline as they try to protect their market share against growing supplies from non-OPEC producers, primarily the U.S., Russia and Canada. Given the marginal cost of production, current prices seem to have overshoot on the downside. However, reductions in output will take time and significant production cuts are required to bring supply and demand back into balance. As a result, the recovery is expected to be longer and slower compared to previous slumps.

CLLAS

Depressed oil prices will have mixed consequences for the global economy. Clearly, oil exporting nations will be negatively impacted, and countries such as Russia, Iran, and Venezuela could experience significant damage if the drop in prices is prolonged. However, given that the largest global economies including the U.S., China, Europe and Japan are energy importers, lower prices are expected to provide an overall boost to global growth. For Canada, the increase in consumer disposable income, coupled with the positive impact from the lower dollar and a stronger U.S. economy is expected to partially mitigate the looming downturn in the domestic oil patch. However, the Bank of Canada expects aggregate growth will be dragged lower, as the spillover effects spread beyond the energy sector. In light of the downside risks, the Bank announced an unexpected one-quarter percent cut in its overnight lending rate.

Turning to the security markets, stock prices have become increasingly volatile and already depressed bond yields have continued to trend lower. On the one hand, this suggests that concerns surrounding growth prospects and deflationary pressures have intensified here and abroad. However, most forecasters remain upbeat for the U.S. economy in 2015 based on buoyant consumer and business confidence, solid gains in employment and an anticipated boost in consumer spending due to the significant decline in energy prices. Citing these improvements, the U.S. Federal Reserve has signaled that the long awaited move away from historically low interest rates could occur around mid-year. While this would normally put upward pressure on U.S. bond yields, the drop in oil prices, deflationary pressures offshore and recent moves by the Canadian and major offshore central banks have helped offset these pressures and pushed U.S. yields significantly lower. Technical factors have also contributed to the decline in yields. The ongoing weakness in the euro and yen and ultra-low sovereign yields in both regions has fuelled offshore demand for U.S. treasuries. This increased demand has coincided with a fall in the availability of bonds due to the quantitative easing program and lower U.S. deficits.

The above trends are not expected to reverse any time soon. The clouds overhanging the energy sector and international markets are not likely to dissipate quickly and headline inflation will be heading lower as the drop in energy and commodity prices filter through the economy. Furthermore, monetary policies outside the U.S., including Canada, are expected to remain supportive of bond prices and it seems increasingly likely that the Fed may delay the first step towards normalizing administered interest rates. As a result, we expect yields will remain depressed and move in a bumpy sideways trading range for some time yet. However, given that prevailing yields are near historic lows and the slim incremental returns that are available further out the curve, we do not think it is prudent to be extending term at this juncture. We believe the Long Term Investment Fund's laddered maturity structure and duration of 4.0 years strikes a reasonable balance between risk and return. In the period ahead, speculation that monetary policies could diverge later this year could fuel considerable volatility in the fixed income markets and provide a more favourable opportunity to expand the Long Term Fund.

RWB/mab
January 27, 2015

As stipulated in our Investment Management Agreement, please let ML&S know if there are major changes in your financial circumstances, income needs or risk tolerance in order for us to review the suitability of your investment objectives.

Martin, Lucas & Seagram Ltd.

CLLAS - SHORT TERM INVESTMENT FUND

Portfolio Holdings at December 31, 2014

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Annual Income</u>
CASH					
	Cash Account			9,205	0
MONEY MARKET ISSUES					
1,030,000	Toronto Dominion Bank BA 1.03% due January 5, 2015	99.82	99.98	1,029,825	10,580
1,500,000	Canada Treasury Bill .77% due January 15, 2015	99.88	99.96	1,499,454	11,536
1,570,000	CIBC BA 1.05% due January 28, 2015	99.82	99.91	1,568,556	16,456
1,525,000	Bank of Nova Scotia BA 1.052% due January 30, 2015	99.83	99.90	1,523,498	16,016
1,760,000	Canada Treasury Bill .76% due February 12, 2015	99.88	99.89	1,758,134	13,360
1,630,000	Canada Treasury Bill .78% due February 26, 2015	99.82	99.86	1,627,711	12,691
				<u>9,007,178</u>	<u>80,640</u>
TOTAL PORTFOLIO				9,016,383	80,640

Martin, Lucas & Seagram Ltd.
CASH RECONCILIATION
CLLAS - SHORT TERM INVESTMENT FUND
From 10-01-14 to 12-31-14

Cash Balance at October 1, 2014			5,434.82
ADD:	Proceeds from Sales	14,075,000.00	
	Bond Interest Credited (from Long Term Investment Fund)	27,560.00	
	Bank Interest Credited	<u>38.54</u>	<u>14,102,598.54</u>
			14,108,033.36
LESS:	Cost of Purchases	13,886,840.10	
	Transfer to Long Term Investment Fund	202,620.55	
	Investment Counsel Fees - Short Term Investment Fund	2,593.43	
	Investment Counsel Fees - Long Term Investment Fund	2,679.12	
	Trust Company Charges	<u>4,094.99</u>	<u>14,098,828.19</u>
Cash Balance at December 31, 2014			9,205.17

CLLAS - LONG TERM INVESTMENT FUND

Portfolio Holdings at December 31, 2014

Quantity	Security	Unit Cost	Price	Market Value	Annual Income
GOVERNMENT BONDS					
300,000	Canada Housing Trust 1.85% Series 43 due December 15, 2016	101.30	101.35	304,044	5,550
250,000	Canada Housing Trust 1.75% due June 15, 2018	100.11	101.09	252,715	4,375
250,000	Canada Housing Trust 1.95% due June 15, 2019	100.10	101.59	253,980	4,875
200,000	Canada Housing Trust 2.4% Series 48 due December 15, 2022	100.37	102.26	204,518	4,800
				<u>1,015,257</u>	<u>19,600</u>
PROVINCIAL BONDS					
300,000	Alberta 1.85% due September 1, 2016	101.35	101.24	303,732	5,550
330,000	Ontario 1.90% due September 8, 2017	100.18	101.37	334,528	6,270
350,000	Ontario 2.1% due September 8, 2018	99.57	101.98	356,944	7,350
250,000	British Columbia 3.25% due December 18, 2021	102.30	107.48	268,703	8,125
250,000	Ontario 3.15% due June 2, 2022	99.04	105.72	264,305	7,875
				<u>1,528,211</u>	<u>35,170</u>
CORPORATE BONDS					
200,000	Bank of Nova Scotia Dep. Note 2.1% due November 8, 2016	100.32	100.67	201,344	4,200
200,000	Toronto Dominion Bank Dep. Note 2.433% due August 15, 2017	100.73	101.49	202,984	4,866
200,000	Royal Bank Dep. Note 2.26% due March 12, 2018	99.28	100.89	201,774	4,520
200,000	Wells Fargo Canada 2.944% due July 25, 2019	100.02	102.90	205,794	5,888
300,000	Bank of Montreal 2.84% due June 4, 2020	101.77	102.71	308,142	8,520
200,000	Bank of Montreal 3.4% due April 23, 2021	100.65	105.30	210,604	6,800
150,000	Wells Fargo 3.46% due January 24, 2023	102.36	103.45	155,175	5,190
				<u>1,485,817</u>	<u>39,984</u>
TOTAL PORTFOLIO				4,029,285	94,754

Martin, Lucas & Seagram Ltd.
PURCHASE AND SALE
CLLAS - SHORT TERM INVESTMENT FUND
From 10-01-14 To 12-31-14

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
10-22-14	10-23-14	1,740,000	Canada Treasury Bill .749% due December 18, 2014	99.89	1,738,000.74
10-29-14	10-30-14	1,525,000	Bank of Nova Scotia BA 1.02% due December 1, 2014	99.91	1,523,638.18
10-31-14	11-03-14	1,030,000	Toronto Dominion Bank BA 1.03% due January 5, 2015	99.82	1,028,172.78
11-05-14	11-06-14	1,625,000	Canada Treasury Bill .75% due December 4, 2014	99.94	1,624,065.63
11-19-14	11-20-14	1,500,000	Canada Treasury Bill .77% due January 15, 2015	99.88	1,498,230.00
11-27-14	11-28-14	1,570,000	CIBC BA 1.05% due January 28, 2015	99.82	1,567,249.36
12-02-14	12-03-14	1,525,000	Bank of Nova Scotia BA 1.052% due January 30, 2015	99.83	1,522,454.77
12-03-14	12-04-14	1,630,000	Canada Treasury Bill .78% due February 26, 2015	99.82	1,627,079.04
12-17-14	12-18-14	1,760,000	Canada Treasury Bill .76% due February 12, 2015	99.88	1,757,949.60
					13,886,840.10
SALES					
10-23-14	10-23-14	1,740,000	Canada Treasury Bill .829% due October 23, 2014	100.00	1,740,000.00
10-29-14	10-29-14	1,525,000	Bank of Nova Scotia BA 1.05% due October 29, 2014	100.00	1,525,000.00
11-03-14	11-03-14	220,000	CIBC BA 1.029% due November 3, 2014	100.00	220,000.00
11-03-14	11-03-14	1,010,000	Toronto Dominion Bank BA 1.039% due November 3, 2014	100.00	1,010,000.00
11-06-14	11-06-14	1,625,000	Canada Treasury Bill .829% due November 6, 2014	100.00	1,625,000.00
11-20-14	11-20-14	1,500,000	Canada Treasury Bill .81% due November 20, 2014	100.00	1,500,000.00
11-28-14	11-28-14	1,565,000	CIBC BA 1.019% due November 28, 2014	100.00	1,565,000.00
12-01-14	12-01-14	1,525,000	Bank of Nova Scotia BA 1.02% due December 1, 2014	100.00	1,525,000.00
12-04-14	12-04-14	1,625,000	Canada Treasury Bill .75% due December 4, 2014	100.00	1,625,000.00
12-18-14	12-18-14	1,740,000	Canada Treasury Bill .749% due December 18, 2014	100.00	1,740,000.00
					14,075,000.00

Martin, Lucas & Seagram Ltd.
CASH RECONCILIATION
CLLAS - LONG TERM INVESTMENT FUND
From 10-01-14 to 12-31-14

Cash Balance at October 1, 2014		0.00
ADD: Transfer from Short Term Investment Fund		<u>202,620.55</u>
		202,620.55
LESS: Cost of Purchase	200,740.00	
Accrued Bond Interest on Purchase	<u>1,880.55</u>	<u>202,620.55</u>
Cash Balance at December 31, 2014		0.00

Martin, Lucas & Seagram Ltd.
PURCHASE AND SALE
CLLAS - LONG TERM INVESTMENT FUND
From 10-01-14 To 12-31-14

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
10-31-14	11-05-14	200,000	Canada Housing Trust 2.4% Series 48 due December 15, 2022	100.37	200,740.00
					200,740.00

Martin, Lucas & Seagram Ltd.
DATE TO DATE GAINS AND LOSSES
CLLAS - LONG TERM INVESTMENT FUND
From 09-30-14 to 12-31-14

Security	09-30-14 Market Value	Additions Withdrawals	12-31-14 Market Value	12-31-14 Cost Basis	Realized Gain or Loss		Unrealized Gain or Loss	
					Cost	Market	Cost	Market
CASH								
Cash Account.	0	0	0	0				
GOVERNMENT BONDS								
Canada Housing Trust 1.85% Series 43 due December 15, 2016	303,657	-2,775	304,044	303,900	0	0	144	387
Canada Housing Trust 1.75% due June 15, 2018	250,913	-2,188	252,715	250,275	0	0	2,440	1,803
Canada Housing Trust 1.95% due June 15, 2019	251,163	-2,438	253,980	250,238	0	0	3,743	2,818
Canada Housing Trust 2.4% Series 48 due December 15, 2022	0	200,221	204,518	200,740	0	0	3,778	3,778
GOVERNMENT BONDS Total	<u>805,732</u>		<u>1,015,257</u>	<u>1,005,153</u>	<u>0</u>	<u>0</u>	<u>10,105</u>	<u>8,785</u>
PROVINCIAL BONDS								
Alberta 1.85% due September 1, 2016	303,585	0	303,732	304,050	0	0	-318	147
Ontario 1.90% due September 8, 2017	333,056	0	334,528	330,594	0	0	3,934	1,472
Ontario 2.1% due September 8, 2018	353,490	0	356,944	348,495	0	0	8,449	3,455
British Columbia 3.25% due December 18, 2021	263,660	-4,063	268,703	255,750	0	0	12,953	5,043
Ontario 3.15% due June 2, 2022	257,938	-3,938	264,305	247,600	0	0	16,705	6,368
PROVINCIAL BONDS Total	<u>1,511,728</u>		<u>1,528,211</u>	<u>1,486,489</u>	<u>0</u>	<u>0</u>	<u>41,722</u>	<u>16,483</u>
CORPORATE BONDS								
Bank of Nova Scotia Dep. Note 2.1% due November 8, 2016	201,412	-2,100	201,344	200,640	0	0	704	-68
Toronto Dominion Bank Dep. Note 2.433% due August 15, 2017	202,872	0	202,984	201,460	0	0	1,524	112
Royal Bank Dep. Note 2.26% due March 12, 2018	201,198	0	201,774	198,560	0	0	3,214	576
Wells Fargo Canada 2.944% due July 25, 2019	204,120	0	205,794	200,040	0	0	5,754	1,674
Bank of Montreal 2.84% due June 4, 2020	305,202	-4,260	308,142	305,307	0	0	2,835	2,940
Bank of Montreal 3.4% due April 23, 2021	208,828	-3,400	210,604	201,300	0	0	9,304	1,776
Wells Fargo 3.46% due January 24, 2023	152,351	0	155,175	153,542	0	0	1,634	2,825
CORPORATE BONDS Total	<u>1,475,983</u>		<u>1,485,817</u>	<u>1,460,849</u>	<u>0</u>	<u>0</u>	<u>24,969</u>	<u>9,835</u>
TOTAL PORTFOLIO	<u>3,793,442</u>		<u>4,029,285</u>	<u>3,952,490</u>	<u>0</u>	<u>0</u>	<u>76,795</u>	<u>35,103</u>
TOTAL DATE TO DATE GAIN OR LOSS								35,103
% CHANGE DURING PERIOD								0.93

EXTERNAL INDIVIDUAL CREDIT RATING REPORT - DECEMBER 31, 2014

EXTERNAL INDIVIDUAL CREDIT RATING REPORT - DECEMBER 31, 2014

[illegible]

TOTAL PORTFOLIO

Martin, Lucas & Seagram Ltd.

EXTERNAL INDIVIDUAL CREDIT RATING REPORT - DECEMBER 31, 2014

CLLAS - LONG TERM INVESTMENT FUND

Quantity	Security			Rating	Unit Cost	Total Cost	Price	Market Value	Pct. Assets
GOVERNMENT BONDS									
300,000	Canada Housing Trust 1.85% Series 43	due December 15, 2016		AAA	101.30	303,900	101.35	304,044	7.5
250,000	Canada Housing Trust 1.75%	due June 15, 2018		AAA	100.11	250,275	101.09	252,715	6.3
250,000	Canada Housing Trust 1.95%	due June 15, 2019		AAA	100.10	250,238	101.59	253,980	6
200,000	Canada Housing Trust 2.4% Series 48	due December 15, 2022		AAA	100.37	200,740	102.26	204,518	5.1
						1,005,153		1,015,257	25.2
PROVINCIAL BONDS									
300,000	Alberta 1.85%	due September 1, 2016		AAA	101.35	304,050	101.24	303,732	7.5
330,000	Ontario 1.90%	due September 8, 2017		AA (low)	100.18	330,594	101.37	334,528	8.3
350,000	Ontario 2.1%	due September 8, 2018		AA (low)	99.57	348,495	101.98	356,944	8.9
250,000	British Columbia 3.25%	due December 18, 2021		AA (high)	102.30	255,750	107.48	268,703	6.7
250,000	Ontario 3.15%	due June 2, 2022		AA (low)	99.04	247,600	105.72	264,305	6.6
						1,486,489		1,528,211	37.9
CORPORATE BONDS									
200,000	Bank of Nova Scotia Dep. Note 2.1%	due November 8, 2016		AA	100.32	200,640	100.67	201,344	
200,000	Toronto Dominion Bank Dep. Note 2.433%	due August 15, 2017		AA	100.73	201,460	101.49	202,984	5
200,000	Royal Bank Dep. Note 2.26%	due March 12, 2018		AA	99.28	198,560	100.89	201,774	5
200,000	Wells Fargo Canada 2.944%	due July 25, 2019		AA	100.02	200,040	102.90	205,794	5.1
300,000	Bank of Montreal 2.84%	due June 4, 2020		AA	101.77	305,307	102.71	308,142	7.6
200,000	Bank of Montreal 3.4%	due April 23, 2021		AA	100.65	201,300	105.30	210,604	5.2
150,000	Wells Fargo 3.46%	due January 24, 2023		AA	102.36	153,542	103.45	155,175	3.9
						1,460,849		1,485,817	36.9
TOTAL PORTFOLIO						3,952,490		4,029,285	100