

ENDORSEMENT NO. XX

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. «Victor\_Lead»

ISSUED TO: «Firm»

BY: Victor Insurance Managers Inc. (25%) – 'LEAD'

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It is hereby understood and agreed that any reference to Victor Insurance Managers Inc. should be deleted to its entirety and replaced with:

Victor Insurance Managers Inc. on behalf of subscribing insurers

With respect to the excess layer of 15M part of 60M xs 100M, the limits noted below represent each subscribing insurers participation for any amounts incurred as part of the quota share of 60M xs 100M. It is agreed that the subscribing insurers are to read as follows:

10M part 15M part of 60M xs 100M:

Temple Insurance Company	(\$2.5M)
Aviva Insurance Company of Canada	(\$2.5M)
XL Reinsurance America Inc.	(\$2.0M)
Arch Insurance Canada Ltd	(\$1.5M)
Everest Insurance Company of Canada	(\$1.5M)

5M part of 15M part of 60M xs 100M:

Temple Insurance Company	(\$3M)
HDI Global Specialty SE	(\$2M)

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

This endorsement shall be effective July 1, 2019, 12:01am local time at Toronto, Ontario

ENDORSEMENT NO. XX

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. «VICTOR\_LEAD»

ISSUED TO: «FIRM»

BY: Victor Insurance Managers Inc. (25%)– “LEAD”  
“Participating Insurers”  
Trisura Guarantee Insurance Company (9.5%)  
Travelers Insurance Company of Canada (16.5%)  
Royal & Sun Alliance Insurance Company of Canada (9.5%)  
Northbridge General Insurance Corporation (10%)  
The Sovereign General Insurance Company (16.5%)  
QBE Services Inc. (8%)  
Canadian Lawyers Liability Assurance Society (5%)

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Heenan Blaikie LLP Lateral Hire Extension Endorsement

In consideration of the premium charged under this policy it is understood and agreed that the coverage afforded under this policy which is also afforded to Insureds under Item B of the Heenan Blaikie LLP Lateral Hire Extension Endorsement (hereafter referred to as Heenan Blaikie prior acts) issued by CLLAS shall not apply until an aggregate limit of \$50,000,000 under Item B of all similar endorsements on policies issued by CLLAS from the period July 1, 2013 to July 1, 2020 has been exhausted by payment of claims.

This endorsement does not increase the Sum Insured stated in Item 8 of the Schedule of this policy and in no event will the aggregate payments of all policies in excess of CLLAS exceed \$90,000,000 for the coverage provided by this endorsement.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

This endorsement shall be effective from July 1, 2019, 12:01 a.m. local time at Toronto, Ontario.

ENDORSEMENT NO. XX

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. «Victor\_Lead»

ISSUED TO: «Firm»

BY: **Victor Insurance Manager Inc.** (25%)– “LEAD” (“**VICTOR**”)  
“Participating Insurers”  
Trisura Guarantee Insurance Company (9.5%)  
Travelers Insurance Company of Canada (16.5%)  
Royal & Sun Alliance Insurance Company of Canada (9.5%)  
Northbridge General Insurance Corporation (10%)  
The Sovereign General Insurance Company (16.5%)  
QBE Services Inc. (8%)  
Canadian Lawyers Liability Assurance Society (5%)

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QUOTA SHARE CLAIMS HANDLING AND CONTROL

IT IS HEREBY UNDERSTOOD AND AGREED THAT:

All **CLAIMS** and/or potential **CLAIMS** with respect to which coverage under this **policy** attaches or may attach because of the exhaustion of the Underlying Insurance by the payment of losses thereunder shall be administered as set forth below:

- a. **Victor Insurance Managers Inc.** (formerly “ENCON”) and the “Participating Insurers” shall receive and accept notices from the **INSURED** by quarterly claims bordereaux as agreed and outlined in the General Conditions of this policy.
- b. “**Victor**” shall, on behalf of itself and the “Participating Insurers”, investigate **CLAIMS** or potential **CLAIMS** and in agreement and cooperation with the “Participating Insurers”, such agreement not to be unreasonably withheld, appoint coverage counsel, develop coverage positions, consent to settle **CLAIMS**, and/or settle coverage disputes arising with respect to **CLAIMS**.
- c. In the event the “Participating Insurers” do not consent to the settlement of any **CLAIM** or any coverage dispute with respect to any **CLAIM**, such refusal of consent shall be resolved by way of arbitration between “**Victor**” and the “Participating Insurers”, the exact form of which will be mutually determined by “**Victor**” and the “Participating Insurers”, failing which, the *Arbitration Act, RSA 2000, cA-43*, as amended, shall apply. It is agreed that such arbitration will be undertaken by each of “**Victor**” and the “Participating Insurers” on a good faith basis, with each seeking an equitable, timely, and cost-efficient resolution.
- d. “**Victor**” shall use its reasonable best efforts to provide the “Participating Insurers” with notice of any significant changes in the status or development of any **CLAIMS** that may impact this **policy**’s **LIMIT OF LIABILITY**, including liability and damage assessments, reserve changes, settlement negotiations and final payment, and in all circumstances at least every ninety (90) days, if so requested by the “Participating Insurers”.

- e. Upon request, "Victor" shall permit the "Participating Insurers" to review, only at "Victor's" office at 500 - 1400 Blair Place Towers, Ottawa, ON K1J 9B8, all correspondence, pleadings and other documents pertaining to a CLAIM under this policy received from and/or sent to the INSURED. The "Participating Insurers" review of correspondence, pleadings and other CLAIM documents must be undertaken during normal business hours, at a time reasonably convenient to "Victor".
- f. Upon request, the "Participating Insurers" may attend with "Victor" at any CLAIMS meeting with the INSURED. Any CLAIMS meeting will be scheduled during normal business hours, at a time and location reasonably convenient to both "Victor" and the "Participating Insurers", subject to the INSURED'S availability.
- g. Subject always to the exhaustion of the UNDERLYING INSURANCE by the payment of losses thereunder, the LIMITS OF LIABILITY and other terms, conditions, limitations, exclusions, and endorsements of this policy, and Subparagraph (b) above, "Victor" shall pay twenty-five per cent (25%) and the "Participating Insurers" seventy-five per cent (75%) of all loss determined by "Victor" to be covered under this policy. The "Participating Insurers" payment of loss shall be made in accordance with "Victor's" instructions as to payee, payment date, currency, and other details of payment.
- h. Additionally, "Victor" shall each pay twenty-five per cent (25%) and the "Participating Insurers" seventy-five per cent (75%) of all allocated expenses incurred by "Victor" in the handling of CLAIMS and potential CLAIMS under this policy, including but not limited to coverage counsel's fees and expenses. "Victor" and the "Participating Insurers" shall each pay their respective shares of any allocated expenses directly to the service provider, within thirty (30) days' of their respective receipt of an invoice or account.

"Victor" and the "Participating Insurers" payment obligations pursuant to this endorsement are several only. Subject always to this policy's LIMITS OF LIABILITY, neither "Victor", nor the "Participating Insurers" shall be obligated to pay any amount whatsoever in excess of their stated percentage of loss covered under this policy or allocated expenses incurred in handling CLAIMS or potential CLAIMS under this policy.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

This endorsement shall be effective from July 1, 2019, 12:01 a.m. local time at Toronto, Ontario.

ENDORSEMENT NO. XX

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. «Victor Canada -\_Lead»

ISSUED TO: «Firm»

BY: **Victor Insurance Managers Inc.** on behalf of Subscribing Insurers (25%)– “LEAD”  
“Participating Insurers”  
Trisura Guarantee Insurance Company (9.5%)  
Travelers Insurance Company of Canada (16.5%)  
Royal & Sun Alliance Insurance Company of Canada (9.5%)  
Northbridge General Insurance Corporation (10%)  
The Sovereign General Insurance Company (16.5%)  
QBE Services Inc. (8%)  
Canadian Lawyers Liability Assurance Society (5%)

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2020 for a period of 12 months, for an annual premium calculated at the rate indicated at Item 7 of the Declarations against each rateable staff reported by the Named **INSURED** at July 1<sup>st</sup>, 2020, unless:

1. If during the period of July 1st, 2019 to May 15th, 2020, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being \$50,000,000, issued by Canadian Lawyers Liability Assurance Society (“CLLAS”) is established or made against any **CLAIM** covered under this policy or any like policy issued to any **INSURED** of “CLLAS” or,
2. If during the period of July 1st, 2019 to May 15th, 2020, a reserve or a payment or a combination of both, of equal to or greater than 65% of the underlying limit of liability, such underlying limit of liability being US\$30,000,000 of any International insurance program providing coverage, is established or made against any **CLAIM** covered under this policy or any like policy issued to any **INSURED** of “CLLAS” or,
3. If during the period of July 1st, 2019 to May 15th, 2020, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retention stated in Items 5 (c) of the **Declaration** is established or made against any **CLAIM** which is not covered under the “CLLAS” policy or any International insurance program, but is covered under this policy or any like policy issued to any **INSURED** of “CLLAS” then,

the **INSURERS** may or may not offer renewal terms for the period July 1, 2020 to July 1, 2021 which may or may not be accepted by the **INSURED'S** of CLLAS.

For the purpose of this endorsement only, “rateable staff” shall mean: partner, lawyer, counsel and “of counsel”.

For the purpose of this endorsement, **INSUREDS** of CLLAS and their corresponding policies are listed below:

Comment [MLB1]: This read “member Firm” should it not be INSURED

Comment [MLB2]: This also read “member Firm”

Comment [MLB3]: This should be clearer as we should identify which Declaration page? Unless I’m reading this incorrectly

**INSUREDS****Policy Number**

Borden Ladner Gervais LLP	30002
Cassels Brock & Blackwell LLP	30013
Davies Ward Phillips & Vineberg LLP	30003
Fasken Martineau DuMoulin LLP (a Canadian limited liability partnership), Fasken Martineau LLP (a limited liability partnership registered in England and Wales) and Gravel, Leclerc & Associates S.E.L.A.S. (a French corporation), and any and all predecessors of any of the foregoing.	30004
Goodmans LLP	30007
Lenczner Slaght Royce Smith Griffin LLP	CLLAS_AM_2019001
McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	30008
McMillan LLP	30009
Osler, Hoskin & Harcourt LLP	30010
Torys LLP	30011
WeirFoulds LLP	30012

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

This endorsement shall be effective from July 1, 2019, 12:01 a.m. local time at Toronto, Ontario.

## LAWYERS EXCESS PROFESSIONAL LIABILITY

POLICY NO. «Victor Canada\_Lead»

**Broker:** Hub International Ontario Limited dba Pro-Form Sinclair Professional  
675 Cochrane Drive, Suite 200, East Tower  
Markham, Ontario  
L3R 0B8

### DECLARATIONS

1. **Named INSURED** «Firm»
2. **INSURED'S address:** «Address1»  
«Address2»  
«Address3»  
«Address4»
3. **Policy Period:** From July 1, 2019 to July 1, 2020  
at 12:01 a.m. local time at the INSURED'S  
address shown above without tacit renewal  
Firm shown above.
4. **Limit of Liability:** \$60,000,000 per CLAIM  
\$60,000,000 per policy period
5. **Underlying Insurance**
  - a) Designated Underlying Policy No.: «Liberty\_Lead»  
Underlying Insurer: Liberty International Underwriters Canada,  
a division of Liberty Mutual Insurance Company
  - b) Limit of Liability: \$50,000,000 per claim  
\$50,000,000 in the aggregate
  - c) Retention: CDN \$500,000 each and every claim,  
including costs, charges and expenses or;  
  
Underlying Insurance  
\$50,000,000 per claim/\$50,000,000 in the aggregate  
As more fully described in the Underlying Policy No. 30002  
Issued by the Canadian Lawyers Liability Assurance Society  
(also referred to as CLLAS)
6. **Premium:** \$ «M\_60x100\_Premium\_» (Rate per Lawyer: \$ 348.00)
7. **No. of endorsements attached at policy issuance:** 4
8. **INSURERS :** See schedule "A" below

Comment [MLB4]: You may want to align this firm with the others – I wasn't able as there seem to be a formula.

Comment [MLB5]: Delete this line

Schedule 'A'

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

Insurer	Participation	Premium
Trisura Guarantee Insurance Company	9.5%	\$«Trisura_95_»
Victor Insurance Managers Inc.	25% - lead	\$«Victor - 25_»
Travelers Insurance Company of Canada	16.5%	\$«Travelers_165_»
Royal & Sun Alliance Insurance Company of Canada	9.5%	\$«Royal_95_»
Northbridge General Insurance Corporation	10%	\$«Northbridge_10_»
The Sovereign General Insurance Company	16.5%	\$«Sovereign_165_»
QBE Services Inc.	8%	\$«QBE_8_»
Canadian Lawyers Liability Assurance Society	5%	\$«CLLAS_5_1»
TOTAL	100%	\$«M_60x100_Premium_»

Victor Insurance Managers Inc.  
Authorized Representative

Travelers Insurance Company of Canada  
Authorized Representative

Royal & Sun Alliance Insurance Company of Canada  
Authorized Representative

Northbridge General Insurance Corporation  
Authorized Representative

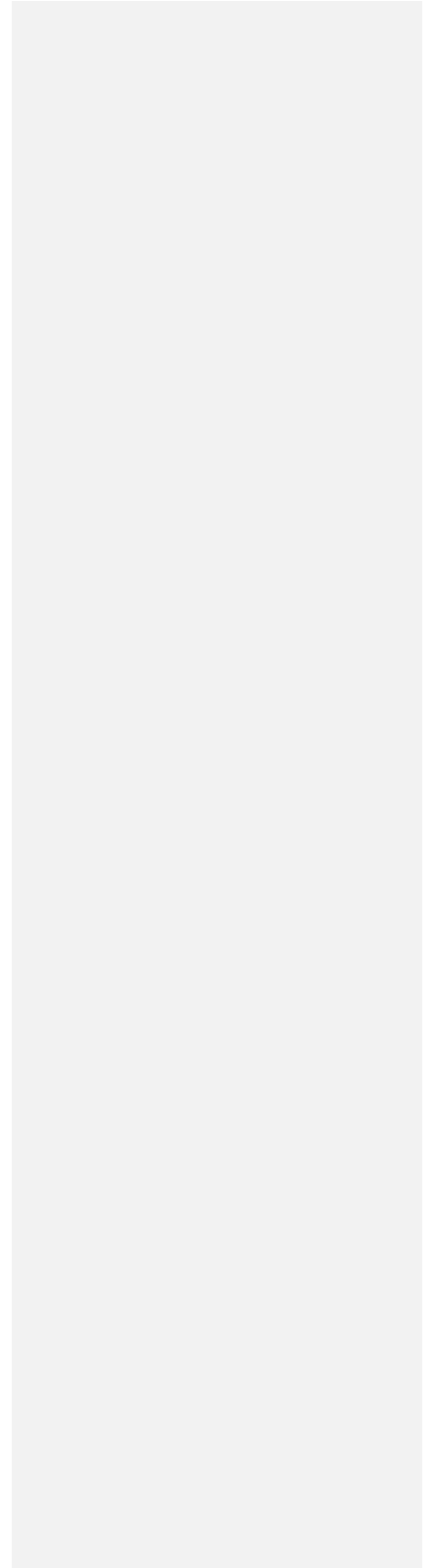
QBE Services Inc.  
Authorized Representative

Trisura Guarantee Insurance Company  
Authorized Representative



The Sovereign General Insurance Company  
Authorized Representative

Canadian Lawyers Liability Assurance Society  
Authorized Representative



## LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE

This is a "claims made" excess professional liability insurance contract. In reliance upon the statements made and information furnished in the application process, all of which is deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the policy, "the INSURERS" whose name appears on the Declarations agrees with the INSURED as follows:

### INSURING AGREEMENTS

To pay on behalf of the INSURED sums which the INSURED is legally obligated to pay as DAMAGES for Ultimate Net Loss which is in excess of the total limits of UNDERLYING INSURANCE, where applicable, identified in Item 5 of the Declarations and which arises out of a CLAIM made during the POLICY PERIOD and which is covered by UNDERLYING INSURANCE or would be covered by UNDERLYING INSURANCE if the insurance were not exhausted by the payment of CLAIMS.

#### Incorporation of Underlying Policy Provisions

This policy for excess professional liability insurance is to indemnify the INSURED in accordance with the Insuring Agreements, exclusions, terms and conditions of the Designated Underlying Policy as specified in Item 5 of the Declarations.

#### Change in Underlying Insurance/Defence Provisions

1. This policy for excess professional liability insurance is issued in reliance upon the existence of UNDERLYING INSURANCE. If the UNDERLYING INSURANCE is not maintained as described, or is altered in any manner, the obligation of the INSURER to respond is not increased in any way and the obligation under this policy of insurance is to pay the amounts which would have been payable if the UNDERLYING INSURANCE had been maintained in full force and effect as represented at the inception date of this policy.
2. The INSURER shall not be obligated to pay any CLAIM, judgement, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the INSURER'S liability has been exhausted by payment of judgements, awards, settlements or after deposit of the applicable LIMITS OF LIABILITY in a court of competent jurisdiction, and in such a case, the INSURER shall have the right to withdraw from further defence by tendering control of the defence to the INSURED.
3. At no time shall the INSURER be called upon to assume charge of the settlement or defence of any CLAIMS made or suits brought or proceeding instituted against the INSURED, but the INSURER shall have the right and shall be given the opportunity to associate with the INSURED, or its underlying insurer or INSURERS, or both, in the control, defence and trial of any CLAIMS, suits or proceedings which in the opinion of the INSURER, involve or appear reasonably likely to involve the INSURER. If the INSURER avails itself of such rights and opportunities, the INSURED shall cooperate in the control, defence and/or trial of such matters.

To the extent that UNDERLYING INSURANCE is reduced or exhausted by the payment of CLAIMS within the scope of coverage of the UNDERLYING INSURANCE and within the scope of coverage of this contract of insurance, then this policy of insurance shall operate to respond to CLAIMS in excess of the reduced underlying coverage. A CLAIM is not within the scope of coverage of this policy for purpose of this provision unless:

- (a) The CLAIM is made, or triggering notice of circumstances reasonably expected to give rise to a CLAIM is given, during the POLICY PERIOD, and
- (b) The CLAIM, or triggering notice of circumstances reasonably expected to give rise to a CLAIM is not excluded by this policy, and
- (c) All other terms and conditions of this policy have been met.

#### ANNUAL AGGREGATE LIMIT OF LIABILITY

Regardless of the number of INSURED under this policy, persons or organizations alleging DAMAGES payable or CLAIMS made or suits brought, the INSURER'S total LIMIT OF LIABILITY for all CLAIMS (including defence costs, investigation costs and interest) is limited to the amount stated in Item 4 of the Declarations.

#### DEFINITIONS

**Policy Period:** shall mean the period of time stated at Item 3 of the Declarations or any lesser period in the event of cancellation of this policy but specifically excluding any extended reporting period hereunder.

**Ultimate Net Loss:** means the sums paid as DAMAGES in settlement of a CLAIM or in satisfaction of a judgment for which the INSURED is legally liable after making proper deductions for all recoveries and salvages collectible, and includes investigation, adjustment, appraisal, pre-judgement interest, post-judgement interest, appeal and defence costs paid by or incurred by the INSURER with respect to DAMAGES covered hereunder.

**Ultimate Net Loss** does not include the following:

- (a) costs and expenses which an underlying insurer has paid or incurred or is obligated to pay to or on behalf of the INSURED;
- (b) office costs and expenses of the INSURED and salaries and expenses of employees of the INSURED;
- (c) general retainer fees of counsel retained by the INSURED or;
- (d) expenses incurred by the INSURED under contract with another party to provide loss prevention, risk management or claims services or other similar services.

#### GENERAL CONDITIONS

##### Extended Reporting Period and Interprovincial/International Partnerships

The Extended Reporting Period and partnership Dissolution Extension clauses or any endorsement granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policy are applicable to this policy if also applied by every other underlying policy. Any Extended Reporting Period will not reinstate or increase the LIMITS OF LIABILITY or extend the POLICY PERIOD.

##### Insured's Duties In The Event Of Claim Or Suit

The INSURER will receive quarterly claims bordereaux from the Canadian Lawyers Liability Assurance Society, and it is agreed that the INSURER will accept these as providing notice, where applicable, of CLAIMS to be reported under this policy. For the purposes of this policy, the date upon which notice of a

**CLAIM** or circumstance giving rise to a **CLAIM** is made by the **INSURED** to Canadian Lawyers Liability Assurance Society shall be the date on which such claim attached to the **policy**. In the event that the **INSURED** is notified, in respect of a particular **CLAIM**, by the Canadian Lawyers Liability Assurance Society of a limitation of coverage in circumstances that trigger the drop down provision of this policy, the **INSURED** will provide the **INSURER** with independent notice of such **CLAIM**. The **INSURED** shall further, upon request, give the **INSURER** such information as the **INSURER** may reasonably request at any time and is in the **INSURED'S** power to give.

If the **INSURED** enters into a Tolling Agreement and such Tolling Agreement has been agreed and accepted by the Canadian Lawyers Liability Assurance Society, the **INSURER** shall be deemed to have provided their acceptance of such Tolling Agreement.

The **INSURED** shall further cooperate with the **INSURER** and take such action as may be necessary to secure and effect any rights of indemnity, contribution or apportionment which any **INSURED** may have.

#### Subrogation and Other Recoveries

The **INSURERS** obligations to pay are net of any and all recoveries available to the **INSURED**. In the event that this **policy** is called upon to pay an amount and a subsequent recovery is effected, the amount of recovery shall be remitted to the **INSURER** except to the extent necessary to reimburse the **INSURED** or an **INSURER** for amounts paid in excess of the **LIMITS OF LIABILITY** of this **policy**.

The **INSURED** shall prosecute all actions for recovery in good faith on behalf of the **INSURER** or shall cooperate with the **INSURER** in its efforts at recovery of any amounts.

Comment [MLB6]: In this sentence it was written "In good faith on behalf of the "Company" is the company to be the INSURER?"

#### Cancellation Clause and Extended Reporting Period:

This policy is non-cancelable during the **POLICY PERIOD** as stated in the Declarations except:

1. By mutual consent;
2. By the **INSURER** if:
  - (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
  - (b) The **INSURED** is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
  - (c) The **INSURED** has failed to pay a premium when due or has failed, after demand, to reimburse the **INSURER** such amounts as the **INSURER** has paid in settlement or satisfaction of claims or judgment in excess of the applicable limit of the **INSURERS** liability.

Comment [MLB7]: This read "the Insured Firm" which is should be INSURED as the Insured Firm forms part of the definition of INSURED

In the event of the above, this **policy** may be cancelled by the **INSURER** by mailing written notice of cancellation to the **INSURED** at the address shown in this **policy** stating when not less than 30 (thirty) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the **POLICY PERIOD**. Delivery of such written notice by the **INSURER** shall be equivalent to mailing.

3. If the **INSURER** cancels, the computed pro rata cancellation of the annual premium will be charged to the **INSURED**. If the **INSURER** shall refuse to renew this **policy**, the **INSURED** shall have the

right, in consideration of an additional premium equal to 150% of the annual premium for this policy, to an extension of the cover granted by this policy to apply, subject to its terms, conditions, exclusions and limitations, to CLAIMS first made against the INSURED during the period of 12 calendar months after the expiry date but only when such CLAIM arises out of PROFESSIONAL SERVICES rendered prior to the expiry date. To exercise this right, the INSURED must give notice in writing (together with payment of the additional premium) not later than 30 days after the expiry date. In the event of failure by the INSURED to give such notice, the INSURED shall not at a later date be entitled to give such notice. The mailing of notice by the INSURED by registered mail to the INSURER shall be sufficient proof of notice. For the purpose of establishing the LIMIT OF LIABILITY under this extended reporting period, the period of 12 months referred to herein shall not in any way increase the LIMIT OF LIABILITY of this policy as stated in Item 4 of the Declarations, which limit shall apply to the last policy year and the extended reporting period taken together.

4. Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the Company is downgraded after issuance of this policy to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the Credit Rating Downgrade), this policy may be canceled by the INSURED by mailing prior written notice to the INSURER or by surrender of this policy to the Company.

If this policy is canceled by the INSURED resulting from the downgrade then the INSURER shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

5. The INSURER shall not knowingly provide cover or be liable to pay any CLAIMS or provide benefit hereunder to the extent that the provision of such cover, payment of such CLAIM or provision of such benefit would expose the INSURER to any sanction, prohibition or restriction under any economic or financial sanctions legislation applicable to the INSURER.
6. This policy may be executed in counterparts and may be executed and delivered by facsimile or PDF, and each such facsimile or PDF, or counterpart, shall constitute an original, and all of which taken together shall constitute one and the same instrument.

Comment [MLB8]: This said "company" should it be INSURER

Comment [MLB9]: This said "company" which I think should be INSURER