

\$60MM xs \$100MM

POLICY NO.

("the Company")

- ITEM 1. NAME OF FIRM:
- ITEM 2. ADDRESS OF FIRM:
- ITEM 3. POLICY PERIOD:
- ITEM 4. LIMIT OF LIABILITY:
- ITEM 5. COVERAGE:
- ITEM 6. UNDERLYING INSURANCE:
- (a) Designated Underlying Policy No.:
- Underlying Insurer:
- Limit of Liability:
- Coverage:
- Policy Period:
- (b)
- ITEM 7. PREMIUM:
- ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:

ENDORSEMENT NO.

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO.

ISSUED TO:

BY:

It is hereby understood and agreed that this policy will automatically renew effective 12:01 a.m. July 1, 2017 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 1st, 2017, unless:

1. If during the period of July 1st, 2016 to May 15th, 2017, 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 member firm of "CLLAS" or;
2. If during the period of July 1st, 2016 to May 15th, 2017, 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 member firm of "CLLAS" or;
3. If during the period of July 1st, 2016 to May 15th, 2017, a reserve or a payment or a combination of both, of equal to or greater than \$500,000 excess of the Retentions stated in Items 9 a) 1 or 9 b) 1 of the Declarations 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 member firm of "CLLAS" then,

the Insurers may or may not offer renewal terms for the period July 1, 2017 to July 1, 2018 which may or may not be accepted by the member firms of CLLAS.

These exceptions do not include the matter already reported to CLLAS under Claim No. 2004-194.

For the purpose of this Endorsement only, "rateable staff" shall mean: partner, lawyer, counsel and "of counsel".

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

Member Firms of CLLAS

Policy Number's

Borden Ladner Gervais LLP	
Cassels Brock & Blackwell LLP	
Davies Ward Phillips & Vineberg LLP	
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.	
Goodmans LLP	

McCarthy Tétrault LLP; McCarthy Tétrault Registered Foreign Lawyers and Solicitors; McCarthy Tétrault (New York) LLP	
McMillan LLP	
Osler, Hoskin & Harcourt LLP	
Torys LLP	
WeirFoulds LLP	

All other terms, conditions, exclusions and limitations remain unchanged.

SPECIMEN

ENDORSEMENT NO.

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO.

ISSUED TO: 3

BY:

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, 2017 has been exhausted by payment of claims.

This endorsement does not increase the **Limit of Liability** stated in Item 4 of the Declaration 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.

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
Lawyers Excess Professional Liability Insurance Policy

Addendum No.

Name of Firm:

Underlying Insurance *

**Underlying Insurance is costs inclusive*

Limit of Liability:
Insurer:

Policy Period:
Policy No.:

SPECIMEN

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 Company" whose name appears on the Declarations agrees with the FIRM 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 6 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 of 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 6 of the Declarations.

Change in Underlying Insurance/Defence Provisions

1. This Policy of 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 Company 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 Company 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 Company'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 Company shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Company 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 Company 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 Company, involve or appear reasonably likely to involve the

Company. If the Company 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:

1. The claim is made, or triggering notice of circumstances reasonably expected to give rise to a claim is given, during the Policy Period, and
2. The claim, or triggering notice of circumstances reasonably expected to give rise to a claim is not excluded by this Policy, and
3. All other terms and conditions of this Policy have been met.

Annual Aggregate Limit of Liability

Regardless of the number of Insureds under this Policy, persons or organizations alleging damages payable or claims made or suits brought, the Company'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

The term "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.

The term "Ultimate Net Loss" means 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 Company with respect to damages covered hereunder.

Ultimate Net Loss does not include (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.

The Insured shall further cooperate with the Company 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 Company's 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 Company 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 Company or shall cooperate with the Company in its efforts at recovery of any amounts.

Cancellation Clause and Extended Reporting Period:

This policy is non-cancelable during the Policy Period as stated in the Schedule except:

1. By mutual consent;
2. By the Insurer if:

- (a) The Canadian Lawyers Liability Assurance Society (CLLAS) is dissolved; or
- (b) The Insured Firm is dissolved or merges with a firm outside of the CLLAS program and discontinues the CLLAS underlying protection; or
- (c) The FIRM 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.

In the event of the above, this Policy may be cancelled by the Insurer by mailing written notice of cancellation to the FIRM 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 FIRM. If the Insurer shall refuse to renew this Policy, the FIRM 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 FIRM 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 FIRM 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 FIRM to give such notice, the FIRM shall not at a later date be entitled to give such notice. The mailing of notice by the FIRM 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 Firm by mailing prior written notice to the Company or by surrender of this policy to the Company.

If this policy is canceled by the Firm resulting from the downgrade then the Company 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.