



Actuaries & Insurance Management Advisors

CLLAS

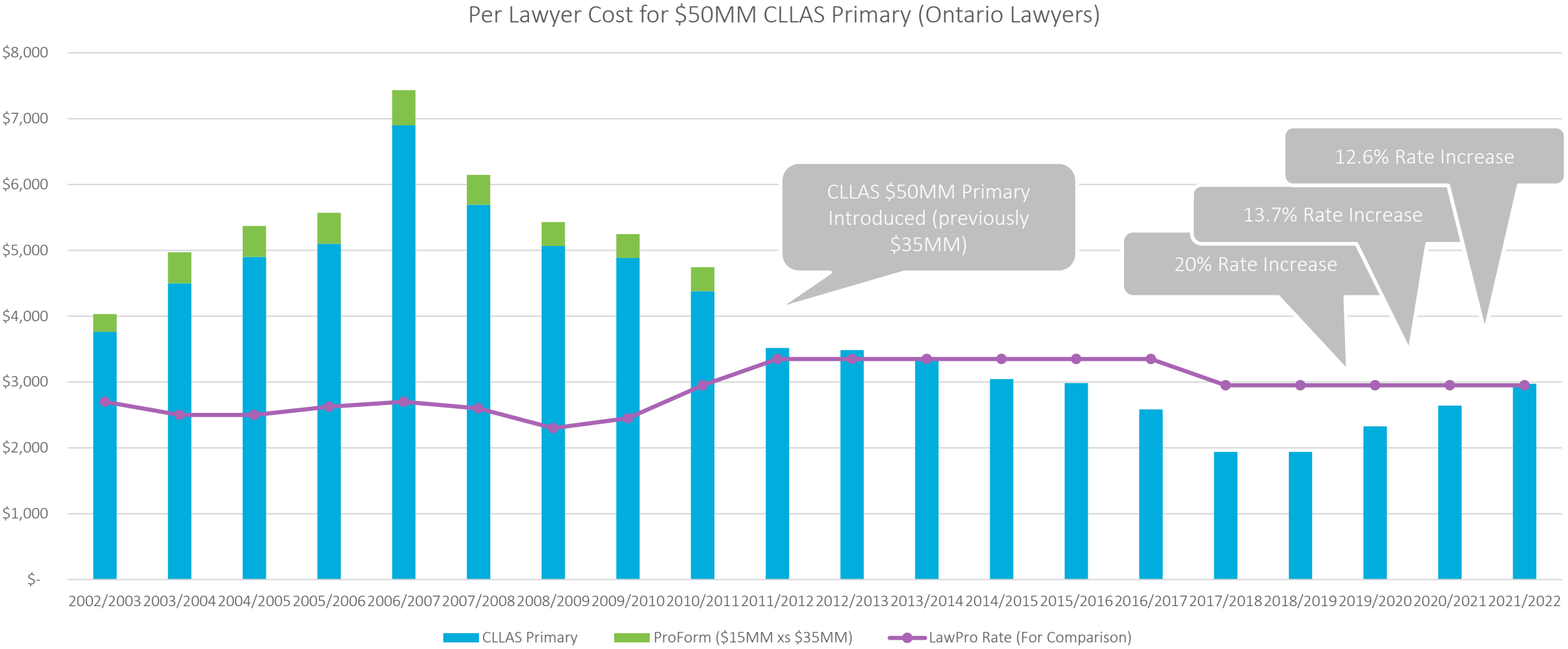
Renewal Summary and Programs Update

September 14, 2021

Agenda

- CLLAS Renewal
 - Background
 - Overview
 - Reinsurance Markets and Capacity
 - Reinsurance Rates
 - CLLAS Rates
 - Conclusion
- ODL Program Update
- Cyber Program Update
- CLLAS Associate Member Program Update

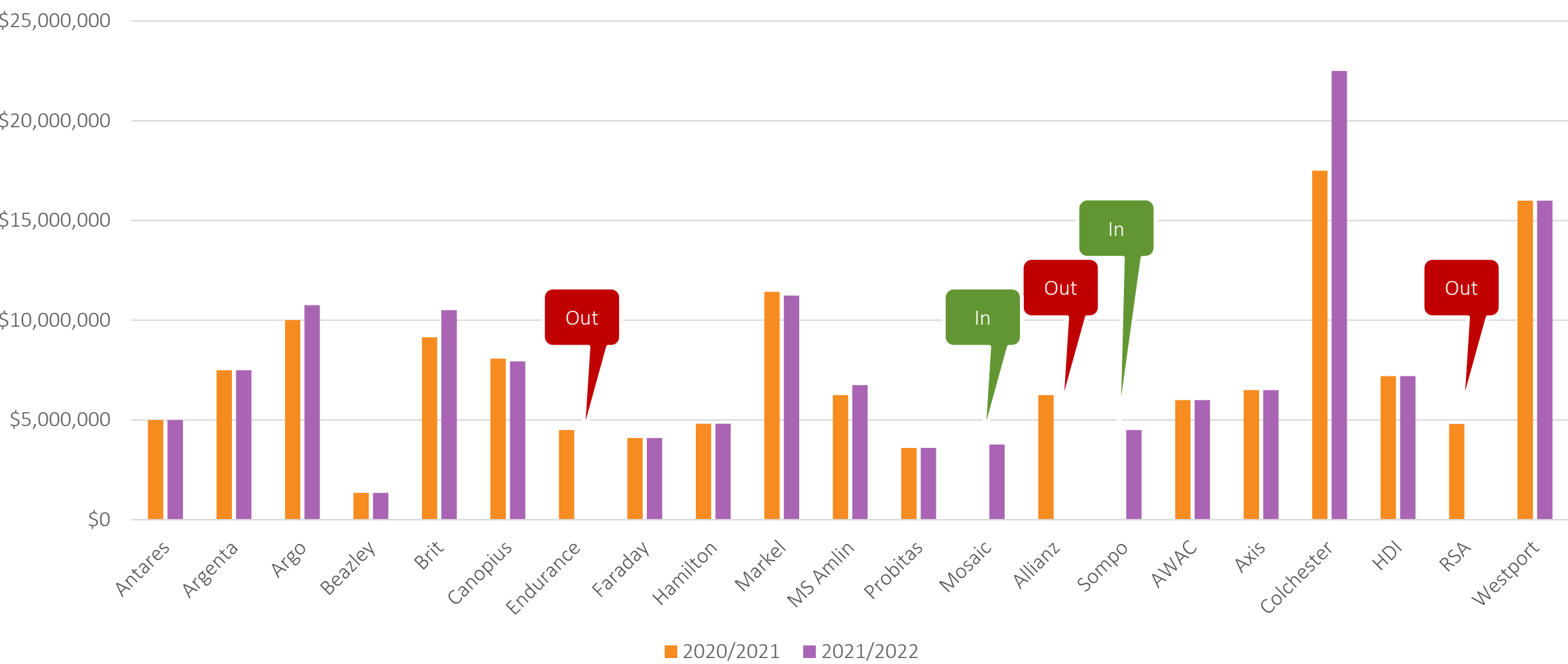
Background



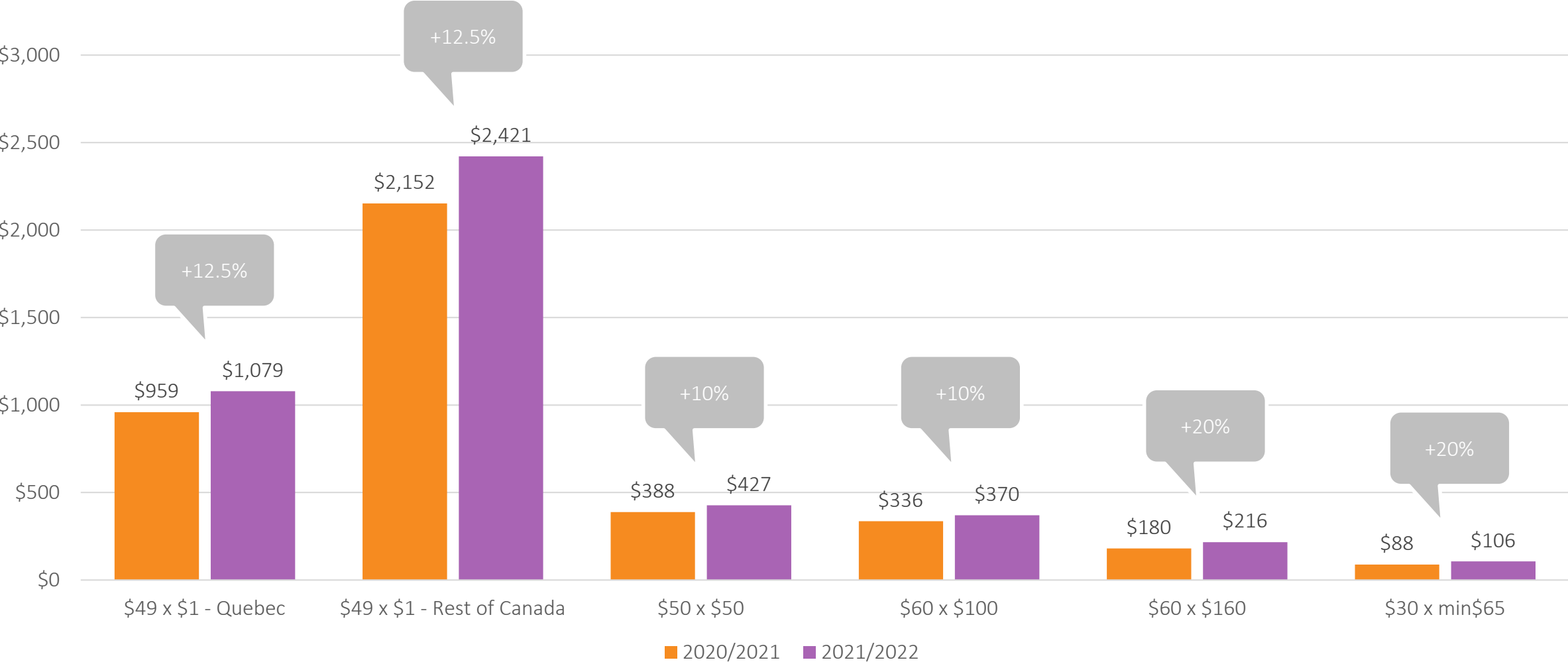
Overview

- Renewal was challenging, with three key coverage issues posing a challenge:
 - Support for Primary \$49MM x \$1MM layer
Loss of Allianz's 12.5% support for this layer proved challenging, ultimately resulting in increased Colchester participation
 - Quebec SNC-Lavalin case
Antares Syndicate has pulled out of all Quebec business following massive losses on SNC-Lavalin placement – ultimately able to convince their management that the issue was not applicable to CLLAS, wording clarification regarding prior reports added
 - Clarification of Cyber (incidents vs. attacks)
Major push by Lloyd's to move to standardized Cyber clarification – ultimately CLLAS cyber coverage remained intact after wording clarifications under definition of claim and defense costs

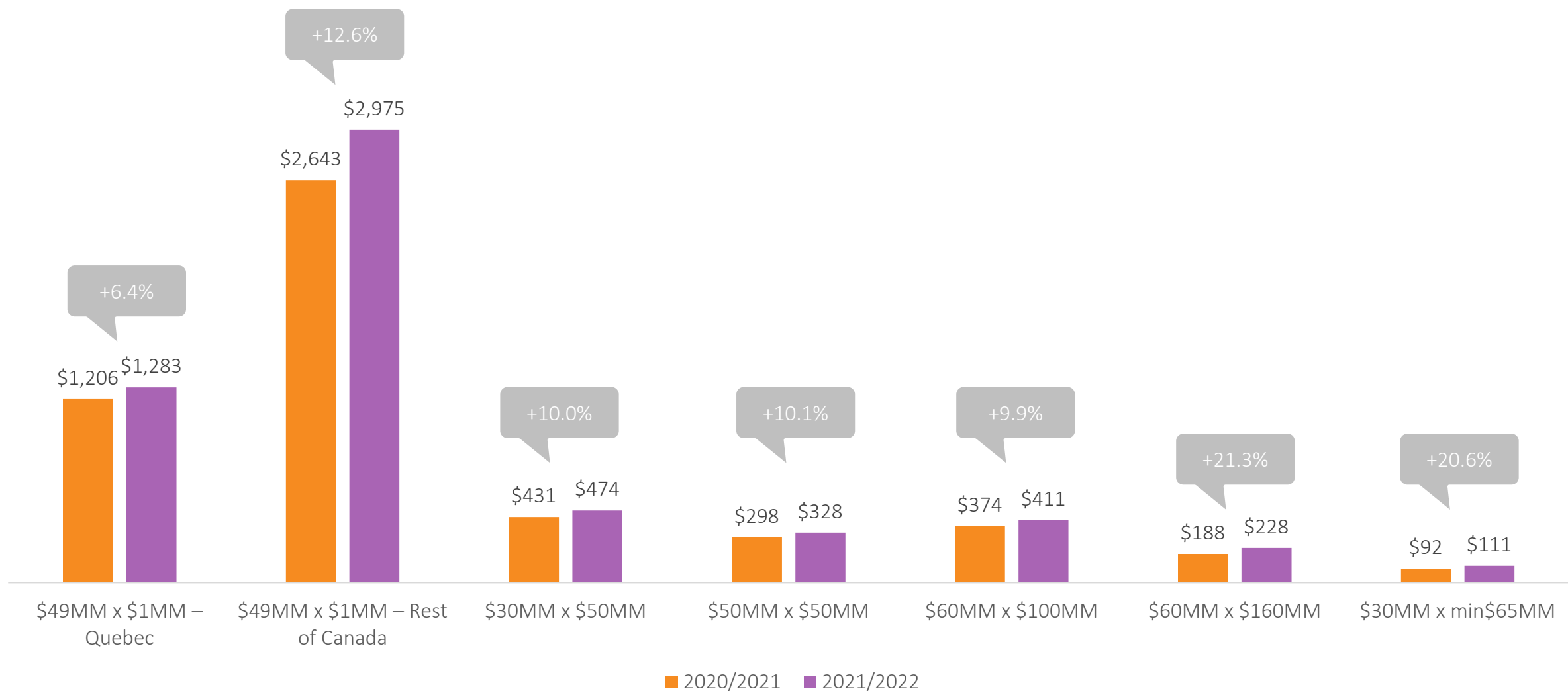
Reinsurance Markets and Capacity



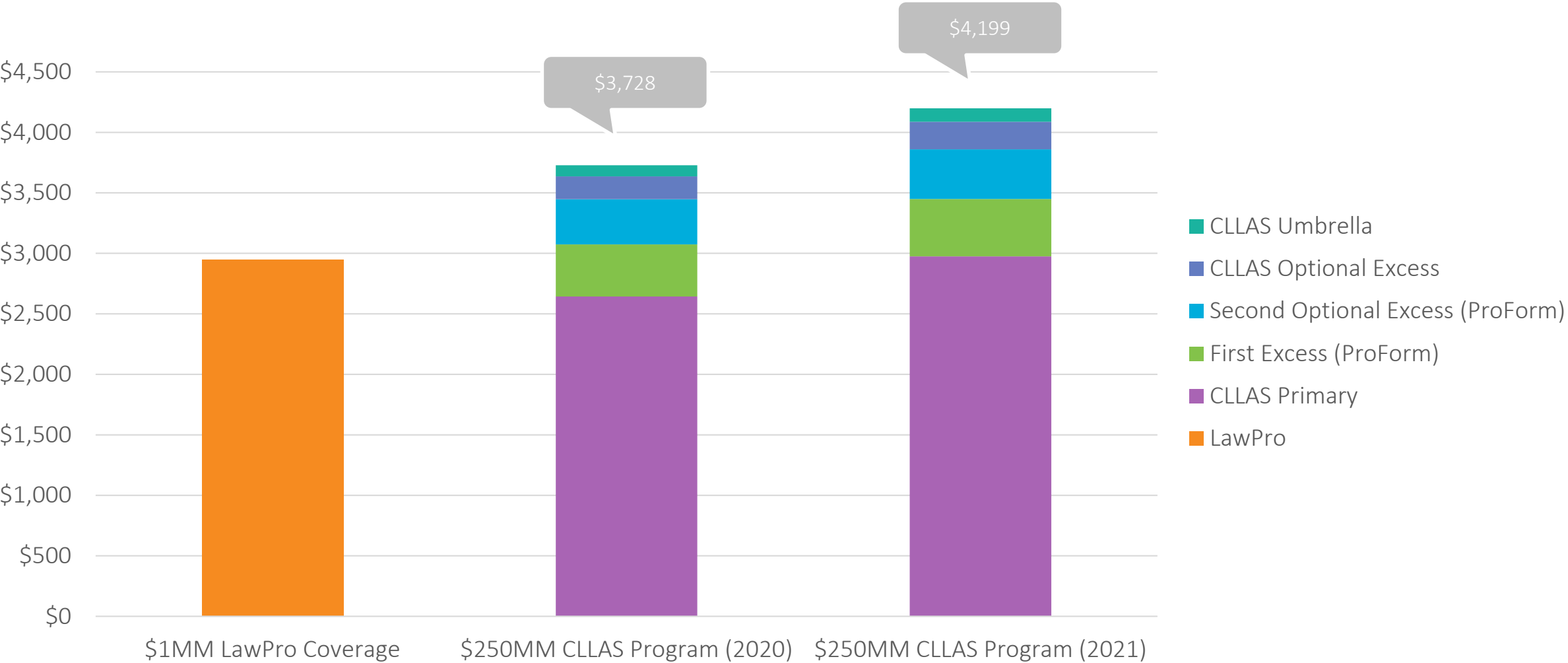
Reinsurance Rates per Lawyer



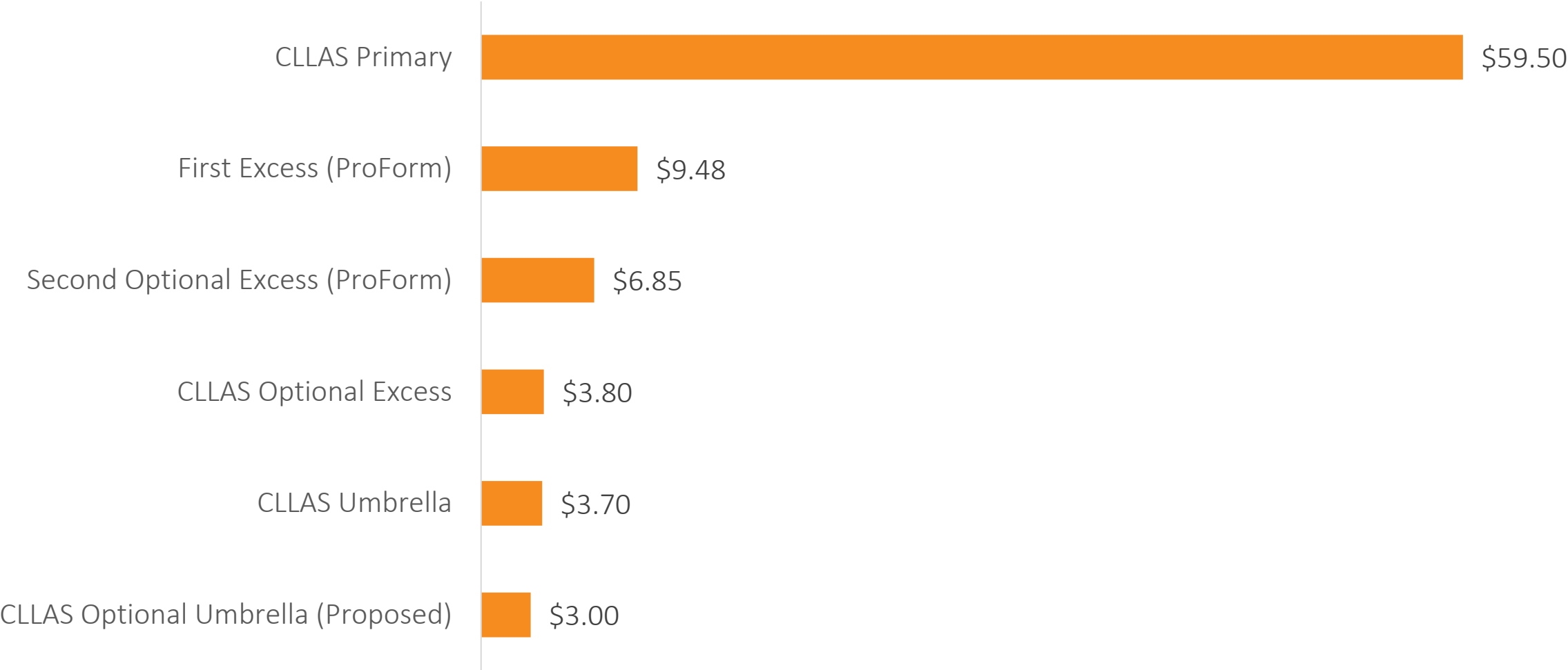
CLLAS Rates per Lawyer



CLLAS Rates per Lawyer - Total



CLLAS Rates per \$1MM of Limit per Lawyer



Conclusion

- While the market continues to harden, with price and coverage being challenging to negotiate, CLLAS continues to prove its value by delivering relative stability and control, both in terms of pricing and coverage

ODL Program Update

- Rates for D&O coverages have seen significant instability in the market place, with rate increases in the +40% ranges driven in large measure by the increased uncertainty around COVID-19
- The ODL program continues to provide stable renewal terms over the standard marketplace with rate increases in the sub 10% range overall
- ML/EPL program is now, or will likely be by year's end, the only program of its type in the Canadian marketplace for law firms, as markets withdraw
- Program support for 2022 has already been secured

Cyber Program Update

- Marketplace
 - Market for cyber is evolving almost weekly - underwriting guidelines rapidly shifting
 - Many markets are “pens down”
 - Significantly reduced appetite for large risks (especially > \$1B)
 - Rates and retentions are on the rise
 - Rate increases of 4x are not uncommon
 - Retention increases of 10x are not uncommon
 - Coverages are disappearing and being reduced
 - SEF coverage is largely unavailable
 - Ransomware and reputation risk coverages are being sub-limited and/or carries massive retention
- CLLAS Program Update
 - Ascent, has reduced its capacity to \$3,000,000 maximum, restructuring on the way
 - CLLAS Program remains a preferred risk
 - Continued support, above and beyond general market availability, is expected
 - Presently 8 out of 10 CLLAS member firm purchase Cyber through the Program

CLLAS Associate Member Program Update

- Both Lenczner Slaght LLP and Stockwoods LLP renewed for 2021/2022
- Rates for 2021/2022 increased by 13% on the \$30MM primary under that program, and the \$20MM xs \$30MM saw a 15% increase
- Chubb, who had supported the \$20MM xs \$30MM in 2020/2021 exited lawyers professional liability entirely for 2021 and were replaced by London Capacity
- Lencznors also purchases Cyber coverage through the CLLAS Program and has inquired whether CLLAS could provide Crime and Office Package coverage to complete the Program offering