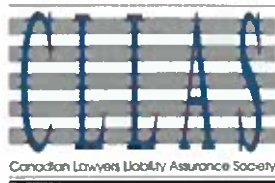


2016 Renewal Submission

Prepared For:

Canadian Lawyers Liability Assurance Society



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INTRODUCTION

I am pleased to advise you that as a group you did meet the claims criteria to allow the further extension of the excess program and rate guarantee; we did advise all of the Insurers that the rate will not change and that you would take advantage of the guaranteed rate for July 1, 2016. I am however, very pleased to confirm that we were able to negotiate a further 15% reduction in the excess rates for the July 1, 2016 renewal despite the fact that we have the rate guarantee in place. These new rates are reflected in the submission under "Renewal Quotations".

We have done a comparison to other insurance programs negotiated in our office and also rates provided through other sources.

The excess insurance market does continue to be extremely competitive and I do believe the current rates with the 15% reduction are generally competitive with rates being offered by other Insurers.

As an example we did see a comparison in rates for the layer of \$50M excess of \$80M and we understand there is an existing rate at approximately \$339 vs. the \$359 being charged in our facilities.

With respect to the underlying rates below \$80M we believe we are competitive viewing that our facility does provide worldwide drop down/DIC coverage subject to a \$500,000 retention when in fact the other facilities that we compare ourselves to do not provide this additional coverage.

We do continue to monitor the market to ensure that the pricing is competitive and we believe given the coverages currently being offered and the potential exposures, that the rates being charged to CLLAS are very competitive.

There have been some changes on the program as Lexington/AIG did offer renewal terms on both the Commercial Excess and the CLLAS International facilities; however, the terms were not acceptable given the alternative markets available.

We have elected to replace Lexington/AIG and as you can see there is a new line up of Insurers in our submission.

All of the new Insurers are existing providers of Lawyers Professional Liability coverage and are highly rated companies financially.

The rates do continue to soften in the facilities below \$50M and new insurance providers do continue to enter the Canadian Insurance market even though the claims experience for lawyers Professional Liability in my opinion has deteriorated in the last few years.

We have provided you with the financial information in the submission regarding the participating Insurers. All of the Insurers remain strong and have an AM Best or equivalent rating of A or better.



I trust you will find the renewal program to be satisfactory and I am very pleased with the overall outcome in obtaining a 15% reduction on the excess program, as this certainly does show the commitment of the existing Insurers going forward.

It has been a pleasure to work with you and I look forward to our future relationship.

POLICY WORDINGS

No changes to the policy wordings.

CLLAS International Wording

No changes to this wording except the claims reporting information will be changed to reflect the new insurers.

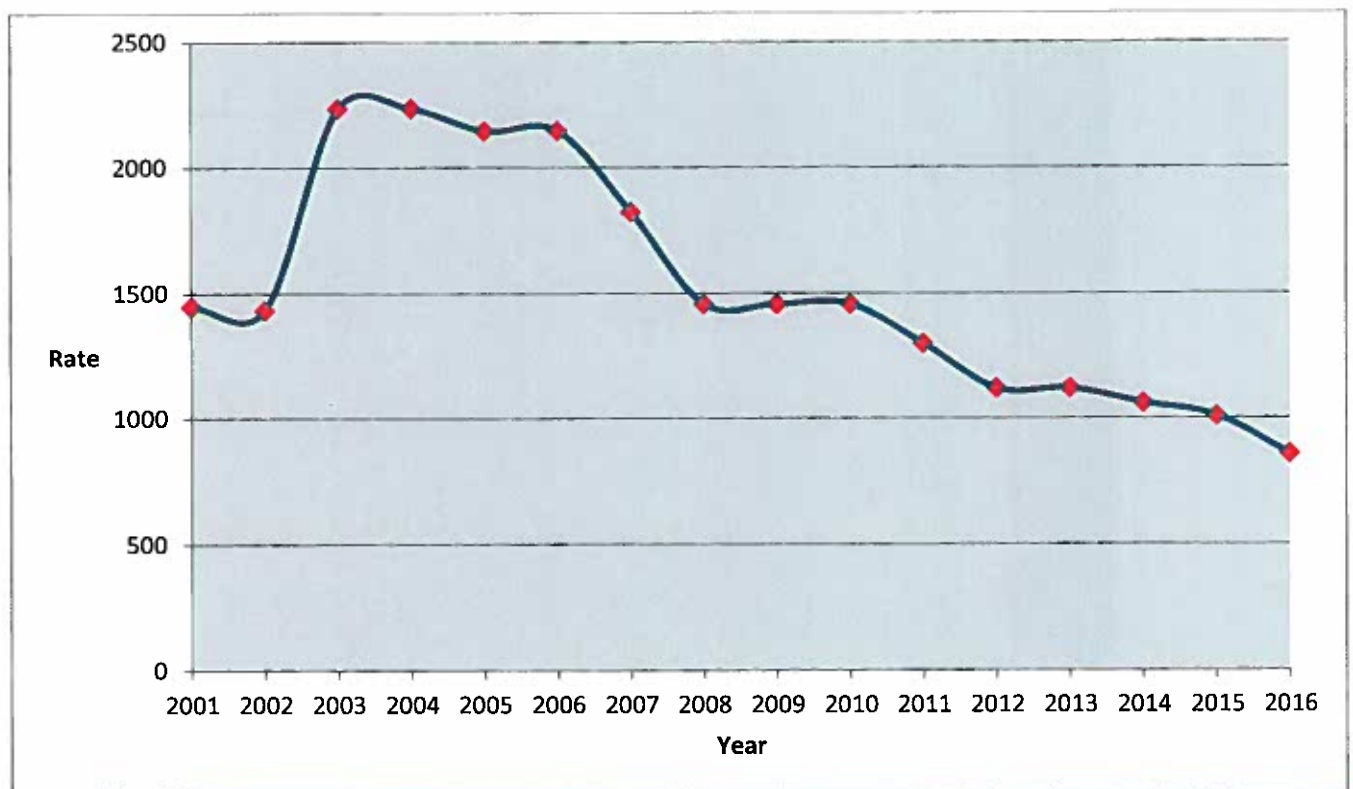
RENEWAL QUOTATIONS

Insurer	Layer	Proposed Renewal
		2016 - 2017
Liberty International Canada (66%)	15,000,000 each claim and aggregate excess of	186
ENCON Group Inc. (34%)	50,000,000 total underlying limit	
Travelers Insurance Company of Canada	10,000,000 each claim and aggregate excess of	88
	65,000,000 total underlying limit	
RSA Insurance Company	5,000,000 each claim and aggregate excess of	40
	75,000,000 total underlying limit	
XL Catlin (50%)	15,000,000 each claim and aggregate excess of	93
Axis Reinsurance Company (34%)	80,000,000 total underlying limit	
Northbridge Insurance Company (16%)		
Chubb Insurance Company (50%)	20,000,000 each claim and aggregate excess of	153
Liberty International Canada (25%)	95,000,000 total underlying limit	
QBE Insurance Group (25%)		
ENCON Group Inc.	20,000,000 each claim and aggregate excess of	150
	115,000,000 total underlying limit	
Travelers Insurance Company of Canada	10,000,000 each claim and aggregate excess of	68
	135,000,000 total underlying limit	
Northbridge Insurance Company (33%)	15,000,000 each claim and aggregate excess of	80
RSA Insurance Company (67%)	145,000,000 total underlying limit	
		858
All quotations are subject to the underlying CLLAS coverage being renewed at \$50,000,000		

CLLAS INTERNATIONAL

Insurer	Layer	Proposed Renewal
		2016 - 2017
CNA (25%)	US\$30,000,000 each claim and aggregate	As per expiry
XL Catlin (16.50%)		
Berkley (25%)		
Axis (17%) (18.5%)		
Lloyds (16.50%) (15%)		

16-YEAR RATE SUMMARY



COMPETITION

We continue to review the renewal programs for Canadian law firms across the country and the excess programs (excess of \$50,000,000). Generally we have seen some slight rating reductions in 2015 at the primary/first excess levels. The excess pricing has seen competition and reductions in the last year.

We can confirm to you that it is our opinion that this excess program is currently competitive in comparison to firms outside of the CLLAS group given the exposure and drop down/DIC feature of the excess program.

The U.S. market was seeing some hardening but due to additional capacity we now see a stable rate environment.

I do believe that we ultimately approach the entire insurance market between ourselves, AXXIMA and your U.K. broker. If any new capacity does become available, we are aware of it; This year between ourselves, AXXIMA and your U.K. Broker we again did an extensive search of the market and this was done to ensure the CLLAS program remains competitive.

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
CHUBB INSURANCE COMPANY		Canada	A++	AA
NORTHBRIDGE COMMERCIAL INSURANCE CORP.		Canada	A	A-
ROYAL & SUN ALLIANCE INS CO OF CANADA		Canada	NR	A
QBE INSURANCE (INTERNATIONAL) LTD.		U.S.A.	A	A+
AXIS Reinsurance Company		Canada	A+	A+
ENCON GROUP INC. - Participants				
1	Continental Casualty Company	U.S.A.	A	A
2.	XL/Catlin Reinsurance America Inc.	U.S.A.	A	A+
3.	Temple Insurance Company	Canada	A+	A+
4.	Aviva Insurance Company of Canada	Canada	A	A+

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

Best's Ratings			S&P Ratings		
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
XL CATLIN	U.S.A.	A	A+
BERKLEY	U.S.A.	A+	A+
AXIS	U.S.A.	A+	A+
LLOYDS - IRONSHORE	UNITED KINGDOM	A	BBB

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. We understand that you will be providing the final headcounts as soon as possible to AXXIMA who in turn will provide this information to us.

We would also recommend to those firms who do not currently purchase all of 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 me as soon as possible.

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