

Date

Firm  
Address

Dear,

**Re: Canadian Lawyers Liability Assurance Society ("CLLAS")**

Further to our recent correspondence, we are pleased to provide you with the attached information package that will hopefully facilitate our discussion and allow us to answer any questions that you might have regarding CLLAS. The package contains:

- Tab 1 – Suggested agenda
- Tab 2 – Letter from Kenneth Crofoot, CLLAS Chair
- Tab 3 – A memorandum outlining the CLLAS background and benefits of membership
- Tab 4 – CLLAS insurance and reinsurance structure
- Tab 5 – CLLAS Associate Member application

CLLAS was originally established in 1987 and since then has focused exclusively on meeting the unique professional liability insurance requirements of its member firms. CLLAS' membership consists of 10 prominent Canadian law firms representing almost 3,700 lawyers worldwide.

Recently, the CLLAS Board decided to expand its membership to a limited number of other qualified Canadian law firms.

Kenneth Crofoot, a partner of Goodmans LLP, is the current Chair of CLLAS. A letter from Mr. Crofoot is included herein as well as a CLLAS memorandum outlining the many benefits of CLLAS. There is a long standing relationship between CLLAS and the principals of Axxima Insurance Services ("Axxima"). Axxima provides CLLAS with actuarial and management services including claims handling, risk management, insurance and reinsurance brokerage services.

We look forward to further exploring the many benefits your firm could realize by becoming a member of CLLAS.

Yours very truly,

W. Ryan Durrell  
AXXIMA INSURANCE SERVICES

## MEMORANDUM

DATE:

TO:

FROM: Ryan Durrell

COPY:

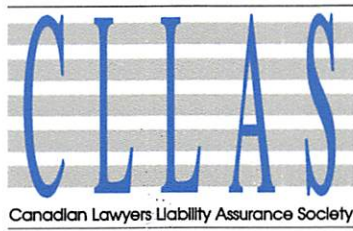
Kenneth Crofoot  
Patrick Mahoney

RE: CLLAS Agenda

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### SUGGESTED AGENDA

1. Introductions
2. Purpose of Meeting
3. Background to CLLAS
4. Benefits of CLLAS
5. Current Insurance Program and Requirements
6. CLLAS Insurance and Reinsurance Structure
7. CLLAS Underwriting Process
8. Next Steps



Dear Sir/Madam,

Re: Canadian Lawyers Liability Assurance Society ("CLLAS")

I am General Counsel at Goodmans LLP. Our firm has been a member of CLLAS since its inception in 1987 and I have been a Board member since 2012 and recently became its Chair.

I believe that there are significant and unique benefits from being part of an exclusive group of law firms whose sole purpose is to provide a stable source of broad insurance coverage and related services that are essential to any sophisticated law firm practice. These benefits include competitive premiums, long and stable relationships with premier underwriters in the London and European markets, broad "law firm friendly" policy wording and access to dedicated claims and risk management expertise.

CLLAS has asked Axxima Insurance Services to represent it in discussions with your firm for the purpose of reviewing the many benefits of membership in CLLAS.

This is a unique opportunity that we hope you will seriously consider.

Sincerely,

Kenneth W. Crofoot  
CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY



## AT A GLANCE

### Background

CLLAS is a reciprocal insurance exchange licensed under provincial insurance legislation to write policies of professional liability insurance for its members. It was formed in 1987 in response to difficult market conditions and rapidly rising premiums. At formation, CLLAS insured about 1,500 lawyers, all based in Ontario. CLLAS now insures over 3,700 lawyers in the following ten major Canadian law firms, most of which now have offices in several Canadian provinces and a number of which have offices or associations outside of Canada.

Borden Ladner Gervais LLP  
Davies Ward Phillips & Vineberg LLP  
Goodmans LLP  
McMillan LLP  
Torys LLP

Cassels Brock & Blackwell LLP  
Fasken Martineau DuMoulin LLP  
McCarthy Tétrault LLP  
Osler, Hoskin & Harcourt LLP  
Weir Foulds LLP

CLLAS also initiated an Associate Member program for new firms that are yet to commit to an equity participation in CLLAS. These firms still enjoy the benefits of CLLAS including expert claims and risk management as well as tailor-made insurance products specially designed for CLLAS members. The current Associate members are:

Lenczner Slaght Royce Smith and Griffin LLP

Stockwoods LLP

### Highlights

- ✓ By lawyers for lawyers: Specialized, focused, dedicated and professionally run
- ✓ Not-for-profit: Structured to withstand large claims, while generating surplus in good years
- ✓ Claims handling: Unparalleled claim service, tuned to firms' needs
- ✓ Policy: Customized wordings, high limits, and complementary coverages, developed to meet the constantly evolving needs of member firms
- ✓ Pricing: All the advantages of the marketplace with the added stability of self-determination; significant premium reductions over last 10 years
- ✓ Risk sharing: Premiums based on collective claims experience of CLLAS firms
- ✓ Stability and leverage: Long standing relationships with underwriters enables CLLAS, with reinsurer support, to establish its own policy language, premiums and coverage limits

### CLLAS Key Statistics

1987

Year Established

\$250,000,000

Available Limits

10

Number of Subscribers

\$25,000

Drop-down deductible

2

Associate Members

24

Supporting Reinsurers

5

Provinces with Insured Lawyers

74%

Premium Reductions 2006-2017

### **Strength and Stability Through Structure and Relationships**

CLLAS' reinsurance structure and long-term relationships with underwriters allow CLLAS to "weather" big claims. At the same time, these factors enable CLLAS firms to benefit from favourable claims experience in good years.

As a result of its prudent management, CLLAS has accumulated surplus well in excess of its regulatory requirements.

CLLAS' financial strength enhances premium stability. Over the last 10 years, CLLAS has regularly returned a portion of its accumulated surplus through premium credits.

### **Unparalleled Claims Management Service**

The experience and perspective of the CLLAS Claims Committee and the CLLAS claims managers who, over the past 30 years have forged an unparalleled understanding of lawyers' professional liability claims and established key relationships with the underlying insurers, result in claims management service that is without equal in Canada.

As the insurer issuing the policy, CLLAS controls the claims handling process; the insured firm has a far greater opportunity to participate in the process than if its insurer were a large, commercial organization.

### **The Best Price**

CLLAS has experienced significant reductions (65%) in premiums for the past ten years. CLLAS can retain risk when reinsurance is expensive, and cede risk when reinsurance is cheap, which results in optimally efficient utilization of premium dollars.

CLLAS members have generally benefitted from lower premiums than those that have prevailed in the commercial marketplace. CLLAS's not-for-profit nature means that, in the long run, the costs of insurance are simply claim and administrative costs.

### **Benefits of Raising the Bar**

While CLLAS' member firms are fierce competitors in daily practice, within CLLAS there is a common spirit of cooperation to maintain the reputation of the member firms as the best in Canada.

To this end, CLLAS routinely creates and delivers risk management materials and programs, which help to elevate the practice standards its member firms.

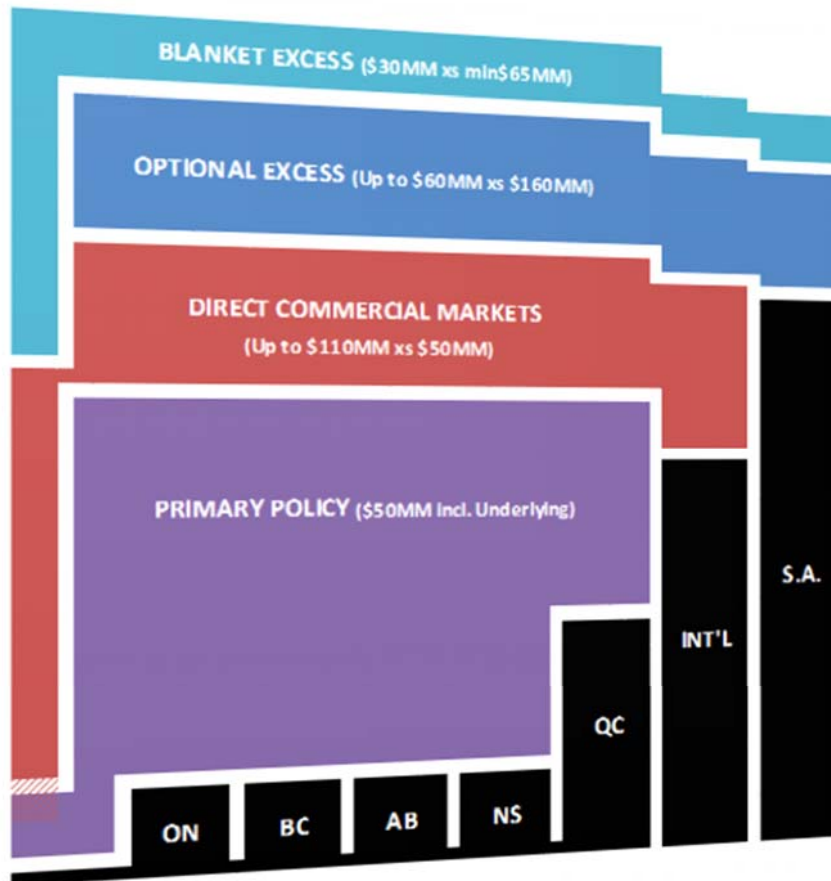
### **Maximizing Buying Power**

For those risks not fitting squarely within its mandate, CLLAS has the group buying power to establish complementary insurance programs which provide customized coverage at favourable rates. Examples include coverage for non-Canadian offices, outside directorship liability, and management liability.

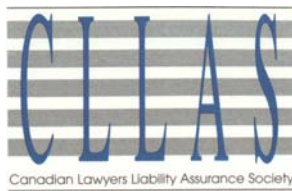
### **The Broadest Coverage**

CLLAS' insurance policies have been written to meet the needs and concerns of CLLAS' members. This has resulted in comprehensive "law firm" favourable wording not otherwise available in the commercial market, including professional liability coverage for third-party cyber-related claims.

Because of CLLAS' preferred risk status and its long-term relationship with reinsurers, it has the capacity available to provide policy limits of up to \$250 million.



- CLLAS Blanket Excess**  
\$30MM per claim, \$60MM annual aggregate, minimum attachment of \$65MM
- CLLAS Optional Excess**  
Available as \$10MM, \$20MM, \$30MM, \$40MM, \$50MM, or \$60MM excess of \$160MM
- Direct Commercial Markets**  
First \$50MM (min \$15MM): Mandatory, drop down to \$500,000 SIR  
Next \$60MM: Optional
- CLLAS Primary**  
\$50MM including underlying, drop down to \$25,000 SIR
- Underlying Policies**  
Ontario, B.C., Nova Scotia, and Alberta: \$1MM/\$2MM  
Quebec: \$10MM  
International: US\$30MM  
South Africa: ZAR1,500MM (Fasken Only)



**Canadian Lawyers Liability Assurance Society  
(CLLAS)**

**Associate Member Application**

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This application is made by the undersigned firm (the "Firm") to be become an Associate Member of CLLAS and for the purchase of excess professional liability insurance to be issued by the Insurer.

***Note: The policies applied for are "claims made" policies to be issued by the Insurer and only provide coverage for claims first made against the Insured during the policy period.***

Please answer **ALL** questions. Where space to answer is insufficient, attach a separate sheet.

1. Name of Firm (Named Insured): \_\_\_\_\_

2. Address of principal office: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

3. Address, phone and fax numbers of other office(s): \_\_\_\_\_

4. Management or service companies, date(s) established and services provided: \_\_\_\_\_

5. Is the Firm a multi-disciplinary partnership ("MDP")? ☐ yes ☐ no

If "yes", provide date MDP was established and name the non-lawyer partners and their respective disciplines.

6. Please provide a list of the Firm's predecessor firms resulting from mergers and acquisitions and include the number of lawyers merged into the Firm and the date that the event(s) took place.

Note: A predecessor firm is one a) which has undergone dissolution; and b) in which more than 50% of the partners and employed lawyers became partners and employed lawyers of the Firm.

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7. Please complete Appendices A and B to provide details on the following as of the date of this application:

- a) Number of lawyers (including partners, employed lawyers, counsels/of counsels and lawyer consultants).
- b) Number of patent & trademark agents (who are not lawyers).
- c) Number of other non-lawyer consultants.
- d) Number of paralegals.
- e) Number of other employees.
- f) If applicable, the number of lawyers who are not partners, employed lawyers, counsels/of counsels or lawyer consultants of the Firm who, directly or indirectly, provide services to professional corporations which are partners of the Firm.

Note: A common professional corporation structure is one where the lawyer remains a partner of the firm but the firm contracts with a professional corporation to provide the services of the partner to the firm via the professional corporation. Those lawyers would be accounted for in a) above. Question f) is intended to address an alternative structure whereby the professional corporation itself is a partner of the firm and it contracts directly or via another professional corporation with a lawyer to provide professional services.

8. Have any of the lawyers or non-lawyer consultants listed in Appendices A and B or former lawyers or former non-lawyer consultants of the Firm been the subject of disciplinary proceedings, suspended or disbarred from practice? ☐ Yes ☐ No

If "yes", please provide full details:

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9. Please show the Firm's practice split by indicating the approximate percentage of billings for the following areas of law:

- |                                 |       |   |
|---------------------------------|-------|---|
| a) Corporate and Commercial Law | _____ | % |
| b) Criminal Law                 | _____ | % |
| c) Family Law                   | _____ | % |
| d) Intellectual Property        | _____ | % |
| e) Labour Law                   | _____ | % |
| f) Litigation                   | _____ | % |
| g) Real Estate                  | _____ | % |
| h) Securities Law               | _____ | % |
| i) Tax Matters                  | _____ | % |
| j) Wills, Estates, Trust        | _____ | % |
| k) Other (please specify)       | _____ | % |

10. Please provide a schedule of claims and notices for the Firm and predecessor firms which have been given to the applicable law society or underlying insurance carrier over the past 10 years (or longer if available).

At any time, has the Firm or any predecessor firms ever experienced any claim paid or currently reserved excess of \$500,000? If so, please provide details.

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Note: The following details are required on all claims or notices: name of lawyer, name of claimant, date claim reported, error date, date claim closed (if applicable), a brief description of the claim including damages sought, amount paid (legal & indemnity) and amount reserved (legal & indemnity). It may be necessary to obtain this information directly from the applicable law society or underlying insurance carrier.

11. Is the Firm presently aware of any circumstance(s) which may result in any claim being made against the Firm or any predecessor firms or any present or past partners, employed lawyers, lawyer consultants, counsels/of counsels, non-lawyer consultants either individually or otherwise? ☐ yes ☐ no

**If yes, Appendix C must be completed.**

Have such circumstances been reported to the applicable law society? ☐ yes ☐ no

12. Please complete Appendix D which will provide the Insurer with information on all the Firm's "Association Firms" and "Umbrella Firms". Definitions for these two terms can be found on the Appendix.
13. Canadian law society programs may restrict coverage if Professional Services are provided outside of Canada or if the Professional Services relate to non-Canadian law. Please complete Appendix E to provide details of such services by the Firm.
14. Please provide details on the Firm's current profession liability insurances purchased, including name of insurer, policy period, limits etc. Please also attach a copy of the policies.
15. Will the Firm be interested in purchasing coverage excess of \$50,000,000? ☐ yes ☐ no

If "yes", please indicate preferred excess limits:

- 
- 
16. Under Appendix F, please provide a full description of the Firm's most current risk management policies and procedures.
17. Please complete Appendix G to provide underwriting information with respect to cyber liability.

**The undersigned hereby declares that the above statements and particulars, including those set forth in Appendices A through G, are true and that no material facts have been omitted, suppressed or misstated and that this application shall be the basis of each of the insurance contracts with the Insurer.**

**The undersigned also agrees to familiarize the Firm with the risk management policies and procedures of CLLAS and to adopt them to identify and manage professional liability exposures and claims.**

Signature: \_\_\_\_\_  
(Must be signed by a Partner of the Firm)

Name of Signatory: \_\_\_\_\_  
(Who shall be the designated contact person between CLLAS & the Firm as respects this application.)

Date: \_\_\_\_\_

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**Notes: 1. The Insurer shall only be bound after the application is approved by the Insurer and the Firm has paid the appropriate premium.**

- 2. A claims made policy requires that all claims or incidents which may give rise to a claim must be reported during the policy year.**

**Failure to comply with the claims reporting provisions of the policy could result in the insurer denying coverage for the claim under your policy.**

**Special attention must be given prior to changing insurers to ensure that actual claims and all incidents which may give rise to a claim are reported to existing excess insurers prior to the expiry date of the policy. Known claims or incidents which may give rise to a claim will not be covered by the Insurer.**

**APPENDIX A**  
**ACTIVE MEMBERS OF THE FIRM AS OF THE DATE OF THIS APPLICATION**

Name of Firm: \_\_\_\_\_

	<u>CANADA</u>					<u>OUTSIDE OF CANADA</u> <sup>/5</sup>	
	<u>B.C.</u>	<u>Alberta</u>	<u>Ontario</u>	<u>Quebec</u>	<u>Other Provinces</u> <u>(Please specify)</u>	<u>U.S.</u>	<u>Other</u> <u>Locations</u>
a) No. of Lawyers <sup>/1</sup>	_____	_____	_____	_____	_____	_____	_____
b) No. of Patent & Trademark Agents <sup>/2</sup>	_____	_____	_____	_____	_____	_____	_____
c) No. of Non-lawyer Consultants <sup>/3</sup>	_____	_____	_____	_____	_____	_____	_____
d) No. of Paralegals	_____	_____	_____	_____	_____	_____	_____
e) No. of Other Employees	_____	_____	_____	_____	_____	_____	_____
f) No. of lawyers who are not employees of the Firm who, directly or indirectly, provide services to professional corporations which are partners of the Firm <sup>/4</sup>	_____	_____	_____	_____	_____	_____	_____

<sup>/1</sup> Including partners, employed lawyers, counsels/of counsels and lawyer consultants.

<sup>/2</sup> These are not lawyers.

<sup>/3</sup> Please complete Appendix B if individuals are reported under this category.

<sup>/4</sup> Lawyers reported here should not be included under a). (See note at Question 7.f) of the application.)

<sup>/5</sup> Please complete Question 3 of Appendix E to provide further information on lawyers reported under these columns.

***Please attach a list of the lawyers reported under a) above, showing in each case his/her full name, date of call, date joined the Firm and, if applicable, date became partner.***

***Please attach a list of the names of the individuals reported under f) above, together with the names of the professional corporations to which they provide services.***

***If underlying insurance is purchased outside any Canadian mandatory law society program for lawyers, please provide full details under Appendix E, Question 4.***

If members of the Firm, either alone or with others, engage in the conduct of any profession or business other than the practice of law (e.g. financial management, mortgage brokering or other consulting; underwriting or brokering of securities or investment banking activities; real estate appraisal; actuarial analysis) either directly or indirectly as an agent, employee or partner of any organization, please give full particulars.

\_\_\_\_\_  
 \_\_\_\_\_

**APPENDIX B**  
**ACTIVE NON-LAWYER CONSULTANTS OF THE FIRM AS OF THE DATE OF THIS APPLICATION**  
**(Excluding Patent & Trademark Agents)**

Name of Firm: \_\_\_\_\_

**SECTION A**

Professional Service Provided or Type of Profession	# Person in Same Profession	Location (Province)	Client Contact	Advise Clients	Supervised by Lawyers	Underlying Insurance <sup>/1</sup>	% of Time Docketed <sup>/2</sup>
_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____
_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____
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_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____

**SECTION B**

Please provide the following details on the underlying insurances purchased and attach a copy of the policies:

Type of Exposure: \_\_\_\_\_  
Insurance Carrier: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Period of Insurance: \_\_\_\_\_  
Retroactive Date: \_\_\_\_\_  
Limits: \$ \_\_\_\_\_ per claim, \$ \_\_\_\_\_ aggregate

Type of Exposure: \_\_\_\_\_  
Insurance Carrier: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Period of Insurance: \_\_\_\_\_  
Retroactive Date: \_\_\_\_\_  
Limits: \$ \_\_\_\_\_ per claim, \$ \_\_\_\_\_ aggregate

<sup>/1</sup> If underlying insurance is purchased, please complete Section B.

<sup>/2</sup> **PLEASE COMPLETE THIS COLUMN ONLY FOR INDIVIDUALS WHO ARE NOT ACTING UNDER THE SUPERVISION OF A LAWYER AND FOR THAT PORTION OF TIME THE INDIVIDUAL IS NOT ACTING UNDER THE SUPERVISION OF A LAWYER.**

**APPENDIX C**  
**CLAIMS AND NOTICES**

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Name of Firm: \_\_\_\_\_

<u>Lawyer Name</u>	<u>Claimant</u>	<u>Report Date</u>	<u>Error Date</u>	<u>Date Closed</u>	<u>Paid Legal</u>	<u>Paid Indemnity</u>	<u>Reserve Legal</u>	<u>Reserve Indemnity</u>	<u>Brief Description of Claim</u>
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**APPENDIX D**  
**ASSOCIATED FIRMS AND UMBRELLA FIRMS**

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Name of Firm: \_\_\_\_\_

1. a) Name of Umbrella Firm: \_\_\_\_\_

Locations: \_\_\_\_\_

\_\_\_\_\_

b) The effective date the Umbrella Firm came into existence: \_\_\_\_\_

2. Please provide particulars of any changes in the name of the Umbrella Firm.

\_\_\_\_\_

\_\_\_\_\_

3. All Associated Firms associated with the Firm in the Umbrella Firm named in Question 1:

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

4. Please provide particulars of any changes in the name(s) of the Associated Firm(s).

\_\_\_\_\_

\_\_\_\_\_

5. Number of lawyers:

a) Exclusively working in the Umbrella Firm: \_\_\_\_\_

b) In Umbrella Firm who are members of the Firm: \_\_\_\_\_

c) In Umbrella Firm who are members of the Associated Firms: \_\_\_\_\_

6. Are all of the lawyers involved in the Umbrella Firm practicing **Canadian law only**?

☐ yes ☐ no

If “no”, please provide full details of location involved, type of practice and number of lawyers.

\_\_\_\_\_

\_\_\_\_\_

7. Over the past five years, have any of the lawyers included in Question 5 been the subject of disciplinary proceedings? ☐ yes ☐ no

If “yes”, please provide full details.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

8. To the knowledge of the Firm, no Umbrella Claims have been made in the past ten years that are not disclosed in Appendix C. ☐ yes ☐ no

**Definitions:**

“Associated Firm” means any firm associated with the Primary Insured formed for the purpose of marketing service, client reference and/or staff development or education.

“Primary Insured” means the Firm and any predecessor firm(s).

“Umbrella Claim” means any claim arising out of Professional Services rendered or alleged to have been rendered or which should have been rendered in whole or in part by 1) the Primary Insured in the name of or on behalf of the Umbrella Firm; or 2) by the Umbrella Firm in the name of or on behalf of the Umbrella Firm, which is made against one or more of the Umbrella Firm, the Primary Insured and an Associated Firm.

“Umbrella Firm” means the partnership, association or other arrangement between or among the Primary Insured and one or more Associated Firms.

## APPENDIX E

### PROFESSIONAL SERVICES PROVIDED RELATING TO NON-CANADIAN LAW & PROFESSIONAL SERVICES PROVIDED IN THE U.S. & OUTSIDE OF CANADA

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Name of Firm: \_\_\_\_\_

#### 1. Professional Services Provided by Canadian Lawyers Relating to Non-Canadian Law

Please provide the following information on lawyers primarily resident in Canada who provide Professional Services relating to non-Canadian law (not including those which are incidental to the practice of Canadian law). Please only report on lawyers with more than 5% of docketed time in this category.

Name of Lawyer	Location of Office	% of Docketed Time Relating to Non-Canadian Law

#### 2. Professional Services Provided by Canadian Lawyers from a U.S. Office

Please provide the following information on lawyers primarily resident in Canada who provide Professional Services part time in an office or branch of the Firm located in the United States. Please only report on lawyers with more than 5% of docketed time in this category.

Name of Lawyer	Location of Office	% of Docketed Time in the U.S. Office

#### 3. Professional Services Provided by Offices Outside of Canada

Please provide the following information on all lawyers reported in Appendix A under the "Outside of Canada" column.

Location of Office	# of Lawyers Practise 100% Canadian Law	# of Lawyers Practise 100% Non-Canadian Law	# of Lawyers Practise both Canadian & Non-Canadian Law



#### 4. Other Insurance

For the exposures identified in Questions 1, 2 and 3 above, please provide details of specific insurance protection (e.g. coverage provided for a non-Canadian office or by a non-Canadian law society) as well as a copy of the policies.

Type of Exposure: \_\_\_\_\_  
Insurance Carrier: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Period of Insurance: \_\_\_\_\_  
Retroactive Date: \_\_\_\_\_  
Limits: \$ \_\_\_\_\_ per claim, \$ \_\_\_\_\_ annual aggregate

Type of Exposure: \_\_\_\_\_  
Insurance Carrier: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Period of Insurance: \_\_\_\_\_  
Retroactive Date: \_\_\_\_\_  
Limits: \$ \_\_\_\_\_ per claim, \$ \_\_\_\_\_ annual aggregate

Type of Exposure: \_\_\_\_\_  
Insurance Carrier: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Period of Insurance: \_\_\_\_\_  
Retroactive Date: \_\_\_\_\_  
Limits: \$ \_\_\_\_\_ per claim, \$ \_\_\_\_\_ annual aggregate

Type of Exposure: \_\_\_\_\_  
Insurance Carrier: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Period of Insurance: \_\_\_\_\_  
Retroactive Date: \_\_\_\_\_  
Limits: \$ \_\_\_\_\_ per claim, \$ \_\_\_\_\_ annual aggregate

## **APPENDIX F**

### **RISK MANAGEMENT POLICIES AND PROCEDURES**

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Name of Firm: \_\_\_\_\_

Please provide a full description of the Firm's most current risk management policies and procedures.

**APPENDIX G**  
**CYBER LIABILITY**

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Name of Firm: \_\_\_\_\_

**1. Personnel**

- a) Do you have a Chief Security Officer or Chief Information Security Officer or equivalent? ☐ yes ☐ no

If “no”, who within the Firm is responsible for the management of and compliance with the Firm’s Security Policies?

\_\_\_\_\_  
\_\_\_\_\_

- b) Do you have a Chief Privacy Officer or equivalent? ☐ yes ☐ no

If “no”, who within the Firm is responsible for the management of and compliance with the Firm’s Privacy Policies?

\_\_\_\_\_  
\_\_\_\_\_

**2. Protection**

- a) Do you use encryption tools to enhance the integrity and confidentiality of confidential information?  
☐ yes ☐ no

If you use encryption tools, in which scenarios is data encrypted? (Check all statements that you believe are applicable.)

- ☐ Data at rest  
☐ Data in transit  
☐ Data transferred to removable media (laptops, CD’s, backup tapes, USB devices, etc.)

- b) Do you use and regularly update industry-standard antivirus software? ☐ yes ☐ no

**3. Incident Response**

Do you have a written network security incident response plan? ☐ yes ☐ no

If “yes”:

- a) Does it include alternative options should a critical third party outsourcing provider’s operations be incapacitated? ☐ yes ☐ no
- b) Does it include procedures to alert your clients that their data may have been compromised? ☐ yes ☐ no

**4. Policies**

Do you maintain a comprehensive information security and privacy policy that is updated and enforced on a continuous basis? ☐ yes ☐ no