



The Law Society of Manitoba

219 KENNEDY STREET
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R3C 1S8

KRISTIN DANGERFIELD, LL.B.
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MEMORANDUM

TO: The Profession
FROM: Kristin Dangerfield
DATE: June 1, 2017
RE: **2017/2018 Insurance Levy**

It is that time of year again to set the insurance levy for your errors and omissions coverage. The levy for 2017-2018 will be \$1,645 per practising lawyer. With GST and PST that comes to a total of \$1,757.81.

The levy is made up of the premium assessed by our reciprocal insurer CLIA (Canadian Lawyers Insurance Association), which has been reduced slightly this year to \$337. To that we add the Professional Liability Claims Fund (PCLF) Contribution of \$1,263, which is determined on the advice of our actuaries. They factor in both our claims experience as well as the investment income on our reserves. New cyber coverage for lawyers who may become the victims of a cyberattack has been added at a cost of \$45. We are all vulnerable to attacks by hackers and cyber criminals, which was all too apparent this Spring when we saw the ransomware attacks on hundreds of thousands of computer systems across the globe. The new program will provide initial/first response coverage for a variety of outcomes including the inappropriate disclosure of confidential client information, the loss of data required to serve your clients' needs and costs associated with ransomware attacks. One of the key features of the program is access to a 24-hour emergency response number to ensure that you will have professional advice when required to respond to a cyber incident.

Please see the following pages of this package to view your invoice and options for payment and to read about the new cyber coverage.



The Law Society of Manitoba
Professional Liability Claims Fund Contribution
Invoice

Date: 2017-06-01
GST Registration No.: 10760 4357 RT

Your Law Society of Manitoba Professional Liability Claims Fund Contribution is due on or before Tuesday, July 4, 2017. Please check the appropriate box to select your payment option.

Option #1 – Payment in Full

CLIA Portion (non-refundable, RST/GST applies)	\$ 337.00
Professional Liability Claims Fund Contribution (GST applies)	1,263.00
Cyber Liability Coverage (non-refundable, RST/GST applies)	<u>45.00</u>
Subtotal:	\$1,645.00
RST	30.56
GST	<u>82.25</u>
Due on or before: July 4, 2017	<u>\$1,757.81</u>

Option #2 – Instalment Plan

First Instalment:

CLIA Portion (non-refundable, RST/GST applies)	\$ 168.50
Professional Liability Claims Fund Contribution (GST applies)	631.50
Cyber Liability Coverage (non-refundable (RST/GST applies)	45.00
Installment Charge (GST applies)	<u>100.00</u>
Subtotal:	\$945.00
RST	17.08
GST	<u>47.25</u>
Due on or before: July 4, 2017	<u>\$1,009.33</u>

Second Instalment:

CLIA Portion (non-refundable, RST/GST applies)	\$168.50
Professional Liability Claims Fund Contribution (GST applies)	<u>631.50</u>
Subtotal:	800.00
RST	13.48
GST	<u>40.00</u>
Due on or before: Dec. 1, 2017	<u>\$853.48</u>

Send cheques payable to the Law Society of Manitoba together with a copy of this invoice to the attention of Colleen Malone, CFO 219 Kennedy Street, Winnipeg, MB, R3C 1S8.

Payment

Law Society Rule 2-87(1) provides for a penalty of \$10 daily, to a maximum penalty of \$300 for late payment of the contribution. A member who fails to pay within 30 days of the due date is automatically suspended from practising law pursuant to Rule 2-88.

Exemption

Law Society Rule 5-30(2) provides that a practising lawyer who is not required to contribute to the Professional Liability Claims Fund must complete and file an exemption form. The required form is attached and must be received by the Society no later than July 4, 2017.



THE LAW SOCIETY OF MANITOBA

EXEMPTION FORM FOR MEMBERS WHO DO NOT HAVE TO PAY THE PROFESSIONAL LIABILITY CLAIMS FUND CONTRIBUTION

Please print legibly:

I, _____, claim an exemption from the contribution to the Professional Claims Fund under subsection 19(3) of *The Legal Profession Act* for one year commencing July 1, 2017 to June 30, 2018 (or from _____ to _____).

Complete either section A or section B below

A. Manitoba Lawyers Employed by the Government of Manitoba/Federal Government/Municipality

1. I am a lawyer employed exclusively by (check one):

The Government of Manitoba (specify department):

An agency of the government as defined in s. 1(1) of *The Civil Service Act* except The Legal Aid Services Society of Manitoba (specify agency):

A municipality (specify):

The Federal Government (specify department):

2. I do not practise law in Manitoba outside the scope of this employment.

OR

B. Members Resident and Practising in Another Canadian Jurisdiction:

1. I am a member in good standing of the Law Society of _____ with a current practising certificate in that jurisdiction.

2. I have current professional liability coverage in the above jurisdiction of at least \$1,000,000.00 per occurrence which coverage will provide protection for any act or omission by me arising out of professional services I may perform within Manitoba. **(Please attach a Certificate of Insurance from your home jurisdiction.)**

3. I do not maintain an office in Manitoba from which I provide legal services on a regular basis.

Date

Signature

Completed document may be emailed to kforbister@lawsociety.mb.ca

Note: Law Society Rule 5-33 requires that if you cease to qualify for the exemption under subsection 19(3) of *The Legal Profession Act* you must immediately notify the Chief Executive Officer of your change in circumstances



LA SOCIÉTÉ DU BARREAU DU MANITOBA

FORMULAIRE D'EXEMPTION À REMPLIR PAR LES MEMBRES QUI NE SONT PAS TENUS DE COTISER AU FONDS D'INDEMNISATION

Veillez écrire lisiblement en caractères d'imprimerie.

Moi, _____, je demande d'être exempté de contribuer au Fonds d'indemnisation en vertu du paragraphe 19(3) de la *Loi sur la profession d'avocat* pour une période de un an allant du 1^{er} juillet 2017 au 30 juin 2018 (ou du _____ au _____).

Compléter la partie A ou la partie B

A. Avocats du Manitoba à l'emploi du gouvernement du Manitoba, du gouvernement fédéral ou d'une municipalité

1. Je suis à l'emploi exclusivement de l'un des organismes suivants (cocher la mention applicable) :

Le gouvernement du Manitoba (donner le nom du ministère) :

Un organisme gouvernemental, au sens du paragraphe 1(1) de la *Loi sur la fonction publique*, exception faite de la Société d'aide juridique du Manitoba (donner le nom de l'organisme) :

Une municipalité (donner le nom de la municipalité) :

Le gouvernement fédéral (donner le nom du ministère) :

2. Je n'exerce pas le droit au Manitoba, sauf dans le cadre de mon emploi.

OU

B. Membres qui résident et exercent le droit dans une autre province ou un territoire du Canada :

1. Je suis membre en règle du Barreau _____ et titulaire d'un certificat d'exercice valide délivré dans la province ou le territoire.

2. Je bénéficie dans la province ou le territoire d'une couverture de responsabilité pour faute professionnelle d'au moins 1 000 000,00 \$ par événement, cette couverture de responsabilité s'appliquant à tout geste – acte ou omission – lié aux activités professionnelles que je pourrais accomplir au Manitoba. **(Joindre un certificat d'assurance délivré dans votre province ou votre territoire de résidence).**

3. Je n'ai pas de bureau au Manitoba où je fournis des services juridiques d'une façon régulière.

Date

Signature

Documents dûment remplis peuvent être envoyés par courriel à kforbister@lawsociety.mb.ca.

Note: La règle 5-33 de la Société du Barreau prévoit que si vous cessez de satisfaire aux conditions vous donnant droit à une exemption en vertu du paragraphe 19(3) de la *Loi sur la profession d'avocat*, vous devez informer sans délai le directeur général de tout changement de votre situation.

Report Your Claims Now If You Want Coverage For Them

Your Lawyers Professional Liability Insurance Policy expires July 1, 2017. If you know of any circumstances which might possibly, at some point in the future, give rise to an insurance claim against you **and** you want coverage under your Insurance Policy, then you must report these circumstances to the Law Society's Professional Liability Claims Fund staff before the end of June, 2017.

Section 4.2 of the Insurance Policy will only provide you coverage if you had no knowledge of the claim or potential claim before the policy period commenced and could not reasonably have foreseen that a claim might arise. So, if you have knowledge of a problem or are concerned about a file now, please call or write the Professional Liability Claims Fund staff and put us on notice before the policy year runs out on July 1, 2017. Claims Fund staff can be reached at:

Tana Christianson	926-2011	e-mail: tchristianson@lawsociety.mb.ca
Kate Craton	926-2012	e-mail: kcraton@lawsociety.mb.ca
Jim Cox	926-2024	e-mail: jcox@lawsociety.mb.ca

Insurance Claims Over \$1 Million

All Insured lawyers in the Province of Manitoba have mandatory insurance coverage of \$1 Million per claim with an aggregate limit of \$2 Million. However, claims can and do exceed \$1 Million.

Excess coverage can be purchased through the Canadian Lawyers Insurance Association (CLIA) in amounts from \$1 to \$9 Million in excess of the \$1 Million mandatory insurance.

Optional Cyber Liability Coverage may also be purchased for an additional \$80 per lawyer.

Rates for July 1, 2017 are as follows but will be reduced by a 17.5% premium credit.

<u>Limit of Liability</u>	<u>Premium Rate per Lawyer</u> <u>(July 1, 2017 to July 1, 2018)</u>	<u>Less 17.5%</u> <u>Premium Credit</u>
<i>\$1 Million excess of Mandatory \$1 Million</i>	<i>\$360.00</i>	<i>\$297.00</i>
<i>\$2 Million excess of Mandatory \$1 Million</i>	<i>\$529.00</i>	<i>\$436.43</i>
<i>\$3 Million excess of Mandatory \$1 Million</i>	<i>\$618.00</i>	<i>\$509.85</i>
<i>\$4 Million excess of Mandatory \$1 Million</i>	<i>\$655.00</i>	<i>\$540.38</i>
<i>\$9 Million excess of Mandatory \$1 Million</i>	<i>\$917.00</i>	<i>\$756.53</i>

For more information on this year's excess CLIA program and/or excess coverage for retired lawyers please contact Tana Christianson, Heather Vanrobaeys or Kristin Forbister of the Professional Liability Claims Fund. CLIA Excess Applications are also available at www.clia.ca.

Tana Christianson	926-2011	e-mail: tchristianson@lawsociety.mb.ca
Heather Vanrobaeys	926-2036	e-mail: hvanrobaeys@lawsociety.mb.ca
Kristin Forbister	926-2047	e-mail: kforbister@lawsociety.mb.ca

CLIA Cyber Liability Program

Lawyers and law firms are potential targets for hackers, ransomware and cyber criminals. However, the mandatory Professional Liability Insurance Policy has always excluded claims arising out of cybercrime. Now, CLIA has arranged a new program which will provide cyber coverage protection for lawyers and their clients. This new policy will take effect on July 1, 2017 for all lawyers required to be insured under the mandatory Professional Liability policy.

This new program will provide initial/first response coverage in the event of a cyberattack. The amount of coverage and the deductible will vary depending on the size of firm at the date the incident is discovered and the nature of the claim. The coverage is conditional on your firm taking certain steps to protect itself from cyberattack.

Damage from Disclosure of Client information

If a client's confidential information ends up all over the internet or is disclosed inappropriately because of a cyberattack against a law firm, the client may have a claim for damages against the firm. One aspect of this new program provides coverage for the damages suffered by the client because of such disclosure. The following chart sets out the amount of coverage and the deductible, based on the number of lawyers in the firm, for damage claims resulting from disclosure of client confidential information arising out of a cyberattack.

<u>Firm size at date of discovery</u>	<u>Coverage Limit</u>	<u>Deductible</u>	<u>Aggregate</u>
1 lawyer	\$50,000	\$1,000	\$50,000
2 – 10 lawyers	\$50,000	\$1,000	\$100,000
11 – 25 lawyers	\$100,000	\$2,500	\$100,000
26+ lawyers	\$200,000	\$5,000	\$200,000

(Occurrence aggregate limits also apply).

Privacy Breach Notifications

When a law firm's systems are compromised by cyberattack, the law firm may have a legal obligation to notify clients and third parties of a privacy breach which can be a time consuming and unfamiliar process. The policy covers firms for reasonable expenses to contain, investigate and mitigate a privacy breach and to notify the affected clients and third parties. The limits and deductibles for privacy breach notification coverage are set out below.

<u>Firm size at date of discovery</u>	<u>Coverage Limit</u>	<u>Deductible</u>
1 – 10 lawyers	\$5,000	\$1,000
11 – 25 lawyers	\$10,000	\$2,500
26+ lawyers	\$25,000	\$5,000

(Policy period and occurrence aggregate limits also apply).

System and Data Rectification Costs

A cyberattack can result in your firm losing or misplacing data that you need to get your clients' work done. This coverage applies to retrieve, restore and replace any of the law firm's computer

programs or any other data and to repair, restore or replace any of the firm's computer systems damaged by a cyberattack so that client data is preserved and protected. The limits and deductibles for system and data rectification coverage are set out below.

<u>Firm size at date of discovery</u>	<u>Coverage Limit</u>	<u>Deductible</u>
1 – 10 lawyers	\$5,000	\$1,000
11 – 25 lawyers	\$10,000	\$2,500
26+ lawyers	\$25,000	\$5,000

(Policy period and occurrence aggregate limits also apply).

Cyber Threat and Extortion Costs

In some cyberattacks, hackers hijack computer systems and deny access until you pay a ransom (usually in an online currency known as bitcoin). This program provides coverage for the costs associated with ransomware and other cyberattacks where client data in the law firm's computer system is held hostage. The limits and deductibles for cyber threat and extortion coverage are set out below.

<u>Firm size at date of discovery</u>	<u>Coverage Limit</u>	<u>Deductible</u>
1 – 10 lawyers	\$2,500	\$1,000
11 – 25 lawyers	\$5,000	\$2,500
26+ lawyers	\$10,000	\$5,000

(Policy period and occurrence aggregate limits also apply).

One of the best things about this new program is once your firm discovers that you have been the victim of a cybercrime, you have access to the program's 24 hour emergency response number. You will then be referred to the appropriate cyber response team so that you don't have to deal with a cyber incident on your own, without professional assistance.

There are some conditions of coverage which you should ensure your firm has in place. Your firm must have:

1. a firewall between the firm's systems and the internet;
2. up-to-date antivirus and malware endpoint protection on computers and laptops; and
3. weekly data back-ups.

If you purchase Voluntary Excess Insurance from CLIA, additional coverage is also available for damages to third parties arising from the disclosure of confidential client information as the result of a cyber incident. You can purchase a Cybercrime Endorsement providing limits of \$250,000 per claim per year at a cost of \$80 per lawyer. You can apply for this excess cyber coverage when you renew your Voluntary Excess insurance for July 1, 2017.

Coverage, as always, is subject to the final terms and conditions of the policy, please review the policy carefully once available and look out for additional information on this new coverage.