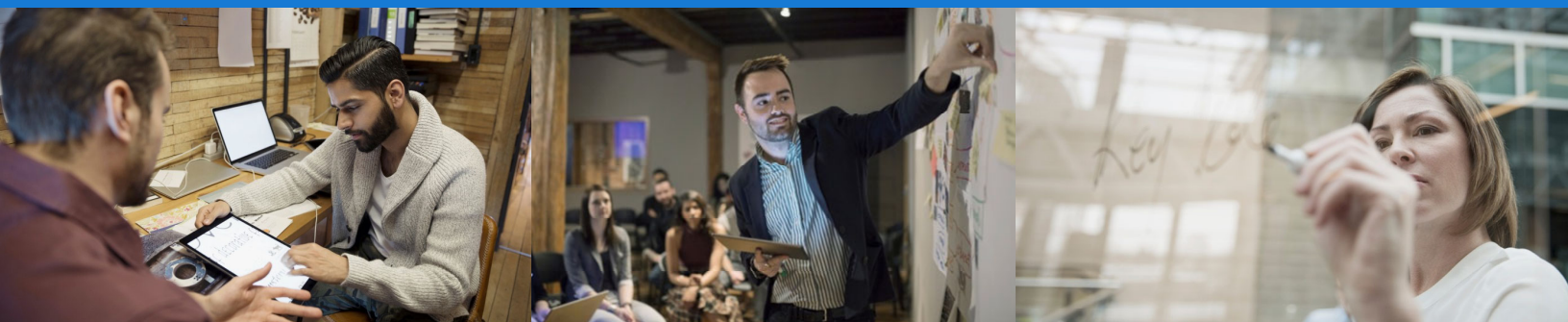


Proposal to Provide Insurance Brokerage Services to

Canadian Lawyers Liability Assurance Society

2022 Renewal Submission





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Introduction

We are pleased to confirm that all current excess insurers have agreed to renew their participation for a further year and have agreed to limit their increases to 5% on the \$50,000,000 excess of \$50,000,000 layer and 5% on the next layer of \$60,000,000 excess of \$100,000,000.

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

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

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



Policy Wordings

No changes in 2022

Renewal Quotations

CLLAS Canadian Excess Program

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

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

Note: The new rate on the layer of \$110,000,000 excess of \$50,000,000 is \$930 per lawyer vs. the expiring rate of \$885 per lawyer, which is an overall increase of 5%

Renewal Quotations

CLLAS International

Insurer	Layer	Proposed Renewal
		2022 - 2023
CNA (25%)	US\$30,000,000 each claim and aggregate	Quotes will be sent directly to participating CLLAS firms
AXA XL (16.50%)		
Berkshire (25%)		
Aspen Re (16.5%)		
Lloyds (17.00%)		

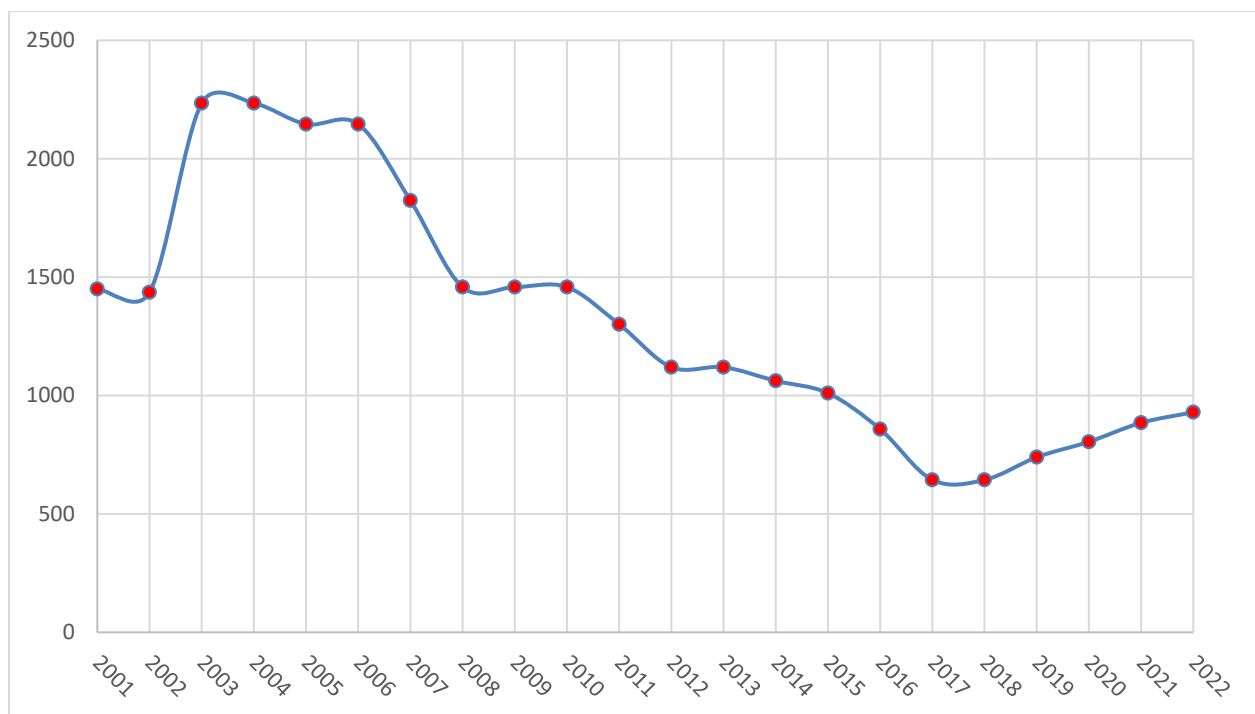
Note: Each Participating firm will receive a renewal notice confirming their renewal terms.

Rate Summary

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

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

	2021	2022
Rates	885	930





State of the Professional Liability Market

Although we are continuing to experience hard market conditions, there are signs that the professional liability space in Canada is starting to stabilize. We are no longer seeing the mass exodus of capacity that we have seen over the past few years and there are even some new domestic insurers entering the professional liability space and we are pleased to advise that one of these, Tokio Marine Canada, has agreed to take a small line on the program this year. In certain situations we may see Intact consolidating their capacity or non-renewing certain “old” RSA business following their acquisition by Intact however we are pleased to confirm that Intact have agreed to maintain RSA’s participation for the CLLAS firms.

For non-distressed risks we have typically been seeing rate increases in the 5% to 15% range over the past 12 months, which is in line with what we have seen across many other lines of commercial insurance (with the notable exception of cyber).

While things appear to have stabilized for the time being, the outlook for the broader commercial insurance market is clouded by the current economic and geopolitical uncertainty in the world. The ongoing threat of increasingly frequent large insured losses from natural catastrophes looms and is a significant challenge for Canadian insurers. There continue to be significant changes in the cyber insurance market as insurers struggle with the evolving threat landscape and mounting losses. Cyber risk continues to be a particularly acute issue for law firms as they have been favored targets of malicious actors.

Insurer Financial Ratings

CLLAS Canadian Excess Program

INSURANCE COMPANY		COUNTRY	BEST'S RATING	S&P RATING
LIBERTY INTERNATIONAL UNDERWRITERS CANADA, A DIVISION OF LIBERTY MUTUAL INSURANCE COMPANY		U.S.A.	A	A
TRAVELERS COMMERCIAL INSURANCE COMPANY OF CANADA		Canada	A++	AA
SOVEREIGN GENERAL INSURANCE COMPANY		Canada	A	
NORTHBRIDGE COMMERCIAL INSURANCE CORP.		Canada	A	A
INTACT INSURANCE COMPANY		Canada	A+	
QBE INSURANCE (INTERNATIONAL) LTD.		U.S.A.	A	A+
AXIS Reinsurance Company		Canada	A	A+
XL Specialty Insurance Company		U.S.A.	A+	AA-
TOKIO MARINE CANADA LTD.		Canada	A-	n/a
ENCON GROUP INC. - Participants				
1	Continental Casualty Company	U.S.A.	A	A+
2.	XL/Catlin Reinsurance America Inc.	U.S.A.	A+	AA-
3.	Temple Insurance Company	Canada	A+	A+
4.	Aviva Insurance Company of Canada	Canada	A	AA-

Ratings reflect the most recent issue, update or change communicated by the rating agency. Effective dates on S&P interactive ratings above do not reflect affirmations. Ratings do not necessarily correspond to a specific data year. "Secure" scales are described below. Refer to A.M. Best's (Best's) and Standard and Poor's (S&P) definitions for details. Conversions to U.S. Dollars are subject to exchange rate differences. Sources of financial data (company accounts or regulatory returns) for non-US companies are indicated on the individual company reports

<u>Best's Ratings</u>		<u>S&P Ratings</u>	
A++, A+ Superior	Best's rating modifiers may be assigned based on group affiliation: (r=Reinsured, p=Pooled, or g=Group) FPR ratings range from 1-9, where 1=Poor and 9=Very Strong	AAA Extremely Strong	S & P Financial Strength ratings may be modified by the use of a "+" or "-" sign to show relative standing within a category. The "pi" indicates a "public information" rating. A "pos", "neg", or "dev" indicates a positive, negative, or developing CreditWatch implication
A, A- Excellent		AA Very Strong	
B++, B+ Very Good		A Strong	
U Under review		BBB Good	

Insurer Financial Ratings

CLLAS International Program

INSURANCE COMPANY	COUNTRY	BEST'S RATING	S&P RATING
CONTINENTAL CASUALTY COMPANY	U.S.A.	A	A+
AXA XL	U.S.A.	A+	AA-
BERKSHIRE	U.S.A.	A++	AA+
ASPEN RE	U.S.A.	A	A-
LLOYDS	UNITED KINGDOM	A	A+



Final Renewal Process

As in past years we will now proceed to renew the coverage for your firm based on the limits you currently purchase and based on the final headcount provided by you which has been provided to us by AXXIMA.

We would also recommend to those firms who do not currently purchase all the layers of coverage offered that they should consider increasing the limits purchased.

If you would like to change the limits you purchase it would be appreciated if you could advise us as soon as possible.

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