

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
(Hereinafter called the "Insurer" or "CLLAS")  
250 Yonge Street, Suite 2900  
Toronto, Ontario M5B 2L7

**LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY**

**THE DECLARATIONS**

1. **POLICY NO.:**  
20005
2. **THE NAMED INSURED:**  
Fraser Milner Casgrain LLP
3. **ADDRESS OF ADMINISTRATIVE OFFICE OF THE NAMED INSURED:**  
41st Floor, 1 First Canadian Place  
100 King Street West, Toronto, Ontario M5X 1B2
4. **ATTORNEY FOR THE INSURER:**  
Nicholas Leblovic  
44th Floor, 1 First Canadian Place  
Toronto, Ontario M5X 1B1
5. **POLICY PERIOD:**  
July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the administrative office of the Named Insured.
6. **LIMIT OF LIABILITY:**  
\$5,000,000 per Claim and in the annual aggregate (including Costs, Charges and Expenses).
7. **PREMIUM:**  
\$822,767.00
8. **DATE OF APPLICATION:**  
March 18, 2009
9. **LAW SOCIETY REFERRED TO HEREIN:**  
Any Law Society of a Province or Territory of Canada.
10. **UNDERLYING INSURANCE OR RETENTION:**
  - a) Underlying Insurance
    - (i) the minimum mandatory coverage provided by the applicable Law Society Professional Liability Insurance Program or by the Professional Liability Insurance Program of the governing body of a self-regulatory profession other than law ("Mandatory Underlying Insurance"); and
    - (ii) coverage provided by other insurance.
  - b) Retention  
\$25,000 per Claim (including Costs, Charges and Expenses).
11. **ENDORSEMENT(S) ATTACHED AT POLICY ISSUANCE:**  
Endorsement Nos. 1, 2 & 3

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Per: \_\_\_\_\_

Attorney

## LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY

**This is a "Claims Made Policy" and applies only to Claims first made against the Insured during the Policy Period. Please read carefully.**

In consideration of the undertaking of the **Insured** to pay, when due, the premium in the amounts stated in the Declarations and in reliance upon the statements in the application bearing the date stated in the Declarations, and subject to the **Limit of Liability** stated in the Declarations, and subject to all of the terms of this Policy, the CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY, hereinafter called the **Insurer**, agrees with the **Insured** as follows:

### **I. DEFINITIONS**

1. **"Attorney"** means the Attorney for the **Insurer** set out in Item 4 of the Declarations.

2. **"Claim"** or **"Claims"** means:

- (i) a written or oral demand for money or services;
- (ii) a written or oral allegation of breach in the rendering or failure to render **Professional Services**; or
- (iii) a written or oral allegation of **Personal Injury**

received by the **Insured** resulting from a single or related act, error, omission or negligent act in the performance of or failure to perform **Professional Services** by the **Insured** or by any person for whose acts, errors, or omissions the **Insured** is legally responsible.

All **Claims**, or circumstances of an act, error, omission or negligent act which might give rise to a **Claim** or **Claims**, which arise from a single or related act, error, omission or negligent act shall be considered a single **Claim** regardless of the number of persons or organizations making a **Claim** or the time or times the single or related act, error, omission or negligent act took place.

3. **"Consultant"** means a person who is neither a partner nor an **Employee** of the **Named Insured**, a **Service Company** or a **Professional Corporation** and who is either:

- (i) a lawyer who provides **Professional Services** through the **Named Insured** as a lawyer; or
- (ii) a **Non-Lawyer Consultant**.

4. **"Costs, Charges and Expenses"** means all reasonable costs, charges, expenses and fees incurred by an **Insured** in connection with a **Claim** or circumstance reported by the **Named Insured** including, without limitation, those incurred in retaining outside lawyers, **Consultants**, or other firms or persons by the **Insured** to investigate, defend or appeal such **Claim** or circumstance, whether such **Claim** or circumstance is ultimately settled or adjudicated, the cost of legal, administrative or alternative dispute resolution proceedings, the cost of appeal, attachment or similar bonds or other security required to be furnished in connection with the contesting of such **Claim**, reasonable expenses that any **Insured** incurs while investigating, defending or appealing such **Claim** or circumstance and legal costs awarded against any **Insured** in a suit or proceeding relating to such **Claim** but excluding (i) loss of earnings suffered by an **Insured** and (ii) personal fines and penalties incurred by an **Insured**.
5. **"Damage(s)"** means damages that the **Insured** is legally obligated to pay arising out of a **Claim** and shall include pre-judgment and post-judgment interest, but shall exclude personal fines or penalties and fees for legal services rendered by an **Insured**.
6. **"Employee"** means an employee of the **Named Insured**, a **Service Company** or a **Professional Corporation** and shall include any person whom the **Named Insured** wishes to be regarded as an employee for the purpose of this Policy, even if such person is not actually an employee.
7. **"Insured"** means:
  - (a) the **Named Insured**;
  - (b) any partner of the **Named Insured**; any officer, director or shareholder of a **Professional Corporation**; any **Employee**; any "counsel" or "of-counsel" of the **Named Insured**; or any **Consultant**; but, in the case of each of the foregoing, only in respect of those **Professional Services** rendered or that should have been rendered while such person or entity held such position with the **Named Insured**, a **Service Company** or a **Professional Corporation**, as applicable and, in the case of a **Consultant**, solely in respect of those **Professional Services** rendered or that should have been rendered to or on behalf of the **Named Insured**;
  - (c) any person or entity who was previously an **Insured** referred to in Clause (b) of this provision, but, in each case, only in respect of those **Professional Services** referred to in said Clause (b);
  - (d) as respects the liability of each **Insured** who is otherwise covered herein, the heirs, executors, administrators, assigns and legal representatives of such **Insured** in the event of death, incapacity or bankruptcy;

- (e) **Service Companies**, but only in respect of **Professional Services** rendered or that should have been rendered by any other **Insured**; and
  - (f) **Professional Corporations**, but solely in respect of **Professional Services** rendered or that should have been rendered to or on behalf of the **Named Insured**.
- 8. **"Insurer"** means Canadian Lawyers Liability Assurance Society.
  - 9. **"International Partnership"** means a joint venture of two or more partnerships formed for the purposes of practising law outside of Canada.
  - 10. **"Joint Partnership"** means a joint venture of two partnerships formed for the purposes of practising law in one or more provinces or territories of Canada.
  - 11. **"Limit of Liability"** means the limit of liability set out in Item 6 of the Declarations.
  - 12. **"Named Insured"** means the Named Insured as stated in the Declarations, or any predecessor firm(s).
  - 13. **"Non-Lawyer Consultant"** means a person other than a lawyer who provides **Professional Services** through the **Named Insured**.
  - 14. **"Personal Injury"** means:
    - (a) false arrest, detention or imprisonment, wrongful entry or eviction or other invasion of private occupancy;
    - (b) the publication or utterance of a libel or slander or other defamatory or disparaging material or a publication or an utterance in violation of an individual's rights of privacy.
  - 15. **"Policy Period"** means the period of time between the inception date as set out in Item 5 of the Declarations and the effective date of termination, expiration or cancellation of this insurance and specifically excludes any extended reporting period hereunder.
  - 16. **"Professional Corporation"** means a body corporate (i) authorized or permitted under the laws of Canada or any province or territory thereof to carry on the practice of law or the provision of legal services including a professional corporation incorporated under the *Business Corporations Act* (Ontario) and (ii) which provides **Professional Services** exclusively to or on behalf of the **Named Insured**; provided that each person who provides **Professional Services** to or on behalf of the **Professional Corporation** is a lawyer who is either a partner, associate, **Employee**, "counsel" or "of counsel" of or to the **Named Insured**.

17. **"Professional Services"** means services rendered in or ancillary to the practice of law and includes those services performed, or which ought to have been performed, by or on behalf of an **Insured** in such **Insured's** capacity as a lawyer, notary public or **Professional Corporation**, and further includes those services for which the **Insured** is responsible arising out of such **Insured's** activity as a trustee, administrator, executor or other fiduciary, or as an arbitrator, mediator, patent or trademark agent, conservator, custodian, title searcher, liquidator, committee for incompetent, receiver, or guardian.

For greater certainty, services performed by the **Insured** in the **Insured's** capacity as a lawyer, notary public or **Professional Corporation** on behalf of clients shall be deemed, for the purposes of this insurance, to be the performance of **Professional Services**, although such services could be performed wholly or in part by non-lawyers.

For greater certainty, services rendered in or ancillary to the practice of law by an **Insured** who is not a lawyer shall be deemed, for the purposes of this insurance, to be **Professional Services**.

18. **"Retention"** means the amount referred to in Item 10(b) of the Declarations.
19. **"Service Company"** means a corporation or partnership, including its officers, directors, partners and **Employees**, providing services exclusively to the **Named Insured**.
20. **"Underlying Insurance"** and **"Mandatory Underlying Insurance"** mean the underlying insurance identified in Item 10(a) of the Declarations.

## II. **INSURING AGREEMENTS**

### **COVERAGE A – PROFESSIONAL LIABILITY**

To pay, on behalf of the **Insured**, all **Damages** in excess of the amount determined in accordance with Conditions 2 and 3 and which the **Insured** shall become legally obligated to pay as a result of a **Claim** first made against the **Insured** during the **Policy Period**.

PROVIDED ALWAYS THAT the act, error or omission which results in such a **Claim** happens:

- (i) during the **Policy Period**; or
- (ii) prior to the **Policy Period**, provided that prior to the effective date of this Policy:
  - (a) the **Insured** had not given notice to any prior insurer or under any prior insurance of such act, error or omission; and
  - (b) the **Insured** had no reasonable expectation that such act, error or omission was a breach of professional duty or might be the basis for a **Claim**; and

- (c) there is no prior policy or policies which provide insurance for the liability arising from such **Claim**. If coverage is otherwise afforded under this Policy and if the available limits of any prior policy or policies are insufficient to pay any **Claim** in full, this Policy will be excess over any such prior coverage.

## **COVERAGE B – COSTS, CHARGES AND EXPENSES**

The **Insurer** agrees that it will pay all **Costs, Charges and Expenses** incurred in connection with the defence of any **Claim** covered hereunder and such costs shall be included within the **Limit of Liability**. However, such **Costs, Charges and Expenses** do not include any overhead costs of the **Insured** or the fees of any counsel personally retained by the **Insured** expended in preparation of the defence of a **Claim** covered by this Policy. With respect to any **Claim** for which there is only partial coverage under this Policy, **Costs, Charges and Expenses** relating to such **Claim** shall be allocated between those matters which are covered under the Policy and those which are not on an equitable and appropriate basis as agreed by the **Insurer** and the **Insured**, or failing such agreement within a reasonable period of time, by arbitration pursuant to paragraph 1 of Part V (General Provisions).

The costs of any appeal, attachment or similar bonds required to be furnished in connection with the contesting of any **Claim** covered hereunder are included in the terms “**Costs, Charges and Expenses**”, and the **Insured** shall not be required to give security for such bonds.

For greater certainty, any obligation of the **Insurer** to pay **Costs, Charges and Expenses** hereunder shall in no event take effect unless and until the limit of liability provided by the **Underlying Insurance** or **Retention**, applicable to the circumstances of a **Claim**, has in fact been exhausted.

## **III. EXCLUSIONS**

This Policy excludes:

1. any **Claim** arising out of any **Insured** acting in a capacity as a director and/or officer of any company or organization, other than a **Service Company** or a **Professional Corporation**.
2. any **Claim** arising out of the fraud or dishonesty of any **Insured** provided that this exclusion shall not apply to any **Insured** who is neither the author of the said fraud or dishonesty nor an accomplice thereto but, in such circumstances, the **Insurer's** obligation to pay shall be over and above the limit of liability under any **Underlying Insurance** or **Retention** and over and above all assets or interests in the **Named Insured** to which the **Named Insured** may have claim of any **Insured** who is excluded from coverage by virtue of this Exclusion.
3. any **Claim** for bodily injury to, or sickness, disease or death of, any person, or injury to or destruction of any tangible property or loss of use resulting therefrom, except that this Exclusion does not apply to a **Claim** for **Personal Injury**.

4. any **Claim** arising out of **Professional Services** provided by the **Insured** arising from the practice of the laws of a jurisdiction other than Canada, its provinces and territories, except where such services are incidental to the practice of the laws of Canada, its provinces and territories.
5. any **Claim** arising out of **Professional Services** provided by the **Insured** from an office or branch of the **Named Insured** located in the United States of America.
6. any **Claim** arising out of the **Insured's** involvement in any partnership or association which is not an **Insured** under this Policy, except that this Exclusion does not apply to any liability which would have otherwise existed in the absence of such partnership or association. For the purposes of this Exclusion, any partnership or association shall include **International Partnerships, Joint Partnerships** and associations with other law firms formed for the purposes of marketing services, client referrals and/or staff development or education.
7. **Claims** as per attached Nuclear Incident Exclusion.
8. **Claims** as per attached War and Terrorism Exclusion.
9. **Claims** as per attached Asbestos Exclusion.
10. **Claims** as per attached Mould and Other Types of Fungi Exclusion.
11. any portion of a **Claim** which would, in the absence of this Policy, be covered under any **Mandatory Underlying Insurance**.

#### IV. **CONDITIONS**

##### 1. **Limit of Liability**

The limit of liability of the **Insurer** for any **Claim** shall not exceed the **Limit of Liability** per **Claim**, including **Costs, Charges and Expenses**, as set forth in Item 6 of the Declarations less any applicable **Underlying Insurance** or **Retention** as set forth in Item 10 of the Declarations.

The annual aggregate limit of liability of the **Insurer** shall not exceed the **Limit of Liability** in the annual aggregate, including **Costs, Charges and Expenses**, as set forth in Item 6 of the Declarations.

##### 2. **Underlying Insurance or Retention**

- (A) Any **Claim**, the initial \$25,000 of which is not fully covered by **Underlying Insurance** for any reason (including by reason of there being no **Underlying Insurance**), shall be subject to the **Retention** less the amount of coverage available under any **Underlying Insurance**.

- (B) Only the amount of any **Claim**, including **Costs, Charges and Expenses**, which exceeds the **Underlying Insurance** or **Retention** shall contribute to the reduction of the annual aggregate **Limit of Liability**.
- (C) Where a **Claim** is made against one or more **Insureds** in his, her or its capacity as a **Professional Corporation** or a director, officer, shareholder or **Employee** of a **Professional Corporation** (each a "PC Insured") and coverage for a PC Insured in respect of such **Claim** under the applicable **Mandatory Underlying Insurance** is denied, in whole or in part, solely by reason of such **Insured** being a PC Insured (a "PC Exclusion"), then, notwithstanding Clause 2(A) above, such **Claim** shall be subject to a **Retention** equal to the Special Retention Amount. For the purposes of this Clause 2(C), "Special Retention Amount" means, in respect of any **Claim** to which this Clause 2(C) shall apply, an amount equal to (i) the minimum mandatory coverage that would have otherwise been provided to a PC Insured under the applicable **Mandatory Underlying Insurance** but for the PC Exclusion, less (ii) the amount of coverage, if any, actually available to the PC Insured under the **Mandatory Underlying Insurance**. This Clause 2(C) shall apply only once in respect of any single **Claim** or related **Claims** notwithstanding the number of PC Insureds against whom such **Claim** shall be made.

This Condition is not intended to increase the threshold for coverage under this Policy over that provided for in paragraph 2 of V. GENERAL PROVISIONS of this Policy.

3. **Excess**

In respect of any **Claim** covered hereunder, this Policy is only to pay amounts in excess of any recoveries under the **Underlying Insurance** or **Retention**.

4. **Premium and Currency**

This Policy is issued for an annual premium as stated in Item 7 of the Declarations based on the number, as of the inception date of this Policy, of lawyers and **Non-Lawyer Consultants** providing **Professional Services** and the annual rates in respect of each type of **Professional Service** rendered.

All limits of liability, premiums and other amounts expressed in this Policy are in Canadian currency.

5. **Firm Changes**

Any change among the partners of the **Named Insured** during the **Policy Period**, or the immediately preceding policy period under a policy with the **Insurer**, resulting in changes in the name and/or business style of the **Named Insured** or any merger, acquisition or affiliation involving the addition or withdrawal of eleven (11) or more partners at one time shall be reported to the **Insurer** promptly but in no event later than thirty (30) days after such event occurs, and the **Named**



**Insured** shall pay to the **Insurer** such additional premium as the **Insurer** may require. (With respect to any affiliation, see paragraph 6 of III. EXCLUSIONS of this Policy.)

6. **Cancellation Clause**

This Policy may not be cancelled by the **Insured**. This Policy may be cancelled by or on behalf of the **Insurer** by delivering to the **Insured**, or by mailing to the **Insured** by registered mail at the **Insured**'s address as stated in Item 3 of the Declarations, written notice stating on what date (being not less than sixty (60) days thereafter) cancellation shall be effective. Delivery of such written notice or the mailing thereof by registered mail shall be sufficient proof of notice and the insurance under this Policy shall terminate on the effective date stated in the notice.

If this insurance shall be cancelled by the **Insurer**, the **Insurer** shall be entitled to retain the pro rata proportion of the premium hereon for the period this Policy has been in force.

7. **Extended Reporting Period**

If the **Insurer** shall cancel or refuse to renew this Policy, the **Insured** shall have the right, in consideration of an additional premium equal to one hundred percent (100%) 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 **Insured** during the period of twelve (12) calendar months after the expiry or effective cancellation date but only when such **Claim** arises out of **Professional Services** rendered prior to the expiry date or effective cancellation date. To exercise this right, the **Insured** must give notice in writing (together with payment of the additional premium) not later than thirty (30) days after the expiry date or effective cancellation date. In the event of failure by the **Insured** to give such notice, the **Insured** shall not, at a later date, be entitled to give such notice. The mailing of notice by the **Insured** by registered mail to the **Insurer** at the address stated in Item 4 of the Declarations shall be sufficient proof of notice. For the purpose of establishing the limit of liability under this extended reporting period, the period of twelve (12) months referred to herein shall not in any way increase the **Limit of Liability** of this Policy as stated in Item 6 of the Declarations, which limit shall apply to the **Policy Period** and the extended reporting period taken together.

8. **Claims Procedure**

- (a) If, during the **Policy Period**, or any extended reporting period, if purchased, the **Insured** first becomes aware of any circumstance which any reasonable person would expect to subsequently give rise to a **Claim**, such **Insured** shall give prompt notice thereof or cause notice to be given to:

Canadian Lawyers Liability Assurance Society  
250 Yonge Street, Suite 2900  
Toronto, Ontario M5B 2L7

Tel. No. (416) 408-2626  
Fax No. (416) 408-3721

After giving notice, on request, the **Insured** shall furnish promptly thereafter to the **Insurer** all information relating to the circumstance reported which is in the **Insured's** possession or knowledge and within the **Insured's** power to give.

If the **Insured** shall, during the **Policy Period** or any extended reporting period, give written notice to the **Insurer** of any such circumstance as set out above, any **Claim** which may subsequently arise therefrom shall, for the purpose of this Policy, be treated as a **Claim** made on the date on which such notice was given to the **Insurer**.

- (b) If a **Claim** is brought against the **Insured**, the **Insured** shall give prompt notice thereof in the manner set out above and furnish promptly to the **Insurer** every written demand, notice, summons or other process received by the **Insured**, and, if requested, all information relevant to the **Claim** which is in the **Insured's** possession or knowledge and within the **Insured's** power to give.

For the purposes of this Policy, the date upon which notice of such **Claim** is given to the **Insurer** shall be determinative of the date on which such **Claim** attaches to this Policy.

- (c) The **Insurer** shall not settle any **Claim** without the **Insured's** consent. If the **Insurer** deems it advisable to effect a particular settlement and if the **Insured** refuses to consent to such settlement, it is understood that the **Insurer** will continue to contest the **Claim** only on the express condition that if the eventual judgment or settlement is of a higher amount than that for which the **Claim** could have been so settled by the **Insurer**, then the **Insured** shall be responsible for the payment of all **Damages** over and above such amount including additional **Costs, Charges and Expenses** relating thereto.
- (d) In the event of the termination or expiry of this Policy or any applicable extended reporting period, the **Insured** shall have thirty (30) days from said termination or expiration date to give notice to the **Insurer**, in accordance with the provisions of 8(a) or 8(b) above, of **Claims** or circumstances likely to give rise to **Claims** of which the **Insured** was aware prior to said termination or expiration date. Notice of any such **Claims** or circumstances likely to give rise to **Claims** shall be deemed to have been given on the last day of the **Policy Period** or extended reporting period.

- (e) Whenever coverage under any provision of this Policy would be excluded, suspended or lost because of non-compliance with this Condition, the **Insurer** agrees that such coverage as would otherwise be afforded under this Policy shall apply if any **Insured** complies with such Condition promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

9. **Assistance and Co-operation of the Insured**

The **Insured** shall not voluntarily assume any liability or settle any **Claim** except at the **Insured**'s own cost. The **Insured** shall not interfere in any negotiations for settlement or in any legal proceeding, but whenever requested by the **Insurer** shall aid in securing information and evidence and the attendance of any witness, and shall cooperate with the **Insurer** in the defence of any suit or proceeding or in the prosecution of an appeal. The **Insured** shall also cooperate with the **Insurer** in enforcing any right of contribution or indemnity against any person or organization other than an **Employee** of the **Named Insured** or a **Service Company** or a **Professional Corporation** who may be liable to the **Insured** because of any **Claim** with respect to which insurance is afforded under this Policy.

In the event that any **Insured** shall refuse to comply with the terms of this Condition, the **Named Insured** may, at its option, take the place of the **Insured** to ensure such compliance; provided that any act of the **Named Insured** in complying on behalf of an **Insured** with the requirements of this Condition in respect of any one **Claim** shall not affect the rights of the **Insurer** to rely upon a breach of this Condition by such **Insured**, nor require the **Named Insured** to perform such substitute compliance in respect of any other **Claim**.

10. **Subrogation**

No rights of subrogation shall accrue hereunder against any past or present **Insured** until the **Insured** has been found by a judge, arbitrator or any disciplinary board or tribunal to have committed fraud or dishonesty in relation to the matters which are the subject of a **Claim**.

11. **Maintenance of Mandatory Underlying Insurance**

It is a condition of this Policy that the **Mandatory Underlying Insurance** shall be maintained in full effect during the **Policy Period** and any extended reporting period. Failure to comply with the foregoing shall not invalidate this Policy but in the event of such failure, it is understood that except for Condition 2 above, the **Mandatory Underlying Insurance** will be deemed to be carried by the **Insured**.

12. **Partnership Dissolution Extension**

In the event of the dissolution of the **Named Insured** hereunder during the **Policy Period**, the **Insurer** hereby agrees, in consideration of the payment of an additional premium of eighty-five percent (85%) of the annual premium paid for this Policy, to extend coverage granted by this Policy, subject to its terms, conditions, exclusions and limitations, to any **Claim** first made against the **Named Insured** during the period of twelve (12) calendar months after the date of dissolution but only when such **Claim** arises out of **Professional Services** rendered prior to the date of dissolution. This right is conditional upon the **Named Insured** giving notice in writing not later than thirty (30) days after such date of dissolution (together with payment of the additional premium). In the event of failure by the **Named Insured** to give such notice prior to such date, the **Named Insured** shall not, at a later date, be entitled to invoke this extension. The mailing by the **Named Insured** by registered mail of notice to the **Insurer** at the address stated in Item 4 of the Declarations shall be sufficient proof of notice. For the purposes of establishing the **Insurer's** limit of liability under this extended reporting period, the period of twelve (12) months referred to herein shall not in any way increase the **Limit of Liability** of this Policy, which limit shall apply to the **Policy Period** and the extended reporting period taken together.

V. **GENERAL PROVISIONS**

1. **Arbitration**

In the event of any dispute between the **Insured** and the **Insurer** respecting any matter arising from or in relation to this Policy, such dispute shall be referred to arbitration before a single arbitrator as mutually agreed upon by the **Insured** and the **Insurer** and the arbitration shall be conducted pursuant to the *Arbitration Act, 1991*, as amended. The **Insured** and the **Insurer** further agree that the procedure to be followed in every arbitration under this Condition shall be set and determined by the arbitrator appointed by the **Insured** and the **Insurer**.

2. **Other Insurance**

If the **Insured** has other insurance respecting a **Claim** covered by this Policy, except insurance specifically arranged to apply as excess over the insurance provided by this Policy, the insurance hereunder shall be excess over any other valid and collectible insurance and shall not be called upon in contribution.

3. **Service of Suit Clause**

Service of any action to enforce the obligations of the **Insurer** under this Policy may be made upon the **Attorney** for the **Insurer** at the address as stated in Item 4 of the Declarations.

4. **Choice of Law**

This Policy shall be governed by the laws of the Province of Ontario.

5. **Statements**

The statements, agreements and representations made in the application for insurance are declared by the signatory to be true to the best of his knowledge and the **Insured** acknowledges that this insurance is issued by the **Insurer** in consideration of such statements, agreements and representations and that the application shall form part of this Policy. However, the **Insurer** will not exercise its right to avoid the coverage afforded by this insurance where it is alleged that there has been non-disclosure or misrepresentation of facts or any untrue statement in the application, if it is established that such alleged non-disclosure, misrepresentation or untrue statement was innocent and free of any fraudulent conduct or intent to deceive.

IN WITNESS WHEREOF the **Insurer** has caused this Policy to be executed as of the 1st day of July, 2009 by its **Attorney**.

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Per: \_\_\_\_\_

Attorney

**NUCLEAR INCIDENT EXCLUSION  
LIABILITY-DIRECT (BROAD)-CANADA**

(For use with all Public Liability Policies except Personal, Farmers' and Storekeepers')

It is agreed that this Policy does not apply:

- (a) to liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof; nor
- (b) to bodily injury or property damage with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; nor
- (c) to bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:
  - (i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
  - (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
  - (iii) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

As used in this Policy:

- 1. The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material.
- 2. The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by or pursuant to any law, act or statute, or law amendatory thereof as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
- 3. The term "nuclear facility" means:
  - (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;

- (b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or utilising spent fuel, or (iii) handling, processing or packaging waste;
- (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if, at any time, the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

- 4. The term “fissionable substance” means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
- 5. With respect to property, loss of use of such property shall be deemed to be property damage.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this Clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

## WAR AND TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this endorsement, an act of terrorism means an act, including, but not limited to, the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Insurer alleges that, by reason of this exclusion, any loss, damage, cost or expense is not covered by this Policy, the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

However, Item 2 of this exclusion shall not apply to the extent that any claim or claims made against the Insured result from an act, error or omission or negligent act in the performance of or failure to perform Professional Services as defined in this Policy.



## **ASBESTOS EXCLUSION**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that this Policy shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity EXCEPT to the extent that such claim or claims made against the Insured result from an act, error, omission or negligent act in the performance of or failure to perform Professional Services as defined in this Policy.

## **MOULD AND OTHER TYPES OF FUNGI EXCLUSION**

Notwithstanding any other provision in this Policy, this Policy does not apply to:

Any loss, cost or expense, directly or indirectly arising out of, resulting from, or in any manner related to "Fungi", whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

"Fungi" as utilized herein shall mean any fungus or mycota or any by-product or type of infestation produced by such fungus or mycota, but not limited to mould, mildew, mycotoxins, spores or any biogenic aerosols.

However, this exclusion does not apply to any claim or claims made against the Insured resulting from an act, error, omission or negligent act in the performance of or failure to perform Professional Services as defined in this Policy.

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

**Endorsement No. 1**

*The following is hereby agreed and understood:*

1. Subject to the provisions of this Endorsement No. 1 and all other terms, conditions, exclusions and limitations of the Policy, except for Exclusion No. 6, coverage under II – INSURING AGREEMENTS of the Policy is hereby extended to include liabilities of, or **Claims** against, the **Insured** with respect to **Umbrella Claims**.

2. **DEFINITIONS**

All capitalized terms herein, other than those defined herein, shall have the meanings set forth in the Policy. Unless specifically stated otherwise, where used herein, the following terms shall have the following meanings:

- (a) **"Associated Firm"** means any of the following law firm(s) involved in the **Umbrella Firm**, other than the **Primary Insured** and the **Umbrella Firm**, and includes their respective predecessor firms:

**Associated Firm(s)**

NOT APPLICABLE

- (b) **"Claim"** or **"Claims"** includes an **Umbrella Claim**;
- (c) **"Claim Portion Percentage"** has the meaning set out in paragraph 3(a)(iv) hereof;
- (d) **"Insured"** means the **Insured** as defined in the Policy but, in respect of an **Umbrella Claim**, shall also include the **Umbrella Firm** and any person who is a partner; or an officer, director or shareholder of a **Professional Corporation**; employee; "counsel" or "of-counsel"; or consultant of the **Umbrella Firm** who is not a partner; officer, director or shareholder of a **Professional Corporation**; employee; "counsel" or "of-counsel"; or consultant of the **Primary Insured** or an **Associated Firm**;
- (e) **"Primary Insured"** means the **Named Insured** and any predecessor firm(s);
- (f) **"Primary Insured Insurance Program"** means all policies of insurance other than any compulsory insurance programs which provide professional liability coverage to the **Primary Insured** from time to time;
- (g) **"Umbrella Claim"** means any **Claim** arising out of **Professional Services** rendered or alleged to have been rendered or which should have been rendered in whole or in part by 1) the **Primary Insured** in the name of or on behalf of the **Umbrella Firm** or 2) by the **Umbrella Firm** in the name of or on behalf of the **Umbrella Firm**, which is made against one or more of the **Umbrella Firm**, the **Primary Insured** and an **Associated Firm**;

- (h) **"Umbrella Firm"** means the partnership, association or other arrangement between or among the **Primary Insured** and one or more **Associated Firms** known publicly as:

Name of Umbrella Firm(s)

NOT APPLICABLE

### 3. UMBRELLA CLAIMS

(a) **Determination and Allocation of Liability**

The determination of and the allocation of liability for an **Umbrella Claim** shall be as mutually agreed by the **Primary Insured** and the **Associated Firm** based upon a reasonable assessment of the relevant facts available from time to time, all subject, however, to the following:

- (i) If a **Claim** is attributable to **Professional Services** rendered, or which should have been rendered, by the **Primary Insured** in combination with one or more of the **Associated Firms** and does not arise out of **Professional Services** rendered or which should have been rendered in whole or in part by, in the name of or on behalf of, the **Umbrella Firm**, then, regardless of how the **Claim** may be pleaded or characterized, the provisions of paragraph 3(c) below shall not apply to said **Claim**.
- (ii) Subject to subparagraph 3(a)(iii), the **Primary Insured** and the **Associated Firms** shall agree on the basis of any contributory fault as to which of them were involved in rendering or failing to render the **Professional Services** giving rise to said **Claim** and the liability for the said **Claim** shall be allocated equally among those of the **Primary Insured** and the **Associated Firms** which were agreed to be so involved. If the **Primary Insured** and the **Associated Firms** are unable to mutually agree as to such allocation, each of the **Primary Insured** and the **Associated Firms** shall be deemed to have been involved in rendering or failing to render **Professional Services** giving rise to the **Claim**. For greater clarity, it is hereby acknowledged that if the **Professional Services** giving rise to the **Claim** were rendered or failed to be rendered in whole or in part by individual partners; or officers, directors or shareholders of a **Professional Corporation**; employees; "counsel" or "of-counsel"; or consultants to the **Umbrella Firm** who are not partners; officers, directors or shareholder of a **Professional Corporation**; employees; "counsel" or "of counsel"; or consultants to any of the **Primary Insured** or **Associated Firms**, it will be deemed that each of the **Primary Insured** and **Associated Firms** were involved in rendering the **Professional Services** giving rise to the **Claim**.
- (iii) In the event that the determination of involvement in and the allocation of liability for the **Umbrella Claim** as determined by a court of competent jurisdiction on the basis of contributory fault differs from the agreement as to involvement in and the allocation of liability made in subparagraph 3(a)(ii) hereof, the court's determination and allocation shall take precedence and in such case, the court's determination shall be considered for all purposes of the Policy to have been made with effect from the time that notice of the **Claim** was given.
- (iv) The portion of the liability allocated to the **Primary Insured** pursuant to subparagraphs 3(a)(ii) or 3(a)(iii) hereof, if any, expressed as a percentage of the total liability for the **Claim**, is herein referred to as the **"Claim Portion Percentage"**.

(b) **Coverage Limitations**

For the purposes of Coverage A – Professional Liability and Coverage B – Costs, Charges and Expenses of II – INSURING AGREEMENTS of the Policy, notwithstanding any other provision of the Policy to the contrary, the liability for an **Umbrella Claim** shall be limited to that portion of the **Umbrella Claim** that is allocated to the **Primary Insured** pursuant to the **Claim Portion Percentage**.

(c) **Non-aggregation of Policy Limits**

Responsibility of each insurance policy (including the Policy) comprising the **Primary Insured Insurance Program** for the liability of each **Umbrella Claim** where the **Claim Portion Percentage** exceeds zero but is less than 100% shall be determined (i) by determining the amount of coverage which would have been afforded under each insurance policy (including the Policy) comprising the **Primary Insured Insurance Program** as if the **Claim Portion Percentage** had been 100% and (ii) by multiplying the result by the **Claim Portion Percentage**.

(d) **Contingent Coverage B**

In the case of an **Umbrella Claim** for which the **Claim Portion Percentage** is zero, if the **Primary Insured** is not provided coverage under the insurance program(s) of the **Associated Firms** for any **Costs, Charges and Expenses** incurred by the **Primary Insured** in respect of said **Claim**, notwithstanding the provisions contained in paragraphs 3(b) and 3(c) hereof, this Policy shall provide coverage to the **Primary Insured** as prescribed under Coverage B – Costs, Charges and Expenses of II – INSURING AGREEMENTS of the Policy in respect of such **Costs, Charges and Expenses**.

Attaching to and forming part of Policy Number 20005 issued by the Canadian Lawyers Liability Assurance Society to Fraser Milner Casgrain LLP.

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

This endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at the administrative office of the **Named Insured**.

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Per: \_\_\_\_\_

Attorney

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

**Endorsement No. 2**

**Goodman and Carr LLP Lateral Hire Extension Endorsement**

In consideration of the premium charged for this Policy, it is agreed that the definition of "**Professional Services**" is amended to include those **Professional Services** which were performed or which ought to have been performed prior to July 1, 2007 by or on behalf of the following **Insureds** while acting solely in a professional capacity on behalf of Goodman and Carr or Goodman and Carr LLP (collectively "**G&C**" and such **Professional Services** "**G&C Professional Services**"):

**List of Insureds**

- |                        |                       |
|------------------------|-----------------------|
| 1. Anna Balinsky       | 12. Earl Miller       |
| 2. Kenneth Beallor     | 13. David Moscovitz   |
| 3. Paul Bleiwas        | 14. Jason Park        |
| 4. Jenny Chu-Steinberg | 15. Douglas Quick     |
| 5. Patrick Devine      | 16. Neil Rabinovitch  |
| 6. Sheldon Disenhouse  | 17. Archie Rabinowitz |
| 7. Tammy Evans         | 18. Renata Rizzardì   |
| 8. Jeffrey Fineberg    | 19. Julie Robbins     |
| 9. Laurence Geringer   | 20. Katarzyna Sliwa   |
| 10. Joanne Golden      | 21. Stephen Watson    |
| 11. Jules Mikelberg    |                       |

PROVIDED ALWAYS THAT, prior to the effective date of this Policy:

- (a) the **Insured** had not given notice to any prior insurer or under any prior insurance of any act, error or omission that may give rise to a **Claim** covered by this endorsement; and
- (b) the **Insured** had no reasonable expectation that such act, error or omission was a breach of professional duty or might be the basis for a **Claim** covered by this endorsement; and
- (c) there is no prior policy or policies which provide insurance for the liability arising from such **Claim**.

It is further agreed that **G&C** is added as an additional **Insured** but only in respect of **G&C Professional Services**.

Coverage provided by this endorsement shall not apply to any **Claim** arising out of the liability of an **Insured** solely by reason of the **Insured** having been a partner of **G&C**.

It is further agreed that in the event of a **Claim** covered by this endorsement involving this Policy and any other policy or policies issued to any of the Law Firms listed below to which this endorsement or similar endorsement would apply, the amount of the **Claim** attributable to this Policy and any other policy issued to the **Named Insured** shall be the total amount of **Claim** divided by the number of Law Firms whose policies are responding to such **Claim**. The combined annual aggregate limit of liability for all **Claims** covered by this endorsement and any similar endorsements on any of the policies issued to the Law Firms listed below shall not exceed \$79,000,000.

List of Law Firms

Blake Cassels & Graydon LLP  
Borden Ladner Gervais LLP  
Cassels Brock and Blackwell LLP  
Fasken Martineau DuMoulin LLP  
Fraser Milner Casgrain LLP  
Goodmans LLP

Lang Michener LLP  
McCarthy Tétrault LLP  
McMillan LLP  
Osler, Hoskin & Harcourt LLP  
Torys LLP  
WeirFoulds LLP

Attaching to and forming part of Policy Number 20005 issued by the Canadian Lawyers Liability Assurance Society to Fraser Milner Casgrain LLP.

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

This endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at the administrative office of the **Named Insured**.

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Per: \_\_\_\_\_

  
\_\_\_\_\_  
Attorney

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

**Endorsement No. 3**

In consideration of the premium charged, it is understood and agreed that William S. Connauton and William S. Connauton Professional Corporation are added as additional **Named Insureds**.

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

Attaching to and forming part of Policy Number 20005 issued by the Canadian Lawyers Liability Assurance Society to Fraser Milner Casgrain LLP.

This endorsement shall be effective from July 1, 2009, 12:01 a.m. Local Time at the administrative office of the **Named Insured**.

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

Per: \_\_\_\_\_

**Attorney**

\$5MM.2009



**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
(Hereinafter called the "Insurer" or "CLLAS")  
250 Yonge Street, Suite 2900  
Toronto, Ontario M5B 2L7

**LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY**

**THE DECLARATIONS**

- 1. POLICY NO.:**  
20205
- 2. NAME OF FIRM:**  
Fraser Milner Casgrain LLP
- 3. ADDRESS OF FIRM:**  
41st Floor, 1 First Canadian Place  
100 King Street West, Toronto, Ontario M5X 1B2
- 4. POLICY PERIOD:**  
July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
- 5. LIMIT OF LIABILITY:**  
\$20,000,000 per claim and in the annual aggregate (including Defence Costs, Charges and Expenses).
- 6. COVERAGE:**  
Lawyers Excess Professional Liability
- 7. UNDERLYING INSURANCE:**
  - (a) Designated Underlying Policy No.: PLTO295010006  
Underlying Insurers: Liberty International Underwriters Canada/ACE INA Insurance Company  
Limit of Liability: \$15,000,000 per claim and in the annual aggregate (including Defence Costs, Charges and Expenses) excess of Underlying Insurance where applicable or \$500,000 per claim Self-Insured Retention  
Coverage: Lawyers Excess Professional Liability  
Policy Period: July 1, 2009 to July 1, 2010
  - (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy:  
\$135,000,000 per claim and in the annual aggregate (including Defence Costs, Charges and Expenses) excess of \$5,000,000 per claim and in the annual aggregate as more fully described in Policy No. 20005 issued by CLLAS or other insurance as specified in Addendum No. 20205-01
- 8. PREMIUM:**  
\$81,298.00
- 9. ENDORSEMENTS/ADDENDA ATTACHED AT POLICY ISSUANCE:**  
Addendum No. 20205-01

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

Per: \_\_\_\_\_

\_\_\_\_\_  
Attorney

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY**

**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 are deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, the "Insurer" 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 the **Ultimate Net Loss** which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 7 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, conditions and endorsements of the Designated Underlying Policy as specified in Item 7 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 Insurer 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 Insurer shall not be obligated to pay any claim, judgment, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Insurer'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 Insurer shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Insurer 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 Insurer 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 Insurer, involve or appear reasonably likely to involve the Insurer. If the Insurer 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 Insurance or Retention. A claim is not within the scope of coverage of this Policy for the 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.

#### **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 Insurer's total Limit of Liability for all claims (including defence costs, investigation costs and interest) for the **Policy Period** is limited to the amount stated in Item 5 of the Declarations.

#### **DEFINITIONS**

The term "**Policy Period**" shall mean the period of time stated in Item 4 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**" shall mean sums paid as damages in settlement of a claim or in satisfaction of a judgement 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 Insurer 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. 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**

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 the Canadian Lawyers Liability Assurance Society shall be the date on which such claim attaches to this Policy. 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 Insurer 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 Insurer'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 Insurer 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 Insurer or shall cooperate with the Insurer in its efforts at recovery of any amounts.

### **Premium and Currency**

This Policy is issued for an annual premium as stated in Item 8 of the Declarations.

All limits of liability, premiums and other amounts expressed in this Policy are in Canadian currency.

### **Firm Changes**

Any change among the partners of the Firm during the **Policy Period**, or the immediately preceding policy period under a policy with the Insurer, resulting in changes in the name and/or business style of the Firm or any merger, acquisition or affiliation involving the addition or withdrawal of eleven (11) or more partners at one time shall be reported to the Insurer promptly but in no event later than thirty (30) days after such event occurs, and the Firm shall pay to the Insurer such additional premium as the Insurer may require.

### **Service of Suit**

Service of any action to enforce the obligations of the Insurer under this Policy may be made upon the Attorney for the Insurer at the following address:

Mr. Nicholas Leblovic  
Attorney  
Canadian Lawyers Liability Assurance Society  
c/o 44<sup>th</sup> Floor, 1 First Canadian Place  
Toronto, Ontario M5X 1B1

**Notice of Cancellation**

This Policy may not be cancelled by the Insured. This Policy may be cancelled by or on behalf of the Insurer by delivering to the Insured, or by mailing to the Insured by registered mail at the Insured's address as stated in Item 3 of the Declarations, written notice stating on what date (being not less than sixty (60) days thereafter) cancellation shall be effective. Delivery of such written notice or the mailing thereof by registered mail shall be sufficient proof of notice and the insurance under this Policy shall terminate on the effective date stated in the notice.

If this insurance shall be cancelled by the Insurer, the Insurer shall be entitled to retain the pro rata proportion of the premium hereon for the period this Policy has been in force.

**Choice of Law**

This Policy shall be governed by the laws of the Province of Ontario.

**Entire Contract**

By acceptance of this Policy, the Insured agrees that the statements in the Declarations and Application are his agreements and representations that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Insurer or any of its agents relating to this insurance.

IN WITNESS WHEREOF the Insurer has caused this Policy to be executed as of the 1st day of July, 2009 by its Attorney.

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

Per: \_\_\_\_\_

  
Attorney

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

***Lawyers Excess Professional Liability Insurance Policy***

***Addendum No. 20205-01***

***Name of Firm:*** Fraser Milner Casgrain LLP

***Address:*** 41st Floor, 1 First Canadian Place  
100 King Street West, Toronto, Ontario M5X 1B2

***Underlying Insurance (costs inclusive):***

**Limit of Liability:** \$5,000,000 annual aggregate including Mandatory Underlying Insurance and/or other applicable insurance and/or up to \$25,000 per claim Self-Insured Retention

**Insurer:** Canadian Lawyers Liability Assurance Society

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 20005

**Limit of Liability:** \$30,000,000 annual aggregate excess of \$5,000,000 annual aggregate

**Insurer:** Canadian Lawyers Liability Assurance Society

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 20105

**Limit of Liability:** \$15,000,000 annual aggregate excess of \$35,000,000 annual aggregate

**Insurer:** Liberty International Underwriters Canada/ACE INA Insurance Company

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** PLTO295010006 (Designated Underlying)

**Limit of Liability:** \$10,000,000 annual aggregate excess of \$50,000,000 annual aggregate

**Insurer:** Travelers Guarantee Company of Canada

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 50144812

**Limit of Liability:** \$5,000,000 annual aggregate excess of \$60,000,000 annual aggregate

**Insurer:** GCAN Insurance Company

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 9600183

**Limit of Liability:** \$15,000,000 annual aggregate excess of \$65,000,000 annual aggregate

**Insurer:** AIG Commercial Insurance Company of Canada

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 1676678

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**(Hereinafter called the "Insurer" or "CLLAS")**  
250 Yonge Street, Suite 2900  
Toronto, Ontario M5B 2L7

**LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY**

**THE DECLARATIONS**

- 1. POLICY NO.:**  
20105
- 2. THE NAMED INSURED:**  
Fraser Milner Casgrain LLP
- 3. ADDRESS OF THE ADMINISTRATIVE OFFICE OF THE NAMED INSURED:**  
41st Floor, 1 First Canadian Place  
100 King Street West, Toronto, Ontario M5X 1B2
- 4. POLICY PERIOD:**  
July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the administrative office of the Named Insured.
- 5. LIMIT OF LIABILITY:**  
\$30,000,000 per claim and in the annual aggregate (including Costs, Charges and Expenses).
- 6. COVERAGE:**  
Lawyers Excess Professional Liability
- 7. UNDERLYING INSURANCE:**  
Designated Underlying Policy No.: 20005  
Underlying Insurer: Canadian Lawyers Liability Assurance Society  
Limit of Liability: \$5,000,000 per claim and in the annual aggregate as more fully described in the Designated Underlying Policy  
Coverage: Lawyers Excess Professional Liability  
Policy Period: July 1, 2009 to July 1, 2010
- 8. PREMIUM:**  
\$1,532,439.00
- 9. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:**  
None

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

Per: \_\_\_\_\_

Attorney

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY**

**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 are deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, the "Insurer" whose name appears on the Declarations agrees with the Named Insured as follows:**

### **INSURING AGREEMENTS**

To pay on behalf of the Insured sums which the Insured is legally obligated to pay as damages for the **Ultimate Net Loss** which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 7 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, conditions and endorsements of the Designated Underlying Policy as specified in Item 7 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 Insurer 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 Insurer shall not be obligated to pay any claim, judgment, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Insurer'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 Insurer shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Insurer 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 Insurer 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 Insurer, involve or appear reasonably likely to involve the Insurer. If the Insurer 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 Insurance or Retention. A claim is not within the scope of coverage of this Policy for the 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.

### **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 Insurer's total Limit of Liability for all claims (including defence costs, investigation costs and interest) for the **Policy Period** is limited to the amount stated in Item 5 of the Declarations.

### **DEFINITIONS**

The term "**Policy Period**" shall mean the period of time stated in Item 4 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**" shall mean sums paid as damages in settlement of a claim or in satisfaction of a judgement 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 Insurer 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. 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**

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 the Canadian Lawyers Liability Assurance Society shall be the date on which such claim attaches to this Policy. 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 Insurer 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 Insurer'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 Insurer 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 Insurer or shall cooperate with the Insurer in its efforts at recovery of any amounts.

### **Premium and Currency**

This Policy is issued for an annual premium as stated in Item 8 of the Declarations.

All limits of liability, premiums and other amounts expressed in this Policy are in Canadian currency.

### **Firm Changes**

Any change among the partners of the Named Insured during the **Policy Period**, or the immediately preceding policy period under a policy with the Insurer, resulting in changes in the name and/or business style of the Named Insured or any merger, acquisition or affiliation involving the addition or withdrawal of eleven (11) or more partners at one time shall be reported to the Insurer promptly but in no event later than thirty (30) days after such event occurs, and the Named Insured shall pay to the Insurer such additional premium as the Insurer may require.

### **Service of Suit**

Service of any action to enforce the obligations of the Insurer under this Policy may be made upon the Attorney for the Insurer at the following address:

Mr. Nicholas Leblovic  
Attorney  
Canadian Lawyers Liability Assurance Society  
c/o 44<sup>th</sup> Floor, 1 First Canadian Place  
Toronto, Ontario M5X 1B1

**Notice of Cancellation**

This Policy may not be cancelled by the Insured. This Policy may be cancelled by or on behalf of the Insurer by delivering to the Insured, or by mailing to the Insured by registered mail at the Insured's address as stated in Item 3 of the Declarations, written notice stating on what date (being not less than sixty (60) days thereafter) cancellation shall be effective. Delivery of such written notice or the mailing thereof by registered mail shall be sufficient proof of notice and the insurance under this Policy shall terminate on the effective date stated in the notice.

If this insurance shall be cancelled by the Insurer, the Insurer shall be entitled to retain the pro rata proportion of the premium hereon for the period this Policy has been in force.

**Choice of Law**

This Policy shall be governed by the laws of the Province of Ontario.

**Entire Contract**

By acceptance of this Policy, the Insured agrees that the statements in the Declarations and Application are his agreements and representations that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Insurer or any of its agents relating to this insurance.

IN WITNESS WHEREOF the Insurer has caused this Policy to be executed as of the 1st day of July, 2009 by its Attorney.

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

Per: \_\_\_\_\_

  
Attorney

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

(Hereinafter called the "Insurer" or "CLLAS")

250 Yonge Street, Suite 2900

Toronto, Ontario M5B 2L7

**LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY**

**THE DECLARATIONS**

1. **POLICY NO.:**  
20305
2. **NAME OF FIRM:**  
Fraser Milner Casgrain LLP
3. **ADDRESS OF FIRM:**  
41st Floor, 1 First Canadian Place  
100 King Street West, Toronto, Ontario M5X 1B2
4. **POLICY PERIOD:**  
July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address of the Firm shown above.
5. **LIMIT OF LIABILITY:**  
\$30,000,000 per claim and in the annual aggregate (including Defence Costs, Charges and Expenses).
6. **COVERAGE:**  
Lawyers Excess Professional Liability
7. **UNDERLYING INSURANCE:**
  - (a) Designated Underlying Policy No.: PLTO295010006  
Underlying Insurers: Liberty International Underwriters Canada/ACE INA Insurance Company  
Limit of Liability: \$15,000,000 per claim and in the annual aggregate (including Defence Costs, Charges and Expenses) excess of Underlying Insurance where applicable or \$500,000 per claim Self-Insured Retention  
Coverage: Lawyers Excess Professional Liability  
Policy Period: July 1, 2009 to July 1, 2010
  - (b) Total Limits of all Underlying Insurance including the Designated Underlying Policy:  
\$155,000,000 per claim and in the annual aggregate (including Defence Costs, Charges and Expenses) excess of \$5,000,000 per claim and in the annual aggregate as more fully described in Policy No. 20005 issued by CLLAS or other insurance as specified in Addendum No. 20305-01
8. **PREMIUM:**  
\$99,655.00
9. **ENDORSEMENTS/ADDENDA ATTACHED AT POLICY ISSUANCE:**  
Addendum No. 20305-01

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

Per: \_\_\_\_\_

Attorney

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY**

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 are deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, the "Insurer" 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 the **Ultimate Net Loss** which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 7 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, conditions and endorsements of the Designated Underlying Policy as specified in Item 7 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 Insurer 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 Insurer shall not be obligated to pay any claim, judgment, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Insurer'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 Insurer shall have the right to withdraw from further defence by tendering control of the defence to the Insured.
3. At no time shall the Insurer 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 Insurer 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 Insurer, involve or appear reasonably likely to involve the Insurer. If the Insurer 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 Insurance or Retention. A claim is not within the scope of coverage of this Policy for the 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.

### **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 Insurer's total Limit of Liability for all claims (including defence costs, investigation costs and interest) for the **Policy Period** is limited to the amount stated in Item 5 of the Declarations.

### **DEFINITIONS**

The term "**Policy Period**" shall mean the period of time stated in Item 4 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**" shall mean sums paid as damages in settlement of a claim or in satisfaction of a judgement 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 Insurer 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. 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**

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 the Canadian Lawyers Liability Assurance Society shall be the date on which such claim attaches to this Policy. 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 Insurer 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 Insurer'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 Insurer 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 Insurer or shall cooperate with the Insurer in its efforts at recovery of any amounts.

### **Premium and Currency**

This Policy is issued for an annual premium as stated in Item 8 of the Declarations.

All limits of liability, premiums and other amounts expressed in this Policy are in Canadian currency.

### **Firm Changes**

Any change among the partners of the Firm during the **Policy Period**, or the immediately preceding policy period under a policy with the Insurer, resulting in changes in the name and/or business style of the Firm or any merger, acquisition or affiliation involving the addition or withdrawal of eleven (11) or more partners at one time shall be reported to the Insurer promptly but in no event later than thirty (30) days after such event occurs, and the Firm shall pay to the Insurer such additional premium as the Insurer may require.

### **Service of Suit**

Service of any action to enforce the obligations of the Insurer under this Policy may be made upon the Attorney for the Insurer at the following address:

Mr. Nicholas Leblovic  
Attorney  
Canadian Lawyers Liability Assurance Society  
c/o 44<sup>th</sup> Floor, 1 First Canadian Place  
Toronto, Ontario M5X 1B1

**Notice of Cancellation**

This Policy may not be cancelled by the Insured. This Policy may be cancelled by or on behalf of the Insurer by delivering to the Insured, or by mailing to the Insured by registered mail at the Insured's address as stated in Item 3 of the Declarations, written notice stating on what date (being not less than sixty (60) days thereafter) cancellation shall be effective. Delivery of such written notice or the mailing thereof by registered mail shall be sufficient proof of notice and the insurance under this Policy shall terminate on the effective date stated in the notice.

If this insurance shall be cancelled by the Insurer, the Insurer shall be entitled to retain the pro rata proportion of the premium hereon for the period this Policy has been in force.

**Choice of Law**

This Policy shall be governed by the laws of the Province of Ontario.

**Entire Contract**

By acceptance of this Policy, the Insured agrees that the statements in the Declarations and Application are his agreements and representations that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Insurer or any of its agents relating to this insurance.

IN WITNESS WHEREOF the Insurer has caused this Policy to be executed as of the 1st day of July, 2009 by its Attorney.

CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Per: \_\_\_\_\_

Attorney



**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

***Lawyers Excess Professional Liability Insurance Policy***

***Addendum No. 20305-01***

***Name of Firm:*** Fraser Milner Casgrain LLP

***Address:*** 41st Floor, 1 First Canadian Place  
100 King Street West, Toronto, Ontario M5X 1B2

***Underlying Insurance (costs inclusive):***

**Limit of Liability:** \$5,000,000 annual aggregate including Mandatory Underlying Insurance and/or other applicable insurance and/or up to \$25,000 per claim Self-Insured Retention

**Insurer:** Canadian Lawyers Liability Assurance Society

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 20005

**Limit of Liability:** \$30,000,000 annual aggregate excess of \$5,000,000 annual aggregate

**Insurer:** Canadian Lawyers Liability Assurance Society

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 20105

**Limit of Liability:** \$15,000,000 annual aggregate excess of \$35,000,000 annual aggregate

**Insurer:** Liberty International Underwriters Canada/ACE INA Insurance Company

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** PLTO295010006 (Designated Underlying)

**Limit of Liability:** \$10,000,000 annual aggregate excess of \$50,000,000 annual aggregate

**Insurer:** Travelers Guarantee Company of Canada

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 50144812

**Limit of Liability:** \$5,000,000 annual aggregate excess of \$60,000,000 annual aggregate

**Insurer:** GCAN Insurance Company

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 9600183

**Limit of Liability:** \$15,000,000 annual aggregate excess of \$65,000,000 annual aggregate

**Insurer:** AIG Commercial Insurance Company of Canada

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 1676678

Addendum No. 20305-01  
Fraser Milner Casgrain LLP

Limit of Liability: \$20,000,000 annual aggregate excess of \$80,000,000 annual aggregate  
Insurer: Chubb Insurance Company/Liberty International Underwriters Canada  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: 8169-7812/PLTO295019006

Limit of Liability: \$20,000,000 annual aggregate excess of \$100,000,000 annual aggregate  
Insurer: ACE INA Insurance Company/Encon Group Inc. Inc.  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: SRX359213

Limit of Liability: \$10,000,000 annual aggregate excess of \$120,000,000 annual aggregate  
Insurer: Travelers Guarantee Company of Canada  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: 50144813

Limit of Liability: \$5,000,000 annual aggregate excess of \$130,000,000 annual aggregate  
Insurer: Lombard Insurance Company  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: CBC 0869921

Limit of Liability: \$5,000,000 annual aggregate excess of \$135,000,000  
Insurer: GCAN Insurance Company  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: 9600095

Limit of Liability: \$20,000,000 annual aggregate excess of \$140,000,000  
Insurer: Canadian Lawyers Liability Assurance Society  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: 20205

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**(Hereinafter called the "Insurer" or "CLLAS")**  
250 Yonge Street, Suite 2900  
Toronto, Ontario M5B 2L7

**LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE GROUP POLICY**

**THE DECLARATIONS**

**1. POLICY NO.:**  
2009-UMB

**2. THE INSURED:**

<u>Subscribers</u>	<u>Addendum No.</u>	<u>Designated Underlying Policy No.</u>
Blake, Cassels & Graydon LLP	2009-UMB-01	PLTO287704007
Borden Ladner Gervais LLP	2009-UMB-02	PLTO294982006
Davies Ward Phillips & Vineberg LLP	2009-UMB-03	PLTO287759007
Fasken Martineau DuMoulin LLP	2009-UMB-04	PLTO287781006
Fraser Milner Casgrain LLP	2009-UMB-05	PLTO295010006
Goodmans LLP	2009-UMB-07	PLTO295040006
McCarthy Tétrault LLP	2009-UMB-08	PLTO295061006
McMillan LLP	2009-UMB-09	PLTO295083006
Osler, Hoskin & Harcourt LLP	2009-UMB-10	PLTO287733006
Torys LLP	2009-UMB-11	PLTO287680007
WeirFoulds LLP	2009-UMB-12	PLTO295099006
Cassels Brock & Blackwell LLP	2009-UMB-13	PLTO295001006
Lang Michener LLP	2009-UMB-14	PLTO303611006

All as more fully described in the Underlying Insurance.

**3. ADDRESS:**

As per the address indicated on the Addendum for each individual Subscriber.

**4. POLICY PERIOD:**

July 1, 2009 to July 1, 2010 at 12:01 a.m. Local Time at the address shown in Item 3.

**5. LIMIT OF LIABILITY:**

\$30,000,000 per claim/\$60,000,000 in the annual aggregate (including Defence Costs, Charges and Expenses) for all CLLAS Subscribers combined.

**6. COVERAGE:**

Lawyers Excess Professional Liability

**7. UNDERLYING INSURANCE:**

- (a) Designated Underlying Policy Nos.: See Item 2  
Underlying Insurers: Liberty International Underwriters Canada/ACE  
INA Insurance Company  
Limit of Liability: \$15,000,000 per claim and in the annual aggregate  
(including Defence Costs, Charges and Expenses)  
excess of Underlying Insurance where applicable or  
\$500,000 per claim Self-Insured Retention  
Coverage: Lawyers Excess Professional Liability  
Policy Period: July 1, 2009 to July 1, 2010
- (b) Total Limits of all Underlying Insurance including the Designated Underlying Policies:  
A minimum of \$45,000,000 per claim and in the annual aggregate (including Defence  
Costs, Charges and Expenses) excess of \$5,000,000 per claim and in the annual aggregate  
as more fully described in Policy Nos. 20001 to 20005 and 20007 to 20014 issued by  
CLLAS in respect of each CLLAS Subscriber and as specified in Addendum Nos. 2009-  
UMB-01 to 2009-UMB-05 and 2009-UMB-07 to 2009-UMB-14.

**8. PREMIUM:**

\$994,262.00

**9. ENDORSEMENTS/ADDENDA ATTACHED AT POLICY ISSUANCE:**

Endorsement Nos. 1, 2, 3, 4 and Addendum Nos. 2009-UMB-01 to 2009-UMB-05 and 2009-  
UMB-07 to 2009-UMB-14.

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

Per: \_\_\_\_\_

Attorney

## **LAWYERS EXCESS PROFESSIONAL LIABILITY INSURANCE GROUP POLICY**

**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 are deemed to be made a part hereof, and subject to the limits, terms, conditions and exclusions of the Policy, the "Insurer" whose name appears on the Declarations agrees with the Insured as follows:**

### **INSURING AGREEMENTS**

To pay on behalf of the Insured Subscribers sums which the **Insured** is legally obligated to pay as damages for the **Ultimate Net Loss** which is in excess of the total limits of Underlying Insurance, where applicable, identified in Item 7 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 Subscribers in accordance with the Insuring Agreements, exclusions, terms, conditions and endorsements of the Designated Underlying Policies as specified in Item 7 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 Insurer 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 Insurer shall not be obligated to pay any claim, judgment, award or to undertake or continue defence of any suit or proceeding after the applicable limit of the Insurer'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 Insurer shall have the right to withdraw from further defence by tendering control of the defence to the **Insured**.
3. At no time shall the Insurer 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 Insurer 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 Insurer, involve or appear reasonably likely to involve the Insurer. If the Insurer 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 Insurance or Retention. A claim is not within the scope of coverage of this Policy for the 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.

#### **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 Insurer's total Limit of Liability for all claims (including defence costs, investigation costs and interest) for the **Policy Period** is limited to the amount stated in Item 5 of the Declarations.

#### **DEFINITIONS**

The term "**Insured**" shall mean the Subscribers as stated in Item 2 of the Declarations and the Insured as more fully described in the Underlying Insurance stated in Item 7 of the Declarations.

The term "**Policy Period**" shall mean the period of time stated in Item 4 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**" shall mean sums paid as damages in settlement of a claim or in satisfaction of a judgement 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 Insurer 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**

##### **Interprovincial/International Partnerships**

Any endorsements granting coverage for Interprovincial and/or International Partnerships, if any, of the Designated Underlying Policies are applicable to this Policy.

### **Extended Reporting Period**

If the Insurer shall cancel or refuse to renew this Policy, the Subscribers, subject only to the unanimous agreement of all Subscribers, shall then jointly have the right, in consideration of the payment of an additional premium equal to one hundred percent (100%) of the annual premium paid 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 **Insured** during the period of twelve (12) calendar months after the expiry or effective cancellation date but only when such claim arises out of Acts rendered prior to the expiry date or effective cancellation date. To exercise this right, the Subscribers must jointly give notice in writing (together with payment of the additional premium) not later than thirty (30) days after the expiry date or effective cancellation date. In the event of failure by the Subscribers to give such notice, the Subscribers shall not, at a later date, be entitled to give such notice. The mailing of notice by the Subscribers by registered mail to the Insurer shall be sufficient proof of notice. For the purpose of establishing the Insurer's Limit of Liability under this Extended Reporting Period, the period of twelve (12) months referred to herein shall not in any way increase the Limit of Liability of this Policy as stated in Item 5 of the Declarations, which limit shall apply to the **Policy Period** and the Extended Reporting Period taken together.

### **Partnership Dissolution Extension**

In the event of the dissolution of a Subscriber hereunder during the **Policy Period**, the Insurer hereby agrees to maintain coverage for the Subscriber for the balance of the **Policy Period** in respect of claims arising out of Acts rendered prior to the date of dissolution. The Subscriber shall have the right, in consideration of the payment of an additional premium equal to eighty-five percent (85%) of the Subscriber's proportion of the annual premium paid 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 Subscriber during a further twelve (12) calendar months but only when such claim arises out of Acts rendered or which should have been rendered prior to the date of dissolution. To exercise this right, said Subscriber must give notice in writing within thirty (30) days of the dissolution date (together with payment of the additional premium). In the event of failure by the Subscriber to give such notice prior to such date, the Subscriber shall not, at a later date, be able to invoke the extension. The mailing by the Subscriber of notice by registered mail to the Insurer shall be sufficient proof of notice.

### **Insured's Duties in the Event of Claim or Suit**

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 Subscriber to the Canadian Lawyers Liability Assurance Society shall be the date on which such claim attaches to this Policy. The Subscriber shall further, upon request, give the Insurer such information as the Insurer may reasonably request at any time and is in the Subscriber's power to give.

The Subscriber shall further cooperate with the Insurer 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 Insurer's obligations to pay are net of any and all recoveries available to an **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 Insurer 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 Insurer or shall cooperate with the Insurer in its efforts at recovery of any amounts.

### **Premium and Currency**

This Policy is issued for an annual premium as stated in Item 8 of the Declarations.

All limits of liability, premiums and other amounts expressed in this Policy are in Canadian currency.

### **Firm Changes**

Any change among the partners of a Subscriber during the **Policy Period**, or the immediately preceding policy period under a policy with the Insurer, resulting in changes in the name and/or business style of the Subscriber or any merger, acquisition or affiliation involving the addition or withdrawal of eleven (11) or more partners at one time shall be reported to the Insurer promptly but in no event later than thirty (30) days after such event occurs, and the Subscriber shall pay to the Insurer such additional premium as the Insurer may require.

### **Service of Suit**

Service of any action to enforce the obligations of the Insurer under this Policy may be made upon the Attorney for the Insurer at the following address:

Mr. Nicholas Leblovic  
Attorney  
Canadian Lawyers Liability Assurance Society  
c/o 44<sup>th</sup> Floor, 1 First Canadian Place  
Toronto, Ontario M5X 1B1

### **Notice of Cancellation**

This Policy may not be cancelled by the **Insured**. This Policy may be cancelled by the Insurer by mailing to the **Insured** at the address shown in Item 3 of the Declarations written notice stating when not less than sixty (60) days thereafter such cancellation shall be effective. However, if the **Insured** has failed to pay a premium when due or has failed, after demand, to reimburse the Insurer such amounts as the Insurer had paid in settlement or satisfaction of claims or judgement in excess of the applicable limit of the Insurer's liability, this Policy may be cancelled by the Insurer by mailing a written notice of cancellation to the **Insured** at the address shown in Item 3 of the Declarations stating when not less than ten (10) days thereafter such cancellation shall be effective.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or 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.



If the Insurer cancels, the computed pro rata cancellation of the annual premium will be charged to the **Insured**.

**Choice of Law**

This Policy shall be governed by the laws of the Province of Ontario.

**Entire Contract**

By acceptance of this Policy, the Subscribers agree that the statements in the Declarations and Applications are their agreements and representations that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Subscribers and the Insurer or any of its agents relating to this insurance.

IN WITNESS WHEREOF the Insurer has caused this Policy to be executed as of the 1st day of July, 2009 by its Attorney.

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**

Per: \_\_\_\_\_

Attorney

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY**  
**Lawyers Excess Professional Liability Insurance Group Policy**

**Addendum No. 2009-UMB-05**

**Subscriber:** Fraser Milner Casgrain LLP

**Address:** 41st Floor, 1 First Canadian Place  
100 King Street West, Toronto, Ontario M5X 1B2

**Underlying Insurance (costs inclusive):**

**Limit of Liability:** \$5,000,000 annual aggregate including Mandatory Underlying Insurance and/or other applicable insurance and/or up to \$25,000 per claim Self-Insured Retention

**Insurer:** Canadian Lawyers Liability Assurance Society

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 20005

**Limit of Liability:** \$30,000,000 annual aggregate excess of \$5,000,000 annual aggregate

**Insurer:** Canadian Lawyers Liability Assurance Society

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 20105

**Limit of Liability:** \$15,000,000 annual aggregate excess of \$35,000,000 annual aggregate

**Insurer:** Liberty International Underwriters Canada/ACE INA Insurance Company

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** PLTO295010006 (Designated Underlying)

**Limit of Liability:** \$10,000,000 annual aggregate excess of \$50,000,000 annual aggregate

**Insurer:** Travelers Guarantee Company of Canada

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 50144812

**Limit of Liability:** \$5,000,000 annual aggregate excess of \$60,000,000 annual aggregate

**Insurer:** GCAN Insurance Company

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 9600183

**Limit of Liability:** \$15,000,000 annual aggregate excess of \$65,000,000 annual aggregate

**Insurer:** AIG Commercial Insurance Company of Canada

**Policy Period:** July 1, 2009 to July 1, 2010

**Policy Number:** 1676678

Addendum No. 2009-UMB-05  
Fraser Milner Casgrain LLP

Limit of Liability: \$20,000,000 annual aggregate excess of \$80,000,000 annual aggregate  
Insurer: Chubb Insurance Company/Liberty International Underwriters Canada  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: 8169-7812/PLTO295019006

Limit of Liability: \$20,000,000 annual aggregate excess of \$100,000,000 annual aggregate  
Insurer: ACE INA Insurance Company/Encon Group Inc. Inc.  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: SRX359213

Limit of Liability: \$10,000,000 annual aggregate excess of \$120,000,000 annual aggregate  
Insurer: Travelers Guarantee Company of Canada  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: 50144813

Limit of Liability: \$5,000,000 annual aggregate excess of \$130,000,000 annual aggregate  
Insurer: Lombard Insurance Company  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: CBC 0869921

Limit of Liability: \$5,000,000 annual aggregate excess of \$135,000,000  
Insurer: GCAN Insurance Company  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: 9600095

Limit of Liability: \$20,000,000 annual aggregate excess of \$140,000,000  
Insurer: Canadian Lawyers Liability Assurance Society  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: 20205

Limit of Liability: \$30,000,000 annual aggregate excess of \$160,000,000  
Insurer: Canadian Lawyers Liability Assurance Society  
Policy Period: July 1, 2009 to July 1, 2010  
Policy Number: 20305