

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY
(CLLAS)**

CONFLICT OF INTEREST POLICY

1. A member firm of CLLAS (a “member”) may act for claimant against another member firm (the “insured member”) if such member complies with the applicable conflict of interest rules of the governing law society and the requirements of this Schedule.
2. If a claim, including anticipated defence cost, (collectively, a “claim”) is less than \$1,000,000, then the member need not disclose the provisions of this Schedule to the claimant but should do so if circumstances change and it becomes apparent that the claim could exceed such amount.
3. If a claim exceeds or is expected \$1,000,000, the following provisions will be applicable:
 - (a) The Advisory Board will approve from time to time
 - (i) a disclosure statement (“disclosure statement”) describing the insurance operations of CLLAS and the financial responsibility of its members, and
 - (ii) a form of consent (the “prescribed consent”) which must be given by a claimant wishing to retain the services of a member to represent the interest of the claimant in pursuing a claim against an insured member.
 - (b) Before agreeing to act or, in the case of a claim which in the course of proceedings develops into one likely to exceed \$1,000,000, continuing to act for the claimant, the member shall make full disclosure to the claimant of its membership in CLLAS and of the financial interest that the member may therefore have in the claimant’s claim against the insured member. The member shall inform the claimant that the applicable Law Society Rules of Professional Conduct preclude the member from representing the interest of the claimant without the claimant’s written consent and that the conflict of interest rules of CLLAS require a prescribed consent.
 - (c) If, following such disclosure, the claimant is still interested in retaining the member’s services in respect of the claim and giving the prescribed consent, the member shall provide the claimant with a copy of the disclosure statement and prescribed consent and shall recommend that the claimant obtain independent legal advice with respect to the execution of the consent. It will be the claimant’s choice as to whether or not such independent legal advice is obtained.
 - (d) A copy of the prescribed consent signed by the claimant shall be filed with the chair of the Claims committee or the manager of CLLAS promptly following notification of the claim to CLLAS by the insured member or the claim becoming public knowledge, whichever is the earlier. It shall be the responsibility of the insured member to inform the member of the giving of such notification promptly after the insured member becomes aware that the member is acting for the claimant.

- (e) No member of the Advisory Board shall have a direct involvement in the legal proceedings commenced by the claimant, nor shall he or she give any advice to the claimant or others in respect of the claim.
 - (f) The member (including its employees and agents) representing the claimant is precluded from discussing the claim and related issues with the manager of CLLAS or any of its employees or any other members of CLLAS, other than the insured member.
- 4. The Advisory Board may, on the application of the member, approve modifications or waivers of the foregoing requirements in any particular conflict of interest situation.