

# MEMBER'S MANUAL

## AMENDMENT PAGES

2023: No. 1 January

### Highlights

**Law Society Rules 2015:**\* Law clerks may be called and admitted without articling at a law firm (definitions of “clerkship term” and “law clerk” and Rules 2-51(2), 2-59(4), 2-63, 2-72(2) to (7), 2-74(1), (2), (4) and (9), 2-76(1), 2-77(1) to (3) and Schedule 1 D. heading and F. 1.1: pp. 11, 14, 63, 69, 71, 76, 77, 79, 217 and 218); effective January 1, 2023, the Tribunal Chair must be a practising lawyer but not a Bencher (definition of “Tribunal Chair” and Rule 5-1.3: pp. 18 and 176); fees are updated for 2023 (Schedules 1, 2 and 3: pp. 217-221).

\**Historical notes are published only in the website version of the Rules.*

**Indemnification Policy:** Indemnification Policy No. LPL 23-01-01 replaces Policy No. LPL 22-01-01; Business Innocent Covered Party (BIC) Endorsement #1 attaches to Policy No. LPL 23-01-01 and replaces the previous BIC Endorsement. Refer to the upcoming *Program Report* from the Lawyers Indemnity Fund for details of the policy revisions.

**Filing:** File the amended pages in your *Member's Manual* as follows:

Manual section	Existing pages to be removed	Amendment pages to be inserted
Law Society Rules	11 – 14 17 – 18 63 – 64 69 – 72 75 – 80 175 – 176 217 – 222	11 – 14 17 – 18 63 – 64 69 – 72 75 – 80 175 – 176 217 – 222
Indemnification Policies	Policy No. LPL 22-01-01 (1 – 32) BIC Endorsement #1 (1 – 3) Part C Retention Endorsement #2	Policy No. LPL 23-01-01 (1 – 33) BIC Endorsement #1 (1 – 3) –

After filing, insert this sheet at the front of the *Manual* for reference.

This amendment package updates the *Member's Manual* to **December 31, 2022**. The previous amendment package was 2022: No. 5 November.

To check that your copy of the Manual is up to date, consult the contents checklist on the next page. To print replacement pages, download the PDFs at [Member's Manual](#) on the Law Society website.

The Law Society Rules and *Code of Professional Conduct for British Columbia* can be accessed in the [Support & Resources for Lawyers](#) section of the Law Society website at [www.lawsociety.bc.ca](http://www.lawsociety.bc.ca). Refer to the website for the most current versions of the Rules and Code.



## MEMBER'S MANUAL CONTENTS CHECKLIST

2023: No. 1 January

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## RULE 1 – DEFINITIONS

### Definitions

1 In these rules, unless the context indicates otherwise:

“**Act**” means the *Legal Profession Act*, SBC 1998, c. 9;

“**admission program**” means the program for articled students administered by the Society or its agents, commencing on an articled student’s enrolment start date and including the period during which the student is

- (a) articled to a principal, or
- (b) registered in the training course;

“**advertising**” includes letterhead, business cards and the use of paid space or time in a public medium, or the use of a commercial publication such as a brochure or handbill, to communicate with the general public or a group of people, for the purpose of promoting professional services or enhancing the image of the advertiser;

“**agreed statement of facts**” means a written statement of facts signed by Law Society counsel and by or on behalf of an applicant or respondent;

“**applicant**” means a person who has applied under Part 2 [*Membership and Authority to Practise Law*] for enrolment as an articled student, for call and admission or for reinstatement;

“**appointed Bencher**” means a person appointed as a Bencher under section 5 [*Appointed benchers*];

“**articled student**” means a person who is enrolled in the admission program;

“**articling agreement**” means a contract in the prescribed form executed by an applicant for enrolment and the applicant’s prospective principal;

“**articling start date**” means the date on which an articled student begins employment with the student’s principal;

“**articling term**” means the 9 month period referred to in Rule 2-59 [*Articling term*];

“**Barreau**” means the Barreau du Québec;

“**Bencher**” does not include the Attorney General unless expressly stated;

“**chair**” means a person appointed to preside at meetings of a committee, panel or review board;

“**Chambre**” means the Chambre des notaires du Québec;

“**clerkship term**” means the period during which a law clerk is employed to work for a judge, not including any period of vacation or leave of absence;

“**company**” means a company as defined in the *Business Corporations Act*;

**“complainant”** means a person who has delivered a complaint about a lawyer or a law firm to the Society under Rule 3-2 [*Complaints*];

**“complaint”** means an allegation that a lawyer or a law firm has committed a discipline violation;

**“conduct unbecoming the profession”** includes a matter, conduct or thing that is considered, in the judgment of the Benchers, a panel or a review board,

- (a) to be contrary to the best interest of the public or of the legal profession, or
- (b) to harm the standing of the legal profession;

**“costs”** includes costs assessed under Rule 3-25 [*Costs*] or 3-81 [*Failure to file trust report*] or Part 5 [*Tribunal, Hearings and Appeals*];

**“disbarred lawyer”** means a person to whom section 15 (3) [*Authority to practise law*] applies;

**“disciplinary record”** includes any of the following, unless reversed on appeal or review:

- (a) any action taken by a governing body as a result of
  - (i) professional misconduct,
  - (ii) incompetence,
  - (iii) conduct unbecoming the profession,
  - (iv) lack of physical or mental capacity to engage in the practice of law, or
  - (v) any other breach of a lawyer’s professional responsibilities;
- (b) disbarment;
- (c) a lawyer’s resignation or otherwise ceasing to be a member of a governing body as a result of disciplinary proceedings, including resignation as a term of a consent agreement;
- (d) restrictions or limits on a lawyer’s entitlement to practise, other than those imposed as a result of failure to pay fees to a governing body, insolvency or bankruptcy or other administrative matter;
- (e) any interim suspension or restriction or limits on a lawyer’s entitlement to practise imposed pending the outcome of a disciplinary hearing.

**“discipline violation”** means any of the following:

- (a) professional misconduct;
- (b) conduct unbecoming the profession;
- (c) a breach of the Act or these rules;
- (d) incompetent performance of duties undertaken by a lawyer in the capacity of a lawyer;
- (e) conduct that would constitute professional misconduct, conduct unbecoming the profession or a contravention of the Act or these rules if done by a lawyer or law firm;

- “enrolment start date”** means the date on which an articulated student’s enrolment in the admission program becomes effective;
- “Executive Committee”** means the Committee elected under Rule 1-41 [*Election of Executive Committee*];
- “Executive Director”** [rescinded]
- “fiduciary property”** means
- (a) funds, other than trust funds, and valuables for which a lawyer is responsible in a representative capacity or as a trustee, if the lawyer’s appointment is derived from a solicitor-client relationship,
- but does not include
- (b) any funds and valuables that are subject to a power of attorney granted to the lawyer if the lawyer has not taken control of or otherwise dealt with the funds or valuables;
- “firm”** [rescinded – see **“law firm”** or **“firm”**]
- “foreign jurisdiction”** means a country other than Canada or an internal jurisdiction of a country other than Canada;
- “Foundation”** means the Law Foundation of British Columbia continued under section 58 (1) [*Law Foundation of British Columbia*];
- “funds”** includes current coin, government or bank notes, bills of exchange, cheques, drafts, money orders, charge card sales slips, credit slips and electronic transfers;
- “general”** in relation to accounts, books, records and transactions means those pertaining to general funds;
- “general funds”** means funds received by a lawyer in relation to the practice of law, but does not include
- (a) trust funds, or
  - (b) fiduciary property;
- “governing body”** means the governing body of the legal profession in another province or territory of Canada;
- “interim action board”** means a board appointed under Rule 3-10 [*Interim suspension or practice conditions*];
- “inter-jurisdictional law firm”** means a firm carrying on the practice of law in British Columbia and in one or more other Canadian or foreign jurisdictions, unless all lawyers in all offices of the firm are practising lawyers;

- “inter-jurisdictional practice”** includes practice by a member of the Society in another Canadian jurisdiction;
- “investigate”** includes authorizing an investigation and continuing an investigation in progress;
- “law clerk”** means a law clerk employed to work for a judge appointed under section 96 of the *Constitution Act, 1867*, or a judge of the Supreme Court of Canada, the Federal Court, the Federal Court of Appeal or the Tax Court of Canada;
- “law firm”** or **“firm”** means a legal entity or combination of legal entities carrying on the practice of law;
- “lawyer”** means a member of the Society;
- “limited liability partnership”** or **“LLP”** means a limited liability partnership under Part 6 of the *Partnership Act*, including an extraprovincial limited liability partnership registered under that Part;
- “metadata”** includes the following information generated in respect of an electronic record:
- (a) creation date;
  - (b) modification dates;
  - (c) printing information;
  - (d) pre-edit data from earlier drafts;
  - (e) identity of an individual responsible for creating, modifying or printing the record;
- “motions adjudicator”** means a lawyer Bencher designated by the Tribunal Chair to decide a matter or conduct a pre-hearing or pre-review conference under these rules;
- “multi-disciplinary practice”** or **“MDP”** means a partnership, including a limited liability partnership or a partnership of law corporations, that
- (a) is owned by at least one lawyer or law corporation and at least one individual non-lawyer or professional corporation that is not a law corporation, and
  - (b) provides to the public legal services supported or supplemented by the services of another profession, trade or occupation;
- “National Mobility Agreement”** means the National Mobility Agreement, 2013, of the Federation of Law Societies of Canada, as amended from time to time;
- “net interest”** means the total interest earned on a pooled trust account, minus any service charges and transmittal fee that the savings institution charges to that account;



**“qualification examination”** means an examination set by the Executive Director for the purposes of Rule 2-89 [*Returning to practice after an absence*];

**“qualified CPA”** means a person in public accounting practice who is permitted to perform audit engagements by the Organization of Chartered Professional Accountants of British Columbia;

**“reciprocating governing body”**

(a) means a governing body that has signed the National Mobility Agreement, and adopted regulatory provisions giving effect to the requirements of the National Mobility Agreement, and

(b) includes a governing body that has signed the Territorial Mobility Agreement and adopted regulatory provisions giving effect to the requirements of the Territorial Mobility Agreement;

**“record”** includes metadata associated with an electronic record;

**“remedial program”** includes anything that may be recommended by the Practice Standards Committee under Rule 3-19 (1) (b) [*Action by Practice Standards Committee*];

**“respondent”** means a person whose conduct or competence is

(a) the subject of a citation directed to be issued under Rule 4-17 (1) [*Direction to issue, expand or rescind citation*], or

(b) under review by a review board under section 47 [*Review on the record*] and includes a representative of a respondent law firm;

**“review board”** means a review board established in accordance with Part 5 [*Tribunal, Hearings and Appeals*];

**“rule”** or **“subrule”** means a rule or subrule contained in these rules;

**“Second Vice-President-elect”** means the Benchler elected under Rule 1-19 [*Second Vice-President-elect*], from the time of the election until the Benchler takes office as Second Vice-President;

**“section”** means a section of the *Legal Profession Act*;

**“Society”** means the Law Society of British Columbia continued under section 2 (1) [*Incorporation*];

**“suspension”** means temporary disqualification from the practice of law;

**“Territorial Mobility Agreement”** means the 2006 Territorial Mobility Agreement of the Federation of Law Societies of Canada, as amended from time to time;

**“training course”** includes any assessments, examinations or remedial work taken during or after the training course, or an educational program required by the Credentials Committee;

**“Tribunal”** means persons or bodies performing the adjudicative function of the Society or providing legal or administrative support to that function;

**“Tribunal Chair”** means the practising lawyer appointed under Rule 5-1.3 [*Tribunal Chair*];

**“Tribunal Office”** means the principal place of business of the Tribunal;

**“trust funds”** means funds directly related to legal services provided by a lawyer or law firm received in trust by the lawyer or law firm acting in that capacity, including funds

- (a) received from a client for services to be performed or for disbursements to be made on behalf of the client, or
- (b) belonging partly to a client and partly to the lawyer or law firm if it is not practicable to split the funds;

**“valuables”** means anything of value that can be negotiated or transferred, including but not limited to

- (a) securities,
- (b) bonds,
- (c) treasury bills, and
- (d) personal or real property;

**“vice chair”** means a person appointed to preside at meetings of a committee in the absence of the chair;

**“visiting lawyer”** means a member of a governing body who is qualified to practise law in another Canadian jurisdiction.

### **Notifying the Society**

- 2-49** (1) Each lawyer who practises law in an MDP must report to the Executive Director in the prescribed form concerning the following:
- (a) non-lawyer members of the MDP providing services to the public;
  - (b) the reasonable steps taken to protect privileged and confidential information under Rule 2-45 [*Privilege and confidentiality*];
  - (c) compliance with the rules respecting conflicts of interest;
  - (d) professional liability indemnity coverage maintained by non-lawyers under Rule 2-47 [*Liability indemnification*],
  - (e) trust accounts and trust accounting records maintained under Rule 2-48 [*Trust funds*];
  - (f) the agreements required under Rule 2-39 [*Conditions for MDP*] between the lawyer and all non-lawyer members of the MDP, and
  - (g) any other matter required by the Credentials Committee.
- (2) The report required under this rule must be made annually on a date determined by the Executive Director, or more frequently as determined by the Credentials Committee.

## **Division 2 – Admission and Reinstatement**

### **Credentials Committee**

#### **Credentials Committee**

- 2-50** (1) For each calendar year, the President must appoint a Credentials Committee, including a chair and vice chair, both of whom must be Benchers.
- (2) The President may remove any person appointed under subrule (1).
- (3) At any time, the President may appoint a person to the Credentials Committee to replace a Committee member who resigns or otherwise ceases membership in the Committee, or to increase the number of members of the Committee.

#### **Referral to Credentials Committee**

- 2-51** (1) The Executive Director may refer any matter for decision under this division to the Credentials Committee.
- (2) At the written request of a lawyer, former lawyer, articled student, law clerk or applicant affected by a decision made by the Executive Director under this division, the Executive Director must refer the matter to the Credentials Committee.
- (3) When the Executive Director refers a matter to the Credentials Committee under this rule, the Committee may make any decision open to the Executive Director under this division and may substitute its decision for that of the Executive Director.

## **Powers of Credentials Committee**

- 2-52** (1) The Credentials Committee may
- (a) exercise the authority of the Benchers to call and admit barristers and solicitors,
  - (b) implement, administer and evaluate a training course and examinations, assignments and assessments for all articled students,
  - (c) establish standards for passing the training course and examinations, assignments and assessment,
  - (d) establish procedures to be applied by the Executive Director and faculty of the training course for
    - (i) the deferral, review or appeal of failed examinations, assignments and assessments, and
    - (ii) remedial work in the training course or examinations, assignments and assessments, and
  - (e) review, investigate and report to the Benchers on all aspects of legal education leading to call and admission.
- (2) When the Credentials Committee is empowered to order a hearing under this division, it may do so even though the application has been withdrawn.
- (3) The Credentials Committee may, with the consent of the person concerned, vary or remove practice conditions or limitations imposed by the Committee under this division.

## **Application for enrolment, admission or reinstatement**

### **Disclosure of information**

- 2-53** (1) When a person makes an application under this division, the Executive Director may
- (a) disclose the fact that the application has been made and the status of the application, and
  - (b) provide information to a governing body under Rule 2-27.1 [*Sharing information with a governing body*].
- (2) For the purpose of subrule (1) (a), the status of an application is its stage of progress in processing the application, including, but not limited to the following:
- (a) received and under review;
  - (b) granted, with or without conditions or limitations;
  - (c) referred to the Credentials Committee;
  - (d) hearing ordered, whether or not a hearing has been scheduled;
  - (e) withdrawn;
  - (f) refused.
- (3) [rescinded]

### Articling term

- 2-59** (1) Unless the articling period is changed under Rules 2-59 to 2-65, an articulated student must work in the office of the student's principal for a period of not less than 9 months.
- (2) Unless otherwise permitted in this division, the articling term must be continuous, except that this period may be interrupted by
- (a) attendance at the training course,
  - (b) annual vacation of up to 10 working days at the discretion of the principal, or
  - (c) a leave of absence as permitted under Rule 2-69 [*Leave during articles*].
- (3) Any time taken for matters referred to in subrule (2) must not be included in the calculation of the articling term.
- (4) Except in the case of an application made under Rule 2-63 (1) [*Law clerks*], the articling term must not be reduced by more than 5 months under any other rule or the combined effect of any rules.
- (5) The Credentials Committee may increase the articling term to not more than 2 years if
- (a) the articulated student's performance has been unsatisfactory,
  - (b) the articulated student has not completed the student's obligations under the articling agreement, or
  - (c) other circumstances justify an increase.
- (6) If it would result in the articulated student qualifying for call and admission within 2 years of the student's first enrolment start date, a student enrolled for a second time is entitled to credit for
- (a) successful completion of the training course, and
  - (b) time spent in articles.
- (7) If an articulated student is enrolled for a second or subsequent time, the Credentials Committee may grant credit for successful completion of the training course and some or all time spent in articles when the articulated student was previously enrolled.

### Legal services by articulated students

- 2-60** (1) Subject to subrule (2) or any other prohibition in law, an articulated student may provide all legal services that a lawyer is permitted to provide, but the student's principal or another practising lawyer supervising the student must ensure that the student is
- (a) competent to provide the services offered,
  - (b) supervised to the extent necessary in the circumstances, and
  - (c) properly prepared before acting in any proceeding or other matter.

- (2) An articled student must not
- (a) appear as counsel without the student's principal or another practising lawyer in attendance and directly supervising the student in the following:
    - (i) an appeal in the Court of Appeal, the Federal Court of Appeal or the Supreme Court of Canada;
    - (ii) a civil or criminal jury trial;
    - (iii) a proceeding by way of indictment,
  - (b) give an undertaking unless the student's principal or another practising lawyer supervising the student has also signed the undertaking, or
  - (c) accept an undertaking unless the student's principal or another practising lawyer supervising the student also accepts the undertaking.
- (3) Despite subrule (2) (a) (iii), an articled student may appear without the student's principal or another practising lawyer in attendance and directly supervising the student in a proceeding
- (a) within the absolute jurisdiction of a provincial court judge, or
  - (b) by way of indictment with respect to
    - (i) an application for an adjournment,
    - (ii) setting a date for preliminary inquiry or trial,
    - (iii) an application for judicial interim release,
    - (iv) an application to vacate a release or detention order and to make a different order, or
    - (v) an election or entry of a plea of Not Guilty on a date before the trial date.

### Mid-term report

- 2-61** (1) This rule does not apply to
- (a) temporary articles under Rule 2-70 [*Temporary articles*], or
  - (b) articles when the term is less than 6 months.
- (2) Before the student has completed 60 per cent of the student's articling term, the principal and the student must deliver to the Executive Director a joint report on the student's progress to date in articles in the prescribed form.
- (3) A report under this rule must include a plan for completing the obligations of the principal and student under the articling agreement.

### Part-time articles

- 2-62** (1) An applicant for enrolment may apply to complete some or all of the applicant's articles part-time by submitting the following to the Executive Director not less than 2 months before the enrolment start date:
- (a) the documents and information required under Rule 2-54 (1) [*Enrolment in the admission program*];

- (b) the application fee specified in Schedule 1;
- (c) an articling agreement that includes all of the following:
  - (i) the prospective principal’s express approval of the part-time arrangements;
  - (ii) the type of experience to be provided to the applicant;
  - (iii) the hours per day to be worked by the applicant;
  - (iv) the length of the proposed articling term.
- (2) An articulated student may apply to change the student’s articles to part-time articles by submitting to the Executive Director the articling agreement referred to in subrule (1) (c).
- (3) The Executive Director may approve an application made under subrule (1) or (2) if
  - (a) the proposed articling term is a continuous period that would give work experience in the office of the principal equivalent to that required under Rule 2-59 (1) [*Articling term*], and
  - (b) the student or applicant’s articles will be completed within 2 years of the articling start date.
- (4) The part-time equivalent of the articling period is calculated on the following basis:
  - (a) 8 hours of scheduled work equals one day of articles;
  - (b) no additional credit is allowed for more than 8 hours per day.
- (5) If the Executive Director refers an application under this rule to the Credentials Committee, the Committee must consider the applicant’s submissions and may
  - (a) approve the application without conditions or limitations,
  - (b) approve the application, subject to any conditions or limitations it considers appropriate, or
  - (c) reject the application.

### **Law clerks**

- 2-63** (1) An articulated student who has been employed as a law clerk may apply in writing to the Executive Director for a reduction in the articling term by an amount of time equal to the time served as a law clerk.
- (2) [rescinded]
- (3) An application under subrule (1) must be accompanied by
  - (a) a written report on the student’s character and competence from the judge to whom the articulated student clerked, and
  - (b) other documents or information that the Credentials Committee may reasonably require.

- (4) A law clerk may apply for call and admission under Rule 2-77 [*First call and admission*] without enrolment in the admission program or completion of the articling term provided the law clerk otherwise qualifies for call and admission under Rule 2-76 [*Call and admission*].

### **Articles in another Canadian jurisdiction**

- 2-64** An articulated student or applicant for enrolment who has served a period of articles in another Canadian jurisdiction immediately before or after the student's period in articles in British Columbia, may apply in writing to the Executive Director for a reduction in the articling term by an amount of time equal to the time served in articles in the other jurisdiction.

### **Practice experience in a common law jurisdiction outside Canada**

- 2-65** (1) An articulated student or applicant for enrolment who holds professional legal qualifications obtained in a common law jurisdiction outside Canada and has been in the active practice of law in that jurisdiction for at least one full year, may apply in writing to the Executive Director for a reduction in the articling term.
- (2) The Executive Director may reduce an articling term under this rule by up to one month for each full year of active practice of law in another jurisdiction.

### **Secondment of articles**

- 2-66** (1) With the principal's consent, an articulated student may work in the office of another lawyer qualified to act as a principal, for not more than a total of 8 weeks of the student's articling period.
- (2) The Executive Director may permit an articulated student to work in the office of a lawyer qualified to act as a principal, other than the student's principal for a period or periods exceeding 8 weeks of the student's articling period.
- (3) If the Executive Director grants permission under subrule (2), the Executive Director may set conditions or limitations as appropriate.

### **Assignment of articles**

- 2-67** (1) An articulated student may apply for permission to assign the student's articles to another lawyer qualified to act as a principal by filing with the Executive Director, not later than 7 days after commencing employment at the office of the new principal,
- (a) an assignment of articles in the prescribed form,
  - (b) a declaration of principal in the prescribed form, and
  - (c) statements from the previous principal and from the articulated student setting out the reasons for the assignment.



- (4) The Executive Director may only grant temporary articles under subrule (2) (a) that are subject to a definite termination date.
- (5) The Executive Director must not grant temporary articles under subrule (2) (b) effective more than 6 weeks before the beginning of the person's articling term.
- (6) The Executive Director must not grant temporary articles under subrule (2) (c) for a period exceeding 3 months.
- (7) Time spent in temporary articles is not part of the articling term.
- (8) Except as otherwise specified in these rules, a person enrolled in temporary articles has the rights, privileges and responsibilities of an articulated student.
- (9) The Credentials Committee may revoke temporary articles at any time for any reason without giving notice to the temporary articulated student and without holding a hearing.

### **Court and tribunal appearances by temporary articulated students**

- 2-71** (1) Despite Rule 2-60 [*Legal services by articulated students*], a person enrolled in temporary articles must not appear as counsel before a court or tribunal without the student's principal or another practising lawyer in attendance and directly supervising the student except
- (a) in the Supreme Court of British Columbia in Chambers on any
    - (i) uncontested matter, or
    - (ii) contested application for
      - (A) time to plead,
      - (B) leave to amend pleadings, or
      - (C) discovery and production of documents, or
    - (iii) other procedural application relating to the conduct of a cause or matter,
  - (b) before a registrar or other officer exercising the power of a registrar of the Supreme Court of British Columbia or Court of Appeal for British Columbia,
  - (c) in the Provincial Court of British Columbia
    - (i) on any summary conviction proceeding,
    - (ii) on any matter that is within the absolute jurisdiction of a provincial court judge,
    - (iii) on any matter in the Family Division or the Small Claims Division, or
    - (iv) when the Crown is proceeding by indictment or under the *Youth Criminal Justice Act* (Canada) in respect of an indictable offence, only on
      - (A) an application for an adjournment,
      - (B) setting a date for preliminary inquiry or trial,

- (C) an application for judicial interim release,
  - (D) an application to vacate a release or detention order and to make a different order, or
  - (E) an election or entry of a plea of Not Guilty on a date before the trial date,
  - (d) on an examination of a debtor,
  - (e) on an examination for discovery in aid of execution, or
  - (f) before an administrative tribunal.
- (2) A person enrolled in temporary articles is not permitted under any circumstances to do any of the following in a Supreme Court proceeding:
- (a) conduct an examination for discovery;
  - (b) represent a party who is being examined for discovery;
  - (c) represent a party at a case planning conference, trial management conference or settlement conference.

### **Training course**

- 2-72** (1) The Executive Director may set the dates on which sessions of the training course will begin.
- (2) The Credentials Committee may direct that a student be given priority in selection of the training course session that the student wishes to attend if the student is or will be
- (a) articling outside the Lower Mainland,
  - (b) articling as the only student in a firm, or
  - (c) employed as a law clerk.
- (3) Before registering in the training course,
- (a) an articulated student or applicant, other than a law clerk, must make application for enrolment under Rule 2-54 (1) [*Enrolment in the admission program*], and
  - (b) a law clerk must deliver to the Executive Director written confirmation from the applicable court of the law clerk's acceptance as a law clerk.
- (4) To register in a training course session, an articulated student, law clerk or applicant must
- (a) pay to the Society the fee for the training course specified in Schedule 1, and
  - (b) deliver to the Executive Director
    - (i) an application for training course registration, and
    - (ii) in the case of an articulated student, the principal's consent to the training course session chosen.

- (5) The Executive Director must deliver to each student who was registered in a training course session and to each student's principal, if applicable, a transcript stating whether the student passed or failed the training course.
- (6) [rescinded]
- (7) An articulated student or law clerk may apply in writing to the Credentials Committee for exemption from all or a portion of the training course, and the Committee may, in its discretion, grant all or part of the exemption applied for with or without conditions, if the student or law clerk has
  - (a) successfully completed a bar admission course in another Canadian jurisdiction, or
  - (b) engaged in the active practice of law in a common law jurisdiction outside Canada for at least 5 full years.

### **Tutorial program**

- 2-73** (1) The Executive Director may establish a tutorial program to assist students participating in the training course.
- (2) Priority for access to tutorial assistance must be as follows:
- (a) first priority to students of aboriginal heritage;
  - (b) second priority to all other students.

### **Review of failed standing**

- 2-74** (1) Subject to subrule (2), a student who has failed the training course may apply in writing to the Executive Director for a review of the student's failed standing, not more than 21 days after the date on which the Executive Director issued the transcript under Rule 2-72 (5) [*Training course*].
- (2) A student may not apply under subrule (1) if the student has failed in 3 attempts to pass the training course, including any of the following:
- (a) the original attempt;
  - (b) a further attempt to pass examinations, assignments or assessments;
  - (c) any attempt to meet a requirement under subrule (7).
- (3) The Executive Director may consider an application for review received after the period specified in subrule (1).
- (4) A student applying for a review under this rule must state the following in the application:
- (a) any compassionate grounds, supported by medical or other evidence, that relate to the student's performance in the training course;
  - (b) any grounds, based on the student's past performance, that would justify opportunities for further remedial work;
  - (c) the relief that the student seeks under subrule (7).

(5) and (6) [rescinded]

- (7) After considering the submissions made under subrule (4), the Executive Director may do one or more of the following:
- (a) confirm the standing, including any failed standing;
  - (b) grant the student an adjudicated pass in a training course examination, assignment or assessment, with or without conditions;
  - (c) require the student to complete further examinations, assignments or assessments, and to pass them at a standard set by the Executive Director;
  - (d) require the student to complete or repeat and pass all, or a portion of, the training course;
  - (e) require the student to complete a specified program of training at an educational institution or under the supervision of a practising lawyer, or both.
- (8) A student who is required to do anything under subrule (7) must pay the fee for the training course, or for each examination, assignment or assessment as specified in Schedule 1.
- (9) The Executive Director must deliver a transcript stating the student's standing and the extent to which any standards or conditions have been met to
- (a) each student whom the Executive Director has required to do anything under subrule (7), and
  - (b) each such student's principal, if applicable.

### **Termination of enrolment**

- 2-75** (1) An articulated student is no longer enrolled in the admission program if the principal or the student has terminated the student's articles for any reason and no assignment of the student's articles is approved within 30 days.
- (2) The 30-day period referred to in subrule (1) does not run while the student is registered in and attending the training course.
- (3) A person whose enrolment has ceased under subrule (1) may apply for enrolment under Rule 2-54 (1) [*Enrolment in the admission program*].

## Call and admission

### Call and admission

- 2-76** (1) To qualify for call and admission, an applicant who is an articled student or a law clerk must complete the following satisfactorily:
- (a) in the case of an articled student, the articling term;
  - (a.1) in the case of a law clerk who is not enrolled in the admission program, a clerkship term of not less than 9 months;
  - (b) the training course;
  - (b.1) the practice management course;
  - (c) any other requirements of the Act or these rules imposed by the Credentials Committee or the Benchers.
- (2) Subrule (1) (b.1) applies to articled students enrolled in the admission program on or after January 1, 2018.

### First call and admission

- 2-77** (1) An articled student or law clerk who applies for call and admission must deliver to the Executive Director
- (a) the following in the prescribed form:
    - (i) a petition for call and admission;
    - (ii) in the case of an articled student,
      - (A) a declaration of the principal,
      - (B) a declaration of the applicant, and
      - (C) a joint report of the principal and the applicant certifying completion of their obligations under the articling agreement;
    - (iii) in the case of a law clerk who is not enrolled in the admission program,
      - (A) an application for call and admission,
      - (B) proof of academic qualification as required of applicants for enrolment under Rule 2-54 (2) [*Enrolment in the admission program*], and
      - (C) a written report on the law clerk's character and competence from the judge to whom the law clerk clerked;
    - (iv) [rescinded]
    - (v) a completed questionnaire;
    - (vi) written consent for the release of relevant information to the Society,
  - (b) a professional liability indemnity application or exemption form,
  - (c) the following fees:
    - (i) the applicable call and admission fee specified in Schedule 1;
    - (ii) the prorated practice fee specified in Schedule 2;

- (iii) the prorated annual indemnity fee specified in Schedule 2, unless exempt under Rule 3-43 [*Exemption from professional liability indemnification*], and
  - (d) any other information and documents required by the Act or these rules that the Credentials Committee or the Benchers may request.
- (2) An articulated student or law clerk may apply under this rule at any time.
  - (3) If an articulated student or law clerk fails to meet the requirements of this rule, including the delivery of all documents specified, the Executive Director must summarily
    - (a) reject the application for call and admission, and
    - (b) in the case of an articulated student, terminate the student's enrolment.
  - (4) When the Credentials Committee has initiated a review under Rule 5-19 [*Initiating a review*] of a hearing panel's decision to enrol an articulated student, the articulated student is not eligible for call and admission until the review board has issued a final decision on the review or the Committee withdraws the review.

### **Law school faculty**

- 2-78 (1) A full-time lecturer in a faculty of law of a university in Canada who has the academic qualifications required under Rule 2-54 [*Enrolment in the admission program*] may apply for call and admission without completing the admission program.
- (2) On an application under this rule, the Credentials Committee may approve the application subject to the condition specified in subrule (3).
- (3) A lawyer called and admitted under this rule who ceases to be a full-time lecturer in a faculty of law of a university in Canada must complete the admission program unless the Credentials Committee otherwise orders.
- (4) The Benchers may require a lawyer who fails to comply with subrule (3) to resign from the Society.

### **Transfer from another Canadian jurisdiction**

- 2-79 (1) An applicant for call and admission on transfer from another jurisdiction in Canada must deliver the following to the Executive Director:
  - (a) an application for call and admission on transfer in the prescribed form, including written consent for the release of relevant information to the Society;
  - (b) a certificate of character;
  - (c) a certificate of standing from each body regulating the legal profession in any jurisdiction in which the applicant is or has been a member of the legal profession;

## PART 5 – TRIBUNAL, HEARINGS AND APPEALS

### Application

- 5-1** (1) This part applies to
- (a) a hearing of an application for enrolment, call and admission or reinstatement,
  - (b) a hearing of a citation, and
  - (c) unless the context indicates otherwise, a review by a review board of a hearing decision.
- (2) In this part, a law firm may act through its designated representative or another lawyer engaged in the practice of law as a member of the law firm.

### The Tribunal

#### Tribunal

- 5-1.1** (1) The Tribunal comprises
- (a) the Tribunal Chair,
  - (b) hearing panels,
  - (c) review boards, and
  - (d) motions adjudicators.
- (2) Subject to the Act and these Rules, the Tribunal may determine the practice and procedure to be followed at a hearing, review or other proceeding.

#### Service, filing and communication

- 5-1.2** (1) The provisions of Rule 10-1 [*Service and notice*] are subject to this rule.
- (2) A document to be filed with the Tribunal must be delivered by
- (a) leaving it at or sending it by ordinary or registered mail to the Tribunal Office,
  - (b) sending it by email to the Tribunal Office, subject to size limits set by practice direction, or
  - (c) sending it by other means permitted under a practice direction.
- (3) The parties to a proceeding must inform the Tribunal and every other party of any change of address, regardless of any other notice to the Society.
- (4) The Tribunal may use and rely on the address of a respondent or an applicant provided at the outset of proceeding or the most recently received change of address.
- (5) All correspondence to the Tribunal or any of its constituent parts must be
- (a) sent to the Tribunal Office, and
  - (b) copied to all parties.

- (6) The fact that correspondence is received and accepted by the Tribunal Office does not, for that reason alone, indicate compliance with requests or demands contained in the correspondence.
- (7) All correspondence between parties or counsel and with the Tribunal must be respectful and formal to an extent appropriate to the circumstances.

### **Tribunal Chair**

- 5-1.3**
- (1) The Benchers must appoint a practising lawyer as Tribunal Chair.
  - (2) The Tribunal Chair must not be a Bencher or a member of the Discipline, Credentials or Practice Standards Committee.
  - (3) The term of office of the Tribunal Chair is two years.
  - (4) If the office of Tribunal Chair becomes vacant for any reason, the Benchers must promptly appoint a practising lawyer to complete the term of office.
  - (5) The functions of the Tribunal Chair may be exercised by another practising lawyer designated by the Tribunal Chair
    - (a) if the Tribunal Chair is absent or otherwise unable to act, or
    - (b) with the authorization of the Tribunal Chair.

### **Practice directions**

- 5-1.4**
- (1) The Tribunal Chair may issue practice directions that are consistent with the Act and these rules.
  - (2) A hearing panel or review board is not bound by a practice direction.
  - (3) Practice directions must be made accessible to the public.

## **Hearing panels**

### **Appointment of hearing panel**

- 5-2**
- (1) When a hearing is ordered under this part, Part 2, Division 2 [*Admission and Reinstatement*] or Part 4 [*Discipline*], the Tribunal Chair must appoint a panel consisting of 3 persons.
  - (2) Despite subrules (1) and (3), a panel may consist of one Bencher who is a lawyer if
    - (a) no facts are in dispute,
    - (b) the hearing is to consider an admission under Rule 5-6.5 [*Admission and consent to disciplinary action*],
    - (c) the hearing proceeds under Rule 5-4.5 [*Summary hearing*],
    - (d) the hearing is to consider a preliminary question under Rule 5-4.3 [*Preliminary questions*], or
    - (e) it is not otherwise possible, in the opinion of the Tribunal Chair, to convene a panel in a reasonable period of time.



## SCHEDULE 1 – 2023 LAW SOCIETY FEES AND ASSESSMENTS

<b>A. Annual fee</b>	<b>\$</b>
1. Practice fee (Rule 2-105 [ <i>Annual practising and indemnity fee instalments</i> ]) ..	2,303.00
2. Indemnity fee base assessment (which may be increased or decreased in individual cases in accordance with Rule 3-40 (1) [ <i>Annual indemnity fee</i> ]):	
(a) full-time practice .....	1,800.00
(b) part-time practice .....	900.00
3. Indemnity surcharge (Rule 3-44 (2) [ <i>Deductible, surcharge and reimbursement</i> ]) .....	1,000.00
4. Late payment fee for practising lawyers (Rule 2-108 (3) [ <i>Late payment</i> ]) .....	150.00
5. Retired member fee (Rule 2-105.1 (1) [ <i>Annual non-practising and retired member fees</i> ]) .....	125.00
6. Late payment fee for retired members (Rule 2-108 (4)) .....	nil
7. Non-practising member fee (Rule 2-105.1 (1)) .....	325.00
8. Late payment fee for non-practising members (Rule 2-108 (5)) .....	40.00
9. Administration fee (R. 2-116 (3) [ <i>Refund on exemption during practice year</i> ]) ..	70.00
 <b>B. Trust administration fee</b>	
1. Each client matter subject to fee (Rule 2-110 (1) [ <i>Trust administration fee</i> ]) ..	15.00
 <b>C. Special assessments</b>	
 <b>D. Articled student and training course fees</b>	
1. Application fee for enrolment in admission program (Rules 2-54 (1) (e) [ <i>Enrolment in the admission program</i> ] and 2-62 (1) (b) [ <i>Part-time articles</i> ]) ..	275.00
2. Application fee for temporary articles (R. 2-70 (1) (c) [ <i>Temporary articles</i> ]) ..	150.00
3. Application fee for temporary articles (legal clinic) (Rule 2-70 (1) (c)) .....	50.00
4. Training course registration (Rule 2-72 (4) (a) [ <i>Training course</i> ]) .....	2,600.00
5. Remedial work (Rule 2-74 (8) [ <i>Review of failed standing</i> ]):	
(a) for each piece of work .....	100.00
(b) for repeating the training course .....	4,000.00
 <b>E. Transfer fees</b>	
1. Application fee for transfer from another Canadian province or territory – investigation fee (Rule 2-79 (1) (f) [ <i>Transfer from another Canadian jurisdiction</i> ]) .....	1,150.00
2. Transfer or qualification examination (Rules 2-79 (6) and 2-89 (6) [ <i>Returning to practice after an absence</i> ]) .....	325.00

<b>F. Call and admission fees</b>	<b>\$</b>
1. After enrolment in admission program (Rule 2-77 (1) (c) [ <i>First call and admission</i> ]) .....	250.00
1.1 Without enrolment in admission program (Rule 2-77 (1) (c)) .....	525.00
2. After transfer from another Canadian province or territory (Rule 2-79 (1) (f) [ <i>Transfer from another Canadian jurisdiction</i> ]) .....	250.00
 <b>G. Reinstatement fees</b>	
1. Application fee following disbarment, resignation or other cessation of membership as a result of disciplinary proceedings (Rule 2-85 (1)(b) [ <i>Reinstatement of former lawyer</i> ]) .....	700.00
2. Application fee following 3 years or more as a former member (Rule 2-85 (1) (b)) .....	550.00
3. Application fee in all other cases (Rule 2-85 (1) (b)) .....	450.00
 <b>H. Change of status fees</b>	
1. Application fee to become retired member (Rule 2-4 (2) (b) [ <i>Retired members</i> ]) .....	35.00
2. Application fee to become non-practising member (Rule 2-3 (1) (b) [ <i>Non-practising members</i> ]) .....	70.00
3. Application fee for non-practising or retired member applying for practising certificate (Rule 2-5 (1) (b)) [ <i>Release from undertaking</i> ].....	70.00
 <b>I. Inter-jurisdictional practice fees</b>	
1. Application fee (Rule 2-19 (3) (b) [ <i>Inter-jurisdictional practice permit</i> ]) .....	500.00
2. Renewal of permit (Rule 2-19 (3) (b)) .....	100.00
 <b>J. Corporation and limited liability partnership fees</b>	
1. Permit fee for law corporation (Rule 9-4 (c) [ <i>Law corporation permit</i> ]) .....	400.00
2. New permit on change of name fee (Rule 9-6 (4) (c) [ <i>Change of corporate name</i> ]) .....	100.00
3. LLP registration fee (Rule 9-15 (1) [ <i>Notice of application for registration</i> ]) .....	400.00
 <b>K. Practitioners of foreign law</b>	
1. Application fee for practitioners of foreign law (Rule 2-29 (1) (b) [ <i>Practitioners of foreign law</i> ]) .....	700.00
2. Permit renewal fee for practitioners of foreign law (Rules 2-29 (1) (b) and 2-34 (2) (c) [ <i>Renewal of permit</i> ]) .....	150.00
3. Late payment fee (Rule 2-34 (6)) .....	100.00

<b>L. Late fees</b>	<b>\$</b>
1. Trust report late filing fee (Rule 3-80 (2) (b) [ <i>Late filing of trust report</i> ]) .....	200.00
2. Professional development late completion fee (Rule 3-31 (1) (c) [ <i>Late completion of professional development</i> ]) .....	500.00
3. Professional development late reporting fee (Rule 3-31 (3) (b)) .....	200.00
4. Late registration delivery fee (Rule 2-12.4) .....	200.00
5. Late self-assessment delivery fee (Rule 2-12.4) .....	500.00
6. Indigenous intercultural course late completion fee (Rule 3-28.11 (1) (c) [ <i>Late completion of Indigenous intercultural course</i> ]) .....	500.00
7. Indigenous intercultural course late reporting fee (Rule 3-28.11 (2) (b)) .....	200.00
 <b>M. Multi-disciplinary practice fees</b>	
1. Application fee (Rule 2-40 (1) (b) [ <i>Application to practise law in MDP</i> ]).....	300.00
2. Application fee per proposed non-lawyer member of MDP (Rules 2-40 (1) (c) and 2-42 (2) [ <i>Changes in MDP</i> ]).....	1,125.00

**Note:** The federal goods and services tax applies to Law Society fees and assessments.

**SCHEDULE 2 – 2023 PRORATED FEES AND ASSESSMENTS  
FOR PRACTISING LAWYERS**

[Rules 2-77 (1) *[First call and admission]*, 2-79 (1) *[Transfer from another Canadian jurisdiction]*, 2-85 (4) *[Reinstatement of former lawyer]*,  
and 3-45 (1) and (2) *[Application for indemnity coverage]*]

	Practice fee		Indemnity fee assessment	
	Payable prior to call	Payable by May 31	Payable prior to call	Payable by May 31
<b>Full-time indemnification</b>				
January	1,151.50	1,151.50	900.00	900.00
February	959.58	1,151.50	750.00	900.00
March	767.67	1,151.50	600.00	900.00
April	575.75	1,151.50	450.00	900.00
May	383.83	1,151.50	300.00	900.00
June	191.92	1,151.50	150.00	900.00
July	1,151.50	0.00	900.00	0.00
August	959.58	0.00	750.00	0.00
September	767.67	0.00	600.00	0.00
October	575.75	0.00	450.00	0.00
November	383.83	0.00	300.00	0.00
December	191.92	0.00	150.00	0.00
<b>Part-time indemnification</b>				
January	1,151.50	1,151.50	450.00	450.00
February	959.58	1,151.50	375.00	450.00
March	767.67	1,151.50	300.00	450.00
April	575.75	1,151.50	225.00	450.00
May	383.83	1,151.50	150.00	450.00
June	191.92	1,151.50	100.00	450.00
July	1,151.50	0.00	450.00	0.00
August	959.58	0.00	375.00	0.00
September	767.67	0.00	300.00	0.00
October	575.75	0.00	225.00	0.00
November	383.83	0.00	150.00	0.00
December	191.92	0.00	100.00	0.00

**Note:** The federal goods and services tax applies to Law Society fees and assessments.

**SCHEDULE 3 – 2023 PRORATED FEES  
FOR NON-PRACTISING AND RETIRED MEMBERS**

[Rules 2-3 (1) *[Non-practising members]*, 2-4 (2) *[Retired members]*  
and 2-85 (5) *[Reinstatement of former lawyer]*]

	<b>Non-practising members fee</b>	<b>Retired members fee</b>
January	325.00	125.00
February	297.92	114.59
March	270.83	104.16
April	243.75	93.75
May	216.67	83.34
June	189.58	72.91
July	162.50	62.50
August	135.42	52.09
September	108.33	41.66
October	81.25	31.25
November	54.17	20.84
December	27.08	10.41

**Note:** The federal goods and services tax applies to Law Society fees and assessments.

**SCHEDULE 4 – TARIFF FOR HEARING AND REVIEW COSTS**

[Rule 5-11 *[Costs of hearings]*]

Item no.	Description	Number of units
<b>Citation hearing</b>		
1.	Preparation/amendment of citation, correspondence, conferences, instructions, investigations or negotiations after the authorization of the citation to the completion of the discipline hearing, for which provision is not made elsewhere	Minimum 1 Maximum 10
2.	Proceeding under s. 26.01 [ <i>Suspension during investigation</i> ], 26.02 [ <i>Medical examination</i> ] or 39 [ <i>Suspension</i> ] and any application to rescind or vary an order under the Rules, for each day of hearing	30
3.	Disclosure under Rule 4-34 [ <i>Demand for disclosure of evidence</i> ]	Minimum 5 Maximum 20
4.	Application for particulars/preparation of particulars under Rule 5-4.7 [ <i>Application for details of the circumstances</i> ]	Minimum 1 Maximum 5
5.	Application to adjourn under Rule 4-40 [ <i>Adjournment</i> ] • if made more than 14 days prior to the scheduled hearing date • if made less than 14 days prior to the scheduled hearing date	1 3
6.	Pre-hearing conference	Minimum 1 Maximum 5
7.	Preparation of agreed statement of facts • if signed more than 21 days prior to hearing date • if signed less than 21 days prior to hearing date • delivered to Respondent and not signed	Min. 5 to max. 15 Min. 10 to max. 20 Min. 10 to max. 20
8.	Preparation of affidavits	Minimum 5 Maximum 20
9.	Preparation of Notice to Admit	Minimum 5 Maximum 20
10.	Preparation of response to Notice to Admit	Minimum 5 Maximum 20
11.	All process and correspondence associated with retaining and consulting an expert for the purpose of obtaining opinion(s) for use in the proceeding	Minimum 2 Maximum 10
12.	All process and communication associated with contacting, interviewing and issuing summons to all witnesses	Minimum 2 Maximum 10
13.	Interlocutory or preliminary motion for which provision is not made elsewhere, for each day of hearing	10
14.	Preparation for interlocutory or preliminary motion, per day of hearing	20

# 2023 BC Lawyers Professional Liability Indemnification Policy

<b>Indemnitor:</b>	<b>BC Lawyers Indemnity Association (“BCLIA”)</b>
<b>Address for service:</b>	<b>5th Floor, 845 Cambie Street, Vancouver, BC V6B 4Z9</b>
<b>Administrator:</b>	<b>Law Society of British Columbia (“Law Society”)</b>
<b>Manager:</b>	<b>Lawyers Indemnity Fund</b>
<b>Master Policy number:</b>	<b>LPL 23-01-01</b>

# INDEMNIFICATION POLICY

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INDEMNIFICATION POLICY

**DECLARATIONS**

**This policy governs claims and potential claims first made and reported in 2023. Please read the policy carefully.**

1. **Individual Covered Party:** As defined in this policy
2. **Policy Period:** January 1, 2023 12:01 a.m. to January 1, 2024 12:01 a.m. (PST)
3. **Individual Coverage Period:** As defined in this policy
4. **Indemnity Fee:** As set by the **Law Society**
5. **Policy Territory:** Worldwide
6. **Limits of Liability and Deductibles:**

Coverage	Per Error Limit of Liability	Annual Aggregate Limit of Liability	Per Error Deductible	Profession-wide Limit of Liability
Part A: Professional Liability Indemnity (Errors & Omissions)	\$1,000,000 per <b>error</b> for <b>damages, claims expenses,</b> and deductible	\$2,000,000 per <b>individual Covered Party</b> , including all <b>additional Covered Parties</b> , less any payments made under Part C	\$5,000 per <b>error</b> resulting in the payment of <b>damages</b> , or \$10,000 for any <b>error</b> reported within three years of the report date of a Part A or C <b>error</b> also resulting in a payment of <b>damages</b>	Unlimited
Part B: Trust Protection Coverage (Dishonest Appropriation)	\$300,000 per <b>claimant</b> and <b>error</b> , except as provided in Condition 1.4.3 for inter-jurisdictional practice, for <b>damages</b> and <b>claims expenses</b>	Nil	Nil	\$17,500,000 profession-wide for all <b>claims</b> for <b>damages</b> and <b>claims expenses</b> , with a \$2,000,000 sublimit for inter-jurisdictional practices
Part C: Trust Shortage Liability Indemnity ( <b>Social engineering fraud</b> or reliance on fraudulent certified cheques)	\$500,000 per <b>error</b> for <b>damages, claims expenses,</b> and <b>deductible</b>	\$500,000 sublimit within the Part A annual aggregate limit per <b>individual Covered Party</b> , including all <b>additional Covered Parties</b>  \$500,000 <b>law firm</b> annual aggregate limit for all <b>claims</b> for <b>damages, claims expenses</b> and deductibles	35% of the total amount of <b>damages</b> and <b>claims expenses</b> paid per <b>error</b> , or 15% if <b>secondary verification</b> is made	\$2,000,000 for all <b>errors</b> combined

INDEMNIFICATION POLICY

7. **Endorsements:**

Endorsement #1 – OPTIONAL BUSINESS INNOCENT COVERED PARTY ENDORSEMENT  
(if purchased)

**Limits of Liability and Deductible:**

Coverage	Per Error Limit of Liability*	Annual Aggregate Limit of Liability*	Per Error Deductible	Profession-wide Limit of Liability
Business Innocent Covered Party	\$1,000,000 per <b>error</b> for <b>damages, claims expenses, and deductible</b>	\$2,000,000 for all <b>additional Covered Parties</b> covered by all <b>BIC endorsements</b> issued to <b>members</b> at the <b>covered firm</b> for all <b>damages, claims expenses</b> and deductible arising from all <b>vicarious liability claims</b> or potential <b>vicarious liability claims</b>	10% of the total amount of <b>damages and claims expenses</b> paid for <b>vicarious liability claims.</b>	Unlimited

\*All payments under Part A for the same **error** or **errors** are within, not in addition to, these limits of liability.

## INDEMNIFICATION POLICY

### DEFINITIONS

For convenience, all defined words are in bold print. We, us, or our refers to **BCLIA**. You, your, or the **Covered Party** refers in Parts A and C to the **individual Covered Party** or **additional Covered Party**, and in Part B to the **individual Covered Party** or **innocent Covered Party**. Unless otherwise indicated, all specific statutory references are to statutes of British Columbia. In this policy:

**Additional Covered Party** means:

- (a) each **law firm** in which the **individual Covered Party** is or was a partner, employee or associate counsel or that is or was liable for the **individual Covered Party**;
- (b) each **law corporation**, law office management corporation and law office management limited partnership, which is or was owned wholly or partly, directly or indirectly, by the **individual Covered Party** or their **spouse** or former **spouse**, and each present or former officer, director, shareholder or limited partner thereof;
- (c) each present or former **member** who, at the time of the **error**, was insured or indemnified by us and was the **individual Covered Party's** partner or liable for the **individual Covered Party**;
- (d) each present or former employee of the **individual Covered Party**, or of any **law firm**, **law corporation**, law office management corporation or law office management limited partnership described in (a) or (b) above, provided such employee was acting within the scope of their duties and acting under the supervision of, in a supporting role to and not independent of the **individual Covered Party**; and
- (e) each present or former **MDP partner** who, at the time of the **error**, was insured or indemnified by us and was a partner in a **multi-disciplinary practice** in which all of the members were in compliance with **Law Society** Rules 2-38 through 2-49.

**Apparent partnership** means: an expense sharing or other arrangement in which two or more **members** or **law corporations**, or a combination thereof, are or were held out to the public as partners whether or not the partnership in fact exists or existed.

**Canadian legal advisor** means: a lawyer admitted as a Canadian legal advisor member by the **Law Society**.

**Certificate** means: a document issued by the **Law Society** to a **member** as proof of insurance or indemnity under any previous plan of professional liability insurance or indemnity for **members** of the **Law Society**.

**Claim** means: a demand for money, or the threat or institution of an action or other proceeding against you.

**Claimant** means:

- (a) under Part A or C: a person or **organization** who has made or may make a **claim**; and
- (b) under Part B: a person who has or alleges to have suffered a monetary loss, and who provides a statutory declaration relating to that loss in a form satisfactory to us.

**Claims expenses** means:

- (a) (i) fees and disbursements charged by defence counsel appointed by us; and

## INDEMNIFICATION POLICY

- (ii) all other fees, costs and expenses incurred by us, or by you with our written consent, resulting from the investigation, adjustment, defence and appeal of a **claim** or potential **claim**, including all sums payable under Part A 2, Part B 2 and Part C 2, and all fees, costs and expenses we incur in any recovery efforts, but does not include salaries of our officers, directors and employees, or those of the **Law Society**; or
- (b) for the purposes of Part A 2.9 or 2.10 only, reasonable fees and disbursements charged by independent defence counsel and payable by you.

**Compensation program** means: those statutory compensation programs as provided for by any current or former legislative act, including but not limited to: funds established to compensate victims of lawyer defalcation; the “Assurance Fund” as provided under the *Land Title Act*; similar funds as established for general public protection against loss consequent on the unlawful acts of third parties under other legislation as may now or subsequently be established; and any substantially similar or equivalent compensation programs established by any government.

**Costs** means: costs payable to a party pursuant to the Supreme Court Civil Rules, or the civil rules of court of any other Canadian or US jurisdiction, by agreement or by Order, except for **special costs**.

**Covered Party** means:

- (a) under Part A or Part C: an **individual Covered Party** or **additional Covered Party**; and
- (b) under Part B: an **individual Covered Party** or **innocent Covered Party**.

**Cybercrime** means: criminal activity including, but not limited to, **social engineering fraud**, business email compromise, identity theft, ransomware, spoofing, or phishing that either targets or uses a computer, a computer network or a networked device.

**Damages** means:

- (a) under Part A: any compensatory damages award or settlement, including any related pre-judgment or post-judgment interest or **costs**, or **repair costs**, relating to covered allegations.

**Damages** does not include:

- (i) an order of set-off or any order for the return or reimbursement of, or accounting for or disgorgement of, any property, benefit, fees for professional services including legal fees, or disbursements that you received, even if claimed as compensatory or general damages;
- (ii) any order for punitive, exemplary or aggravated damages, even if claimed as compensatory or general damages;
- (iii) any fine, sanction or penalty;
- (iv) any order or indemnification for **costs** made against you in litigation in which you are not a party;
- (v) any order for **special costs**; or
- (vi) the cost of complying with declaratory, injunctive or other non-monetary relief.

## INDEMNIFICATION POLICY

- (b) under Part B: the direct loss of no more than the money, or the actual cash value of other property, dishonestly appropriated by the **individual Covered Party**, and any related pre-judgment or post-judgment interest, or **costs**.

**Damages** does not include:

- (i) any monetary award, settlement or sum for which the **claimant** or **Covered Party**:
- a. is entitled to claim indemnity under any other policy or form of insurance (including title insurance); or
  - b. has recourse through any **compensation program** or other source of recovery including set-offs whether legal or equitable;

that would cover such loss in whole or in part in the absence of this policy as this coverage is intended to be last-resort coverage;

- (ii) any order for **costs** made against you in litigation in which you are not a party, or
- (iii) any order for **special costs**.

- (c) under Part C: any monetary award or settlement, including any related pre-judgment or post-judgment interest or **costs**, for the direct loss only of no more than the amount by which the **trust account** is short, and any **repair costs** or compensatory damages directly related to covered allegations.

**Damages** does not include:

- (i) any monetary award, settlement or sum for which the **claimant** or **Covered Party** is entitled to claim indemnification under any other policy or form of insurance that would cover such loss in whole or in part in the absence of this policy as this coverage is intended to be last-resort indemnity coverage;
- (ii) any order or indemnification for **costs** made against you in litigation in which you are not a party, or
- (iii) any order for **special costs**; or
- (iv) the cost of complying with declaratory, injunctive or other non-monetary relief.

**Data breach** means: an incident wherein information in your care, custody or control is taken without your knowledge and consent.

**Dependent contractor** means: whether as an individual or through a law corporation, a **member** who is providing **professional services** to an **organization** in a manner that is effectively equivalent to that of an employer and employee relationship, as determined by us and considering factors such as:

- (a) the **member** actively marketing or advertising their availability and services;
- (b) the **member's** ability to accept or refuse work offered by the **organization**;
- (c) a requirement that the **member** personally do the work or restrictions on the **member's** ability to assign or sub-contract to other professionals;

## INDEMNIFICATION POLICY

- (d) primary or alternate contact information of the **member**, such as phone number, email, and mailing address that are similar to that of the **organization's** employees;
- (e) communications to external parties that suggest that the **member** is an employee rather than working at arm's length under a retainer;
- (f) whether work is done on the premises of the **organization** versus the **member's** own workspace;
- (g) the **member's** direct access to the **organization's** computer network;
- (h) the **member's** required compliance with the organization's policies and procedures;
- (i) how the **member** is remunerated, or whether the **member** participates in benefit plans or profit-sharing schemes;
- (j) withholding or payment of payroll taxes and other expenses incurred by the **organization**; or
- (k) the **member** benefits from a hold-harmless, waiver, or similar agreement with the **organization**.

### **Error** means:

- (a) under Part A: an actual or alleged negligent act, negligent error or negligent omission, including a **protocol error** or a **personal injury error**. Where actual or alleged errors are related, they will be deemed to be one **error**. **Errors** are related when they:
  - (i) are logically or causally connected;
  - (ii) cause a single loss to one or more **claimants**;
  - (iii) occur in the course of the **Covered Party(ies)** acting as an executor or personal representative of a deceased, an administrator, an escrow holder, an attorney appointed under a Power of Attorney, a guardian, a trustee or a committee; or
  - (iv) occur in relation to the same or similar underlying facts, events, transactions, activities or undertakings, which, without limiting the generality of the foregoing, include accidents, investment programs or schemes, loan agreements, offerings of ownership interest or debt, corporate reorganizations, tax plans, estates, real estate developments, leases, licences, commercial ventures and litigation mattersregardless of whether they are made by more than one **Covered Party** or by **Covered Parties** acting in more than one capacity, occur at different times or in the course of more than one professional service, retainer or client matter, or give rise to **claims** by more than one **claimant**. When two or more **law firms** are involved, the **errors** are not related.
- (b) under Part B: a dishonest appropriation of money or other property, whether to the use of the **individual Covered Party** or a third party, that was entrusted to and received by the **individual Covered Party** in their capacity as a barrister and solicitor and in relation to the provision of **professional services** to others.
- (c) under Part C: a payment to a third party that creates an unintended shortage in trust funds that are held in a **trust account** in connection with the performance of **professional services** for others, provided that such payment was either:

## INDEMNIFICATION POLICY

- (i) the result of the deposit into that **trust account** of what purports and appears and the **individual Covered Party** believed to be a genuine certified cheque, bank draft, credit union official cheque, **law firm** trust cheque or money order that ultimately proves to be counterfeit, forged or materially altered; or
- (ii) the result of **social engineering fraud** and made only because the **individual Covered Party** believed the payment was legitimate and duly authorized, and did not relate in any way to the mistaken belief that funds had been deposited into the **trust account**.

**Family** means: **spouse**, children, parents, or siblings.

**Individual coverage period** means: the period during which an **individual Covered Party** is covered for an **error**, as follows:

- (a) under Part A:
  - (i) any period prior to January 1, 1971, 12:01 a.m. PST during which the **individual Covered Party** was a **member**;
  - (ii) any period between January 1, 1971, 12:01 a.m. PST and January 1, 1998, 12:01 a.m. PST during which the **individual Covered Party** was a **member** and held a **certificate**;
  - (iii) any period after January 1, 1998, 12:01 a.m. PST during which the **individual Covered Party** paid the annual insurance or **indemnity fee**; or
  - (iv) any period after January 1, 2002, 12:01 a.m. PST during which the **individual Covered Party** was a **member** and was performing **sanctioned pro bono services**.
- (b) under Part B: any period during which the **individual Covered Party** was a **member**.
- (c) under Part C: any period after January 1, 2012, 12:01 a.m. PST during which the **individual Covered Party** paid the annual insurance or **indemnity fee**.

**Individual Covered Party** means: each **member** or former **member** who:

- (a) made or allegedly made the **error**; or
- (b) for the purposes of Part A only, each **MDP partner** or former **MDP partner** who made or allegedly made the **error**, provided that all of the members of the **multi-disciplinary practice** were in compliance with **Law Society** Rules 2-38 through 2-49 at the time of the **error**.

**Ineligible portion** means: that portion that equals the proportionate beneficial ownership of the **organization** held individually or collectively, directly or indirectly, at the time of the **error** by the persons listed in subparagraphs 6.2.1, 6.2.2 and 6.2.3 of Exclusion 6.2 of this policy.

**Innocent Covered Party** means: each present or former **member** who:

- (a) is or may be liable for the **individual Covered Party**;
- (b) did not personally commit, participate in committing, or acquiesce in the **error**; and
- (c) was indemnified by us at the time of the **error**.

## INDEMNIFICATION POLICY

**Law corporation** means: an entity incorporated under the *Business Corporations Act* that is governed by, and a valid certificate of authorisation has been issued under, the *Legal Profession Act*.

**Law firm** means: a sole proprietorship through which a **member** provides **professional services**, a **law corporation**, a partnership of **members** or **law corporations** or a combination thereof, a **multi-disciplinary practice** or an **apparent partnership**.

**MDP partner** means: a non-lawyer partner in a **multi-disciplinary practice** to which permission to practise law was granted under Rule 2-41 of the **Law Society Rules**.

**Member** means: a member, other than a **Canadian legal advisor**, in good standing shown on the records of the **Law Society**.

**Multi-disciplinary practice** means: a multi-disciplinary practice as defined in the **Law Society Rules**.

**Network Security breach** means:

- (a) the electronic receipt or transmission of a computer virus or other program via the internet or in any other manner that does or is intended to delete, distort, corrupt, manipulate, impair or gain or prevent access to: internet connections, networks or systems; computer programming; computer, telecommunication or other devices; or electronic data for uses other than those intended for authorized users of such devices, systems or networks; or
- (b) the failure or violation of the security of computer, telecommunication or other devices, systems, or networks.

**Organization** means: any business, business venture, joint venture, proprietorship, partnership, limited partnership, cooperative, society, syndicate, corporation, association, or any legal or commercial entity.

**Personal injury error** means: malicious prosecution, libel or slander, or a publication or utterance in violation of an individual's right of privacy.

**Policy period** means: the period stated in Declaration 2.

**Privacy breach** means: any disclosure, howsoever arising, of information in your care, custody or control to an unauthorized person.

**Professional services** means:

- (a) the practice of law as defined in the *Legal Profession Act*;
- (b) *pro bono* legal services or **sanctioned pro bono services**;
- (c) acting as a custodian under Part 6 of the *Legal Profession Act* or in a similar role, or as an arbitrator, mediator or parenting coordinator;
- (d) performing any other activity deemed to be the practice of law by the **Law Society**;
- (e) acting as an **MDP partner**, provided that such services support or supplement the practice of law by the **law firm** and are provided under the supervision of a **member**; or



## INDEMNIFICATION POLICY

- (f) acting as:
  - (i) an executor or personal representative of a deceased, an administrator, an escrow holder, an attorney appointed under a Power of Attorney, a guardian, a trustee, a committee, or in any similar fiduciary capacity;
  - (ii) a patent or trademark agent; or
  - (iii) an agent for any record keeping or filing duty imposed by any provincial or federal statute

provided that such services, and the related appointment or retainer, are connected and incidental to the **individual Covered Party's** practice of law and, for the purposes of Part B of this policy only, the **individual Covered Party** is also providing legal services.

**Professional services** does not include:

- (i)
  - (a) acting as a bailee or conduit of funds, from trust or otherwise, or
  - (b) providing investment advice or investment servicesunless such services, and the related appointment or retainer, are performed in consequence of and incidental to the **individual Covered Party's** practice of law;
- (ii) publishing or communicating on a website, blog or social media platform unless directly connected and incidental to the **individual Covered Party's** practice of law;
- (iii) the services or activities of a "mortgage broker" as defined in the *Mortgage Broker Act*; or
- (iv) with respect to Part A and Part C only, **unauthorized practice** by the **individual Covered Party**.

**Protocol error** means: a building location defect that is not disclosed as a result of an opinion given in compliance with and pursuant to the terms and conditions of the Western Law Societies Conveyancing Protocol (British Columbia) issued by the **Law Society**, Version 2, February 2, 2001 as amended from time to time.

**Reciprocal Jurisdiction** means: the province, but not the territory, of a reciprocating governing body as defined in the **Law Society** Rules, other than the Barreau du Québec.

**Related errors** in Part B means: **errors** are related if the money or other property dishonestly appropriated was received in relation to the provision of the same **professional services**, retainer or client matter.

**Related organization** means: an **organization** that controls, is controlled by, or is under common control with another **organization**.

**Repair costs** means: any costs, other than **claims expenses**, approved or paid by us, incurred attempting to avoid or mitigate a loss arising out of an **error**.

**Sanctioned pro bono services** means: *pro bono* legal services provided to an individual or organization known to you only as a result of performing these services through a *pro bono* legal services program, provided that both the services and the program are approved for the purposes of this policy by the **Law Society**, and that the services are provided solely through the program.

## INDEMNIFICATION POLICY

**Secondary verification** means: action by a **Covered Party**, having received initial or amended payment instructions by means other than in person, to subsequently contact the person who purportedly gave such instructions, by telephone at a trusted number or in-person, and confirm that the instructions are genuine and accurate.

**Seconded lawyer** means: an **individual Covered Party** who is a member of a **law firm**, but who, at the request of the **law firm**, temporarily acts in the capacity of in-house counsel for an **organization**.

**Social engineering fraud** means: the intentional misleading of a person into sending or paying money based on false information that is provided to that person.

**Special costs** means: party and party costs ordered to be assessed as special costs (formerly called “solicitor and client costs”) pursuant to Supreme Court Civil Rule 14-1(1), or another similar term in the civil rules of court of any other Canadian or US jurisdiction, or an equivalent type of punitive costs.

**Spouse** means: the person to whom a person is married or has been living with in a marriage-like relationship for a period of time of not less than one year.

**Trust account** means: a trust account operated pursuant to and in accordance with Part 3, Division 7, Trust Accounts and Other Client Property, of the **Law Society Rules**.

**Unauthorized practice** means:

- (a) for the purposes of Condition 3.3, the practice of law by an **individual Covered Party** in breach of an undertaking given to the **Law Society** or in contravention of a condition or limitation of practice imposed or agreed to under the **Law Society Rules**; or
- (b) for the purposes of the definition of **Professional Services**, the practice of law by an **individual Covered Party** in contravention of the rules of any other law society or bar.

## INDEMNIFICATION POLICY

This policy is a contract between each **Covered Party** and **BCLIA**.

In consideration of the payment of the **indemnity fee** and subject to the terms of this policy, we agree with you that:

### **PART A: PROFESSIONAL LIABILITY INDEMNITY (ERRORS & OMISSIONS)**

#### **1. PROFESSIONAL LIABILITY INDEMNITY AGREEMENT**

We will pay on your behalf **damages** that you become legally obligated to pay because of any **claim** first made against you and reported to us in writing during the **policy period** arising out of an **error** by the **individual Covered Party** in performing or failing to perform **professional services** for others.

#### **2. DEFENCE, EXPENSES AND SETTLEMENT**

2.1 With respect to any **claim** first made or suit first brought within Canada or the United States of America seeking **damages** for which you are entitled to indemnity under Part A of this policy, we have the right:

2.1.1 and the duty to defend any suit against you, even if any of the allegations of the suit are groundless, false or fraudulent; and

2.1.2 to select and instruct defence counsel and to investigate and settle any **claim** including the right to elicit, or instruct defence counsel to elicit, offers of settlement. If you object to any settlement recommended by us, we may:

(a) settle the **claim** without your consent and you will remain liable to pay the deductible stated in Declaration 6; or

(b) give you the right to negotiate or defend the **claim** or suit if you provide security for any **damages** for which you may be liable. The amount and form of security required will be determined by us, in our sole discretion. If we give you the right to negotiate or defend the **claim** or suit, any duty we may have had to defend the **claim** ceases and the **damages** and **claims expenses** in excess of the amount for which we could have settled will not be recoverable under this policy.

2.2 With respect to any **claim** that is made or suit that is brought other than within Canada or the United States of America seeking **damages** for which you are entitled to indemnity under Part A of this policy:

2.2.1 we have the right, but not the duty, to investigate, settle, defend or pay **claims expenses** in accordance with Part A 2.1.2; and

2.2.2 if we elect not to investigate, settle or defend a **claim** or suit, you will, under our supervision, investigate and defend as is reasonably necessary and, if we deem prudent you will settle such **claim** or suit. Subject to Part A 2.3, we will reimburse you for the reasonable cost of such investigation, settlement or defence.

2.3 For any part of a **claim** for which you are not entitled to coverage under Part A of this policy, you agree that you are responsible for:

## INDEMNIFICATION POLICY

- 2.3.1 any settlement or **claims expenses** that are solely or substantially attributable to that part of a **claim**; and
- 2.3.2 an equal or, if we agree, less than equal share of any **claims expenses** that are attributable both to that part, and any other part of the **claim** for which you are entitled to coverage under Part A.
- 2.4 The allocation of **claims expenses** under Part A 2.3 will be determined following final determination of the **claim**.
- 2.5 Notwithstanding Part A 2.4 we may, at any time prior to final determination of a **claim**, require that you contribute, on an interim basis, to **claims expenses** in any proportion or amount that we determine is reasonable having regard to Part A 2.3. Any such payment, demand or failure to make a demand by us is without prejudice to our respective rights under Part A 2.4.
- 2.6 Any allocation or advancement of **claims expenses** does not apply to or create any presumption with respect to the allocation between covered and uncovered loss.
- 2.7 Notwithstanding Exclusion 2, we have the right and the duty to defend, in accordance with Part A 2.1.2, any **claim** first made against you and reported to us during the **policy period** arising out of a **personal injury error** while you were performing or failing to perform **professional services** for others.
- 2.8 Notwithstanding our obligations pursuant to Part A 2.1, 2.2 and 2.7, we may decline, at any time, to defend, continue to defend, investigate or pay **claims expenses** where we determine on reasonable grounds that a **claim** does not arise out of an **error** by you in performing or failing to perform **professional services** for others, or that you are not entitled to coverage for a **claim** because of any exclusion, breach of a condition or any other term of this policy. If you disagree with our decision you agree that, at the arbitration of the dispute, each of us may introduce evidence relating to the issues of coverage and your activities and that such evidence will be considered by the arbitrator in determining our respective obligations.
- 2.9 Notwithstanding (a)(iii) of the definition of **damages**, we will reimburse **claims expenses** up to a maximum sublimit of \$100,000 to the per **error** limit in Declaration 6 in the appeal of a penalty assessed against an **individual Covered Party** pursuant to section 163.2 or section 237.3 of the *Income Tax Act*, R.S.C. 1985, c.1 or section 285.1 of the *Excise Tax Act*, R.S.C. 1985, c. E-15, subject to:
- (a) the assessment or prosecution occurring in the course of, in consequence of and directly related to the **individual Covered Party's** practice of law;
  - (b) our prior written consent to your choice of independent defence counsel; and
  - (c) an acquittal, a withdrawal of the allegation, or a finding by the Court that the **individual Covered Party** did not commit the acts or omissions that gave rise to the assessment or prosecution.
- 2.10 We will reimburse **claims expenses** up to a maximum sublimit of \$100,000 to the per **error** limit in Declaration 6 in the defence of the prosecution of an offence against an **individual Covered Party** under subsection 8(8), section 10.1 or subsection 10.3(1) of the *Personal Information Protection and Electronic Documents Act* (PIPEDA), S.C. 2000, c.5, subject to:

## INDEMNIFICATION POLICY

- (a) the assessment or prosecution occurring in the course of, in consequence of and directly related to the **individual Covered Party's** practice of law;
- (b) our prior written consent to your choice of independent defence counsel; and
- (c) and an acquittal, a withdrawal of the allegation, or a finding by the Court that the **individual Covered Party** did not commit the acts or omissions that gave rise to the assessment or prosecution.

### 3. CLAIMS FIRST MADE AND REPORTED

- 3.1 Part A of this policy applies only to **claims** arising out of **errors** that occurred during the **individual coverage period**, and provided that:
  - 3.1.1 the **claim** or potential **claim** is first made against you during the **policy period** and reported to us in writing during the **policy period**; and
  - 3.1.2 you had no knowledge, prior to January 1, 1989 of the **claim** or of an **error** or circumstances occurring prior to January 1, 1986 which you knew or could have reasonably foreseen might be the basis of a **claim**.
- 3.2 A **claim** or potential **claim** is first made against you during the **policy period** if during the **policy period**:
  - 3.2.1 you become aware of an **error** or any circumstance which could reasonably be expected to be the basis of a **claim**, however unmeritorious; or
  - 3.2.2 a **claim** is made against you seeking **damages** for which you are entitled to indemnity under this policy.
- 3.3 If Part A of this policy replaces, without interruption of coverage, a professional liability policy issued previously by us then a **claim** which was first made against you after January 1, 1989, and reported to us within the **policy period**, will be deemed to be first made against you within the **policy period** of this policy.
- 3.4 Except as provided in Condition 6, if you are not entitled to indemnity or a defence for a **claim**, Part A of this policy will not provide indemnity or a defence for such or similar **claim** to any other **Covered Party**.

### 4. RECIPROCAL JURISDICTIONS

- 4.1 Where the closest and most real connection to a **claim** or potential **claim** is with a **Reciprocal Jurisdiction**, and the scope of coverage provided by the **Reciprocal Jurisdiction's** compulsory lawyers professional liability insurance or indemnity policy (the "**Reciprocal Jurisdiction's** policy") is broader than that provided by Part A of this policy, we will provide the same scope of compulsory coverage as that of the **Reciprocal Jurisdiction's** policy. For clarity, however, all **claims** and potential **claims** reported under Part A of this policy remain subject to the limits of liability stated in Condition 1 and the Declarations of this policy.
- 4.2 The determination of whether a **Reciprocal Jurisdiction** has the closest and most real connection to a **claim** or potential **claim** will be made by us, exercising our discretion

## INDEMNIFICATION POLICY

reasonably, and considering whether at the time you were performing the **professional services** giving rise to the **claim**:

- 4.2.1 you were practising the law of a **Reciprocal Jurisdiction**;
- 4.2.2 you were performing the **professional services** in a **Reciprocal Jurisdiction**;
- 4.2.3 your client was in a **Reciprocal Jurisdiction**; and
- 4.2.4 the subject matter of the **professional services** was located in or emanated from a **Reciprocal Jurisdiction**.

We will also consider where the proceedings, if any, to advance the **claim** are or are likely to be brought.

- 4.3 Part A 4.1 and 4.2 apply only if, at the time the **individual Covered Party** was performing the **professional services** giving rise to a **claim**, the **individual Covered Party** was practising law either in accordance with the inter-jurisdictional practice provisions of the Rules of the **Law Society** and the **Reciprocal Jurisdiction's** law society or as a Canadian legal advisor member of the Barreau du Québec.
- 4.4 Part A 4.1 and 4.2 do not apply if coverage under Part A of this policy would be excluded or limited in any way by the application of Exclusion 7 or 11 to a **claim** or potential **claim**.

## INDEMNIFICATION POLICY

### **PART B: TRUST PROTECTION COVERAGE (DISHONEST APPROPRIATION)**

#### **1. TRUST PROTECTION COVERAGE AGREEMENT**

Notwithstanding Exclusions 1 and 2 of this policy, we will pay on your behalf **damages** that you become legally obligated to pay to a **claimant** because of any **claim** first made against you and reported to us during the **policy period** arising out of an **error** by the **individual Covered Party**, provided that the **error** is the sole cause of the **damages**.

#### **2. DEFENCE AND SETTLEMENT**

2.1 With respect to any **claim** first made or suit first brought seeking **damages** that are covered under Part B of this policy:

2.1.1 we have the right, but not the duty, to defend any suit against you;

2.1.2 if we elect to defend you, we have the right to:

(a) select and instruct defence counsel; and

(b) withdraw from the defence of the suit, without seeking or obtaining your consent, at any time that we, in our sole discretion, deem appropriate;

2.1.3 we have the right to investigate any **claim** or potential **claim**;

2.1.4 we have the right to settle any **claim** without seeking or obtaining your consent, on such terms and conditions and at such time as we, in our sole discretion, deem appropriate; and

2.1.5 if you fail to cooperate in the investigation or defence of a **claim**, or you prejudice our ability to investigate or argue potential defences, we have the right to deny coverage for the **claim**.

#### **3. CLAIMS FIRST MADE AND REPORTED**

3.1 Part B of this policy applies only to:

3.1.1 **claims** arising out of **errors** that occurred while the **individual Covered Party** was a **member**, provided that the **claim** is first made against you during the **policy period** and reported to us during the **policy period**. A **claim** is first made against you during the **policy period** if during the **policy period**:

(a) an **innocent Covered Party** becomes aware of an **error** or any circumstance that could reasonably be expected to be the basis of a **claim**, however unmeritorious, or a **claim** is made against an **innocent Covered Party** seeking **damages** that are covered under Part B of this policy;

(b) a **claim** is made against an **individual Covered Party** seeking **damages** that are covered under Part B of this policy, and we deem notice of the **claim** given to us by a third party to be notice given by the **individual Covered Party**; or

## INDEMNIFICATION POLICY

- (c) the **Law Society** gives notice of a **claim** or potential **claim** against an **individual Covered Party**, and we deem such notice to be notice given by the **individual Covered Party**; or
- 3.1.2 a **claim** seeking **damages** that are covered under Part B of this policy that is first made against you and of which written notice is given to us by the **claimant** within:
  - (a) six (6) months of the **claimant** becoming sufficiently aware of the facts underlying the occurrence of an **error** such that the **claimant** had the means of knowing that an **error** had occurred; and
  - (b) in any event, no more than ten (10) years of the date of the **error**.
- 3.2 We may, in our sole discretion, agree to extend the time limits set out in Part B 3.1.1 and 3.1.2.



## INDEMNIFICATION POLICY

### PART C: TRUST SHORTAGE LIABILITY INDEMNITY

#### 1. TRUST SHORTAGE LIABILITY INDEMNITY AGREEMENT

We will pay on your behalf **damages** that you become legally obligated to pay because of any **claim** first made against you and reported to us during the **policy period** arising out of an **error** by the **individual Covered Party**.

#### 2. DEFENCE, EXPENSES AND SETTLEMENT

2.1 With respect to any **claim** first made or suit first brought seeking **damages** that are covered under Part C of this policy:

2.1.1 we have the right, but not the duty, to defend any suit against you;

2.1.2 if we elect to defend you, we will have the right to select and instruct defence counsel;

2.1.3 we have the right to investigate any **claim** or potential **claim**; and

2.1.4 we have the right to settle any **claim** including the right to elicit, or instruct defence counsel to elicit, offers of settlement. If you object to any settlement recommended by us, we may:

(a) settle the **claim** without your consent and you will remain liable to pay the deductible stated in Declaration 6; or

(b) give you the right to negotiate or defend the **claim** or suit. In this event, the **damages** and **claims expenses** in excess of the amount for which we could have settled will not be recoverable under this policy.

#### 3. CLAIMS FIRST MADE AND REPORTED

3.1 Part C of this policy applies only to **claims** arising out of **errors** that occurred during the **individual coverage period** and provided that the **claim** or potential **claim** is first made against you during the **policy period** and reported to us in writing during the **policy period**.

3.2 A **claim** or potential **claim** is first made against you during the **policy period** if during the **policy period**:

3.2.1 you first become aware of an **error** or any circumstance that could reasonably be expected to be the basis of a **claim**, however unmeritorious; or

3.2.2 a **claim** is made against you seeking **damages** for which you are entitled to indemnity under this policy.

3.3 If Part C of this policy replaces, without interruption of coverage, a policy issued previously by us then a **claim** that was first made against you after January 1, 2012, and reported to us within the **policy period**, will be deemed to be first made against you within the **policy period** of this policy.

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- 3.4 Except as provided in Condition 6, if you are not entitled to indemnity or a defence for a **claim**, Part C of this policy will not provide indemnity or a defence for such or similar **claim** to any other **Covered Party**.

## EXCLUSIONS

This policy does not apply to:

1. a **claim** arising out of or in any way connected to your actual or alleged criminal act;
2. a **claim** arising out of or in any way connected to your actual or alleged dishonest, fraudulent or malicious act;
3. a **claim** arising out of or in any way connected to:
  - 3.1 any injury to, physical contact with, sickness, disease or death of any person, except for emotional distress or humiliation of a **claimant** directly resulting from an **error**; or
  - 3.2 injury to or destruction of any tangible property, including the loss of use thereof;
4. a **claim** arising out of or in any way connected to your activity as a fiduciary with respect to an employee benefit plan or pension plan;
5. a **claim** arising out of or in any way connected to your activities as an officer or director except your activities as an officer or director of a **law corporation** or law office management corporation;
6. a **claim**:
  - 6.1 arising out of an **error** of an **individual Covered Party**, the payment of which would benefit, in whole or in part, directly or indirectly, the **individual Covered Party** or their **family** or **law firm**, provided that this Exclusion 6.1 does not apply to any benefit derived solely from the ownership of an **organization**; or
  - 6.2 by or in any way connected to any **organization** in which:
    - 6.2.1 the **individual Covered Party**;
    - 6.2.2 the **individual Covered Party's family**; or
    - 6.2.3 the partners, associates or associate counsel of the **individual Covered Party** or their **law firm**;individually or collectively, directly or indirectly, had at the time of the **error** or thereafter, effective management or control of the **organization** or beneficial ownership of the **organization** in an amount greater than ten per cent (10%), provided that with respect to any payment resulting from a **claim** that falls within Part B of this policy, this Exclusion 6.2 applies only to exclude the **ineligible portion** of such payment.
7. a **claim** made against you by:
  - 7.1 an **organization** or its **related organization** at which, at the time the error was made, you were an employee, **dependent contractor**, or **seconded lawyer**; or
  - 7.2 a **law firm** at which, at the time the **error** was made, you were a partner.
8. a **claim** against you where the **individual Covered Party** is a member of any other jurisdiction's law society or bar, except a law society of another province or territory of Canada, arising out of or in

## INDEMNIFICATION POLICY

any way connected to that **individual Covered Party's** permanent practice in the other jurisdiction. For the purposes of Part B of this policy, this Exclusion 8 shall be read with the words "the Barreau du Québec" substituted for the words "a law society of another province or territory of Canada" and without the word "permanent".

With respect to Part A: Professional Liability Indemnification only, the following additional exclusions apply.

Part A of the policy does not apply to:

9. a **claim** arising out of or in any way connected to a **privacy breach** or **data breach**;
10. a **claim** arising out of or in any way connected to a **network security breach** or **cybercrime**;
11. a **claim** arising out of or in any way connected to the dishonest appropriation of money or other property by any person including but not limited to an **error** under Part B of this policy;
12. a **claim** arising out of or in any way connected to any shortage of trust funds held in a **trust account** if that shortage is caused by or in any way connected to a dishonest or fraudulent act by any person including but not limited to an **error** under Part C of this policy; or
13. a **claim** arising out of or in any way connected to any contractual liability (express or implied, including an indemnity) unless there would be tort liability in the absence of the contract and only to the extent **damages** arise solely from any tort liability.

With respect to Part B: Trust Protection Coverage only, the following additional exclusions apply.

Part B of this policy does not apply to:

14. a **claim** arising out of or in any way connected to the wrongful or unlawful conduct, fault or neglect of the **claimant** or the **claimant's spouse**. For purposes of this exclusion, **spouse** shall include a former **spouse**;
15. a **claim** by an **organization** arising out of or in any way connected to the wrongful or unlawful conduct, fault or neglect of an officer, director, employee or agent of the **organization** or an individual who had, directly or indirectly, effective management or control of the **organization** or beneficial ownership of the **organization** in an amount greater than ten per cent (10%);
16. a **claim** where the money or property that was dishonestly appropriated had been unlawfully obtained by the **claimant**;
17. a **claim** brought by a **claimant** who:
  - 17.1 knew prior to the time of the **error** of any dishonest act by the **individual Covered Party**;  
or
  - 17.2 committed, participated in committing, consented to expressly or impliedly, acquiesced in or was reckless or wilfully blind to the **error**; or
18. a **claim** arising out of or in any way connected to an investment, a purported investment, or a Ponzi scheme.

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With respect to Part C: Trust Shortage Liability only, the following additional exclusions apply.

Part C of this policy does not apply to:

19. a **claim** arising out of or in any way connected to the wrongful or unlawful conduct of a present or former employee of the **law firm** or contractor for the **law firm**;
20. a **claim** arising out of circumstances in which you were required but failed to comply with the client identification and verification procedures set out in Part 3, Division 11, Client Identification and Verification, of the **Law Society** Rules; or
21. **errors** that occurred prior to January 1, 2012.

## CONDITIONS

### 1. LIMITS OF LIABILITY

#### 1.1 PART A — PER ERROR

1.1.1 The limit of liability stated in Declaration 6 shall be the maximum amount payable under Part A of this policy for all **damages, claims expenses** and deductibles for all **claims** arising out of an **error**.

1.1.2 If a **claim** or potential **claim** is reported to us by or on behalf of any **Covered Party** during the **policy period**, all additional **claims** or potential **claims** reported subsequently that arise out of the same **error** shall be:

- (a) part of the **claim** or potential **claim** first made and reported to us; and
- (b) deemed to be reported within this **policy period**;

and all such **claims** or potential **claims** shall be subject to the terms of this policy and to the one limit of liability applicable to the **claim** or potential **claim** first reported.

#### 1.2 PART A — ANNUAL AGGREGATE

1.2.1 The limit of liability stated in Declaration 6 is the maximum amount payable under Part A of this policy on behalf of each **individual Covered Party**, including all related **additional Covered Parties**, for all **damages, claims expenses** and deductibles arising out of all **claims** and potential **claims** first reported during the **policy period**.

1.2.2 All payments of **damages, claims expenses** and deductibles under Part A or Part C reduce the limits of our liability stated in Declaration 6.

#### 1.3 PART A — MULTIPLE COVERED PARTIES, CLAIMS OR CLAIMANTS

Notwithstanding any other provision of this policy, one or more **claims** resulting from an **error** shall be subject to one limit of liability and shall not increase our limits of liability regardless of whether the **error** is made by more than one **Covered Party** or by **Covered Party(ies)** acting in more than one capacity and regardless of whether the **claims** are made against more than one **Covered Party** or made by more than one **claimant**.

#### 1.4 PART B — PER CLAIMANT AND ERROR

1.4.1 The limit of liability stated in Declaration 6 or, if Condition 1.4.3 applies, then as stated there, shall be the maximum amount payable under Part B of this policy for all **damages** and **claims expenses** for all **claims** by a **claimant** arising out of an **error** or **related errors**.

## INDEMNIFICATION POLICY

1.4.2 If a **claim** or potential **claim** is reported to us by or on behalf of any **Covered Party** during the **policy period**, all additional **claims** or potential **claims** reported subsequently that arise out of the same **error** or **related errors** shall be:

- (a) part of the **claim** or potential **claim** first made and reported to us; and
- (b) deemed to be reported within this **policy period**;

and all such **claims** or potential **claims** shall be subject to the terms of this policy and to the limit of liability stated in Declaration 6 or, if Condition 1.4.3 applies, then as stated there, applicable to the **claim** or potential **claim** first reported.

1.4.3 If the **error** or **related errors** arise out of either your temporary practice in, or with respect to the law of, a **Reciprocal Jurisdiction** of which you are not a member, or your practice as a Canadian legal advisor member of the Barreau du Québec, the limit of liability stated in Declaration 6 shall be \$250,000, and Conditions 1.4.1, 1.4.2 and 1.5 shall be read as if the amount in Declaration 6 was \$250,000.

### 1.5 PART B — MULTIPLE COVERED PARTIES, CLAIMS, CLAIMANTS OR ERRORS

One or more **claims**, resulting from an **error** or **related errors** made by one or more **Covered Parties**, made against one or more **Covered Parties** by a **claimant** or by related claimants, shall be subject to the one limit of liability stated in Declaration 6 or, if Condition 1.4.3 applies, then as stated there. **Claimants** are related if the money or other property dishonestly appropriated was jointly provided or jointly owned by the **claimants** or if the **claimants** are members of one **family**. For purposes of this Condition, **family** shall include a former **spouse**. In no case will the limit of coverage for an **error** or **related errors** exceed the limit set out in Declaration 6.

### 1.6 PART B — INTER-JURISDICTIONAL PRACTICE ANNUAL AGGREGATE

The limit of liability that is the maximum amount payable under Part B of this policy on behalf of all **individual Covered Parties**, including all related **additional Covered Parties**, for all **damages** arising out of all **claims** and potential **claims** first reported during the **policy period** arising out of either your temporary practice in or with respect to the law of a **Reciprocal Jurisdiction** of which you are not a member, or your practice as a Canadian legal advisor member of the Barreau du Québec, is \$2,000,000. This limit shall be a sublimit to the Profession-Wide Annual Aggregate Limit set out in Declaration 6 and Condition 1.7.

### 1.7 PART B — PROFESSION-WIDE ANNUAL AGGREGATE

1.7.1 The limit of liability stated in Declaration 6 is the maximum amount payable under this policy for the **policy period** on an aggregate basis for all **Covered Parties** covered by Part B of this policy. For clarity, all **Covered Parties** covered by Part B of this policy means all present and former **members** of the **Law Society**. All payments by us of **damages** and **claims expenses** arising out of all **claims** and potential **claims** first reported during the **policy period** reduce the Profession-Wide Aggregate Limit for that **policy period** in the amount of the payments.

1.7.2 The **individual Covered Parties** and **innocent Covered Parties** agree that we may make payments of **damages** and **claims expenses** in reduction of the Profession-Wide Aggregate Limit, even though such payments will reduce or eliminate the limit otherwise available to **individual Covered Parties** or **innocent Covered Parties** for the **policy period**.

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### 1.8 PART C — PER ERROR

1.8.1 The limit of liability stated in Declaration 6 shall be the maximum amount payable under Part C of this policy for all **damages, claims expenses** and deductibles for all **claims** arising out of an **error**.

1.8.2 If a **claim** or potential **claim** is reported to us by or on behalf of any **Covered Party** during the **policy period**, all additional **claims** or potential **claims** reported subsequently that arise out of the same **error** shall be:

- (a) part of the **claim** or potential **claim** first made and reported to us; and
- (b) deemed to be reported within this **policy period**;

and all such **claims** or potential **claims** shall be subject to the terms of this policy and to the one limit of liability applicable to the **claim** or potential **claim** first reported.

### 1.9 PART C — ANNUAL AGGREGATE

1.9.1 The limit of liability stated in Declaration 6, a sublimit to the Part A Annual Aggregate limit stated in Declaration 6, is the maximum amount payable under Part C of this policy on behalf of each **individual Covered Party**, including all related **additional Covered Parties**, for all **damages, claims expenses** and deductibles arising out of all **claims** and potential **claims** first reported during the **policy period**.

1.9.2 All payments of **damages, claims expenses** and deductibles reduce the limits of our liability stated in Declaration 6.

### 1.10 PART C — LAW FIRM ANNUAL AGGREGATE

The limit of liability stated in Declaration 6 is the maximum amount payable under this Part C of this policy for the **policy period** on an aggregate basis for all **Covered Parties** who, at the time of the **error**, were at the same **law firm**, for all **damages, claims expenses** and deductibles arising out of all **claims** and potential **claims** first reported during the **policy period**.

### 1.11 PART C — MULTIPLE COVERED PARTIES, CLAIMS OR CLAIMANTS

Notwithstanding any other provision of this policy, one or more **claims** resulting from an **error** shall be subject to one limit of liability and shall not increase our limits of liability regardless of whether the **error** is made by more than one **Covered Party** or by **Covered Party(ies)** acting in more than one capacity and regardless of whether the **claims** are made against more than one **Covered Party** or made by more than one **claimant**.

### 1.12 PART C — PROFESSION-WIDE ANNUAL AGGREGATE

1.12.1 The limit of liability stated in Declaration 6 is the maximum amount payable under this policy for the **policy period** on an aggregate basis for all **Covered Parties** covered by Part C of this policy. For clarity, all **Covered Parties** covered by Part C of this policy means all present and former **members** of the **Law Society**. All payments by us of **damages** and **claims expenses** arising out of all **claims** and



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potential **claims** first reported during the **policy period** reduce the Profession-Wide Aggregate Limit for that **policy period** in the amount of the payments.

1.12.2 The **individual Covered Parties** and **additional Covered Parties** agree that we may make payments of **damages** and **claims expenses** in reduction of the Profession-Wide Aggregate Limit, even though such payments will reduce or eliminate the limit otherwise available to **individual Covered Parties** or **additional Covered Parties** for the **policy period**.

### 1.13 PART C – ELIMINATION OF A TRUST SHORTAGE

We will not pay any **damages** or **claims expenses** or undertake or continue the defence of any proceeding until you have complied with your obligation under Rule 3-74 (1) of the **Law Society Rules**.

### 1.14 PARTS A, B AND C – CLAIMS EXPENSES WITHIN LIMITS

All **claims expenses** are within, not in addition to, the applicable limit of liability set out in Declaration 6. **Claims expenses** will be subtracted first from the applicable limit of our liability, with the remainder being the amount available to pay **damages**, subject to deductibles.

### 1.15 PARTS A, B AND C - EXHAUSTION OF LIMITS

We will not pay any **damages** or **claims expenses**, or undertake or continue the defence of any proceeding after the applicable limit of our liability has been exhausted by payment of **damages, claims expenses** and deductibles, or after deposit of the balance of the applicable limit of our liability in a court of competent jurisdiction. In such a case, we have the right to withdraw from the further defence by tendering control of the defence to you.

## 2. DEDUCTIBLES

2.1 If **damages** are payable pursuant to Part A of this policy, you will pay the deductible stated in Declaration 6.

2.2 If **damages** or **claims expenses** are paid pursuant to Part B of this policy, no deductible will be paid by you.

2.3 If **damages** or **claims expenses** are payable pursuant to Part C of this policy, you will pay the deductible stated in Declaration 6, applicable as follows:

(a) 35% of the total amount of **damages** and **claims expenses** paid per **error**; or

(b) 15% of the total amount of **damages** and **claims expenses** paid per **error** if **secondary verification** is made and is proven by you.

The deductible will be reduced by the amount you are legally obligated to pay and have paid a savings institution to satisfy any overdraft created in the **trust account**.

2.4 Our obligation to pay **damages** applies only to **damages** in excess of the deductible and we will be liable only for the difference between the deductible and the limit of liability.

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- 2.5 When one or more **claims** arising out of an **error** are or may be made jointly or severally against two or more:
- 2.5.1 **individual Covered Parties** at the same **law firm** as at the time of the **error**, we shall have the sole discretion to determine how the deductible applies to each **individual Covered Party**, based on our assessment of each **individual Covered Party's** responsibility for the **error**; or
- 2.5.2 **law firms**, or **individual Covered Parties** at separate **law firms**, the deductible applies separately to each **law firm**.
- 2.6 All of the terms and conditions of this policy apply even if the amount of the **claim**, potential **claim** or **damages** may be less than the deductible stated in Declaration 6.
- 2.7 If we request, you will make direct payments for **claims** or potential **claims** within the deductible to us or to other parties.

### 3. REIMBURSEMENT

- 3.1 **Damages** or **claims expenses** may be paid in excess of the limit of liability or within the deductible and you will repay such amounts to us on demand.
- 3.2 If you are not entitled to coverage for a **claim** or any part of a **claim** because of any exclusion, breach of a condition, or any other term of this policy and we settle the **claim** on an *ex gratia* basis, or pay **claims expenses** on behalf of you or any other **Covered Party** pursuant to this policy, you will reimburse us for all such amounts on demand.
- 3.3 If you are engaged in **unauthorized practice** and a **claim** or any part of a **claim** that falls within Part A or C of this policy relates to the **unauthorized practice**, and **damages** or **claims expenses** are paid on behalf of you or any other **Covered Party** pursuant to this policy, the **individual Covered Party** will reimburse us for all such amounts on demand.
- 3.4 If **damages** or **claims expenses** are paid on behalf of you or any other **Covered Party** pursuant to Part B of this policy:
- 3.4.1 the **individual Covered Party** will reimburse us for all such amounts on demand; and
- 3.4.2 if any other **Covered Party** received a benefit from the **error**, that **Covered Party** will reimburse us on demand for the portion of the **damages** paid that is commensurate with the amount of the benefit.
- 3.5 In relation to Conditions 3.1, 3.2, 3.3 and 3.4:
- 3.5.1 if payments are made on behalf of two or more **Covered Parties**, your liability to us will be joint and several; and
- 3.5.2 the timing of any demand made is in our sole discretion.

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### 4. NOTICE OF CLAIM OR SUIT

- 4.1 If you become aware of an **error** or any circumstance that could reasonably be expected to be the basis of a **claim**, however unmeritorious, you will give written notice immediately, along with the fullest information obtainable, during the **policy period** to:

Lawyers Indemnity Fund  
5th Floor, 845 Cambie Street  
Vancouver, BC V6B 4Z9  
Attention: Director of Claims

or

Fax: 604-682-5842

or

Email: [LIFclaims@lif.ca](mailto:LIFclaims@lif.ca)

Such notice and the information collected in the notice is necessary to settle or defend any **claim** or anticipated **claim** against you, and you are providing it to us for the dominant purpose of litigation.

- 4.2 If a **claim** is made or suit is brought against you, you will forward immediately to us every demand, notice of civil claim or other process with the fullest information obtainable.
- 4.3 We may deem notice of an **error**, **claim** or potential **claim** given by a third party to be notice given by you.

### 5. ASSISTANCE AND COOPERATION

- 5.1 You will cooperate with us and with any counsel we retain and assist us in investigating coverage for and the facts and circumstances of **claims** and potential **claims**, in efforts to repair **errors**, in making settlements, and in the conduct of suits. Upon request, you will also:
- 5.1.1 give written statements, information and documents to and meet with us or any counsel we retain for the purpose of determining or reviewing coverage;
  - 5.1.2 provide information and documents as necessary to investigate and defend any **claim** or potential **claim**;
  - 5.1.3 submit to examination and interview by us or any counsel we retain, under oath if we request;
  - 5.1.4 attend hearings, examinations for discovery and trial;
  - 5.1.5 assist in securing and giving evidence, including obtaining the attendance of witnesses in the conduct of suits; and
  - 5.1.6 assist in effecting all rights of indemnity, contribution or apportionment available to you or us;

all without cost to us.

## INDEMNIFICATION POLICY

- 5.2 You will notify us immediately of any settlement offer made on any **claim** or potential **claim**.
- 5.3 You will not, except at your own cost, admit liability, make any payment, settle a **claim** or potential **claim**, assume any obligation, directly or indirectly assist in making or proving a **claim** against you, take any other action that might prejudice our ability to avoid or minimize any **damages**, agree to arbitration or any similar means of resolution of any dispute, waive any rights, or incur any expenses without our prior written consent.
- 5.4 We shall keep any information that you provide us strictly confidential in accordance with the **Law Society's** Confidentiality Protocol for the preservation of confidentiality of professional liability insurance or indemnification claims information, as amended from time to time. You consent to any permitted disclosure, and agree that such disclosure does not constitute a waiver of privilege with respect to any third parties or, if it does, constitutes a limited waiver of privilege only for the purpose for which it is disclosed.

### 6. INNOCENT ADDITIONAL COVERED PARTY

- 6.1 Whenever coverage under Part A of this policy would be excluded, suspended or lost because of:

6.1.1 the application of Exclusion 1 or 2 to you; or

6.1.2 the failure to give timely notice in accordance with Part A 3 or Condition 4;

we will cover each **additional Covered Party** who did not personally commit, participate in committing, acquiesce in or remain passive after having personal knowledge of the act or **error** which is the subject of the Exclusion or the breach of Part A 3 or Condition 4, and provided that those **additional Covered Parties** who are entitled to the benefit of this Condition comply with all conditions promptly and were **members** or **MDP partners** at the time of the act or **error**.

- 6.2 Condition 6.1 does not apply if the act or **error** which is the subject of Exclusion 1 or 2 is an **error** for the purposes of Part B of this policy.

- 6.3 Where Exclusion 6.2 applies to a **claim** and, individually or collectively, directly or indirectly, the acquisition by you or your **family** of effective management or control or beneficial ownership greater than 10% of an **organization**:

6.3.1 occurred after the time of the **error**; and

6.3.2 was not related in any way to the **professional services** giving rise to the **error**;

then, pursuant to the terms of this policy, we will cover your partners who were **members** at the time of the **error**, or the **law firm** employing you (excluding any **law corporation** wholly owned by you or your **family**) at the time of the **error**.

### 7. CONFLICTS

Any duty that we may have to defend or indemnify you does not give rise to an obligation on our part to pay any cost you may incur in relation to:

- 7.1 a dispute arising out of or in connection with this policy or the breach thereof; or

## INDEMNIFICATION POLICY

7.2 any other actual or potential conflict between us.

You agree that you are solely responsible for any such cost without recourse to us.

### 8. ARBITRATION OR MEDIATION

We are entitled to exercise all your rights in the choice of arbitrators or mediators and in the conduct of any arbitration or mediation proceeding involving a **claim** covered by this policy.

### 9. OTHER COVERAGE OR RECOURSE

9.1 With respect to Part A, this indemnification policy is excess and we will not pay any **claim, damages or claims expenses** until any other valid and collectible insurance or right of indemnity, whether primary, excess, contributing, contingent or otherwise, except for insurance or indemnity that is specifically arranged to pay amounts in excess of the limits of liability provided by this policy, is exhausted.

9.2 With respect to Part B, and to further clarify the intent and effect of the definition of **damages** under Part B, if a **Covered Party, claimant** or any other party at interest in any loss covered by Part B of this policy has any bond, right of indemnity, insurance or recourse to any other source of recovery including set-offs whether legal or equitable, which would cover such loss in whole or in part in the absence of this policy, this policy will be null and void to the extent of the amount of such other bond, right of indemnity, insurance or recourse to any other source of recovery including set-offs whether legal or equitable; but this policy will cover such loss, subject to its terms, only to the extent of the amount of such loss in excess of the amount of such other bond, right of indemnity, insurance or recourse to any other source of recovery including set-offs whether legal or equitable.

9.3 With respect to Part C, and to further clarify the intent and effect of the definition of **damages** under Part C, if other valid insurance, collectible bond, right of indemnity or recourse to any other source of recovery exists and protects the **individual Covered Party** or any other **Covered Party**, other than insurance or indemnity specifically arranged to pay amounts in excess of the limits of liability provided by this policy, this policy will be null and void in respect of such hazards that are otherwise covered by the other valid coverage, whether the **Covered Party** is specifically named in that coverage or not. However, if the loss exceeds the collective limits of all other valid coverage, whether primary, contributing, excess, contingent or on any other basis at law or in equity, then this policy shall apply as excess, subject to its terms including limits and deductibles, and we will not pay any **claim, damages or claims expenses** until such other valid coverage is exhausted.

9.4 If any **Covered Party** has lawyers professional liability insurance or indemnification coverage (other than insurance specifically arranged to pay amounts in excess of the limits of liability provided by this or any other Canadian jurisdiction's policy) under another Canadian jurisdiction's policy (or Canadian jurisdictions' policies) that applies to a **claim** covered by this policy, the total amount of insurance or indemnity provided under these policies, together, will not exceed the total value of the **claim** or the most that is available under either (any one) of these policies alone, whichever is less. The decision as to which of these policies will respond, or as to any allocation between (or amongst) the policies, will be made by us together with the other Canadian jurisdiction(s), and you agree to be bound by the decision. For clarity, a **Reciprocal Jurisdiction** is also a Canadian jurisdiction.

## INDEMNIFICATION POLICY

### 10. PROCEEDINGS AGAINST US

10.1 No proceeding will lie against us unless, as a condition precedent, you have complied with all the terms of this policy, and until the amount of your obligation to pay has been finally determined either by judgment against you after actual trial or by binding arbitration ruling or by written agreement between you, the **claimant** and us. Neither you nor any other person will have any right to join us in any proceeding against you.

10.2 All disputes arising out of or in connection with this policy or the breach thereof, except in relation to reimbursement as provided in Condition 3 and the allocation of **claims expenses** under Part A 2.4, will be determined by arbitration in Vancouver, British Columbia, before a single arbitrator. You agree to keep all communications, meetings, evidence, materials and hearings relating to the arbitration, and any reasons or award arising from the arbitration, strictly confidential unless we agree otherwise or disclosure is required by law.

### 11. INSOLVENCY, BANKRUPTCY, INCAPACITY, OR DEATH

Your insolvency, bankruptcy, incapacity or death will not relieve us or you or your estate of any of our respective obligations under this policy.

### 12. SUBROGATION

In the event of any payment under this policy, we will be subrogated to all your rights of recovery against any person or **organization** and you will do whatever is necessary to secure such rights. You will do nothing after you have notice of a **claim** or potential **claim** to prejudice such rights, and will reasonably cooperate with us.

### 13. CHANGES

Nothing will effect a waiver or a change in any part of this policy or estop us from asserting any right under this policy, nor will the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by our authorized officer.

### 14. ASSIGNMENT

Your interest in this policy is not assignable.

### 15. RELEASE OF COVERAGE

We may, in our sole discretion, agree to allow you to assume all of our responsibilities and obligations under this policy and in so doing you will release us from all such responsibilities and obligations.

### 16. INDEMNITY FEE ADJUSTMENT

16.1 If you become indemnified during the **policy period**, the **indemnity fee** payable will be determined by the **Law Society** and us on a *pro rata* basis.

16.2 If, during the **policy period**, you cease to be a **member** or you are exempted from the compulsory professional liability indemnification program, the **indemnity fee** will be adjusted by the **Law Society** and us on a *pro rata* basis.

16.3 If you are suspended or disbarred, the **indemnity fee** will be deemed to be fully earned and will not be adjusted.

## INDEMNIFICATION POLICY

### 17. CANCELLATION OF POLICY

- 17.1 This policy may be cancelled by the **Law Society** on your behalf by giving us written notice stating when after the notice the cancellation shall be effective.
- 17.2 This policy may be cancelled by us by giving the **Law Society** not less than 30 days written notice of such cancellation.
- 17.3 If we cancel this policy, earned **indemnity fees** will be computed on a *pro rata* basis.

### 18. APPLICABLE LAW

This policy, and any dispute arising out of or in connection with it or the breach thereof, will be exclusively governed by and interpreted in accordance with the laws of British Columbia and any applicable federal laws of Canada and, in the event any dispute is not governed by Condition 10.2 of this policy, it will be submitted and subject to the exclusive jurisdiction of the Courts of British Columbia in Vancouver, British Columbia.

### 19. PAYMENT INTO COURT

If we cannot obtain a sufficient discharge for money for which we admit liability, we may apply to the court without notice to any person for an order for the payment of it into court, and the court may order the payment into court to be made on terms as to costs and otherwise the court directs, and may provide to what fund or name the amount must be credited.

The receipt of the registrar or other proper officer of the court is a sufficient discharge to us for the money paid into court, and the money must be dealt with according to the orders of the court.

### 20. CURRENCY

The deductibles and limits are expressed in Canadian currency.

### 21. TERRITORY

This policy applies to **errors** occurring anywhere in the world.

IN WITNESS WHEREOF, we have caused this policy to be executed.

BC Lawyers Indemnity Association

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Susan I. Forbes, KC, Director





## **Endorsement #1 - BUSINESS INNOCENT COVERED PARTY (BIC)**

ATTACHED TO AND FORMING PART OF POLICY NO. LPL 23-01-01 (the “**Policy**”)

This **BIC endorsement** only applies to coverage under Part A of the **Policy** and only if both the **individual Covered Party** and all other **individual Covered Parties** at the **covered firm** have paid the **BIC fee**. Any additions or deletions of **individual Covered Parties** at the **covered firm** during the **BIC coverage period** will not affect the validity of this **BIC endorsement**.

Words and phrases that appear in bold are defined in this **BIC endorsement** or in the Definitions section of the **Policy**. You or your in the **Policy** is amended to only refer to an **additional Covered Party** as defined in this **BIC endorsement**.

In consideration of the payment of the **BIC fee**, and in reliance on the statements made in the **BIC application**, it is understood and agreed that solely for the purposes of the coverage afforded by this **BIC endorsement** for a **vicarious liability claim** under Part A:

1. The following definitions are added to the **Policy**:

**Authorized agent** means: the **member** at the **covered firm** who has been authorized by each and every **individual Covered Party** at the **covered firm**, and the **covered firm**, to complete the **BIC application** on their behalf.

**BIC application** means: the application for this **BIC endorsement** forming part of the **BIC endorsement** and completed by the **authorized agent**.

**BIC coverage period** means:

- (a) any period after January 1, 2023, 12:01 a.m. PST during which the **individual Covered Party** was a **member**, and paid both the **indemnity fee** and **BIC fee**; and
- (b) any period prior to January 1, 2023, 12:01 PST during which the **covered firm** was issued a Business Innocent Covered Party (formerly Business Innocent Insured prior to January 1, 2020) Policy and the **individual Covered Party** was a **member** and paid the **indemnity fee**.

**BIC endorsement period** means: the period between January 1, 2023 12:01 a.m. to January 1, 2024 12:01 a.m. (PST) for which the **BIC fee**, or a prorated portion of the **BIC fee** has been paid in addition to the **indemnity fee**.

**BIC fee** means: the cost of this **BIC endorsement**, as communicated by the **Lawyers Indemnity Fund** of the **Law Society**.

**Covered firm** means: the **law firm** in which the **individual Covered Party** is or was a partner, employee or associate counsel or that is or was liable for the **individual Covered Party** at the time the **professional services** giving rise to the **claim** and the **vicarious liability claim** were provided.

**Vicarious liability claim** means: a **claim** against an **additional Covered Party** arising from a professional liability **claim** against the **individual Covered Party** for **damages** that would be covered under Part A of the **Policy** but for the application of Exclusion 6.2 and Part A 3.4 of the **Policy**.

## INDEMNIFICATION POLICY

2. The definition of **additional Covered Parties** in the **Policy** is deleted and replaced with:
  - (a) a **covered firm**; and
  - (b) each present or former **member** who, at the time the **individual Covered Party** was providing the **professional services** giving rise to the **claim** and the **vicarious liability claim**:
    - (i) was indemnified by us and paid the **BIC fee**,
    - (ii) is or was at the **covered firm** and is or may be vicariously liable for the **individual Covered Party** at the time the **professional services** giving rise to the **claim** and the **vicarious liability claim** were provided,
    - (iii) had no knowledge of the circumstances giving rise to the application of Exclusion 6.2,
    - (iv) exercised due diligence in completing the **BIC application**, and
    - (v) made reasonable and regular inquiries of the **individual Covered Party** that could have disclosed the circumstances giving rise to the application of Exclusion 6.2 under the **Policy**.
3. An **individual Covered Party** is deleted from the definition of **Covered Party** for Part A in the **Policy**, leaving **additional Covered Party** only.
4. The following is inserted into Exclusion 6.2 before the word provided:

except that we will pay all sums **additional Covered Parties** become legally obligated to pay as **damages** because of any **vicarious liability claim** first made and reported to us in writing during the **BIC coverage period**, and
5. The following Exclusions are added to the Policy:

The **BIC endorsement** does not apply to:

  1. **errors** that occurred prior to January 1, 2002.
  2. **claims, errors** or any circumstances that the **individual Covered Party** knew or could have reasonably foreseen prior to the **endorsement coverage period** might be the basis of a **claim** excluded by Exclusion 6.2.
6. The following conditions apply to coverage afforded by this **BIC endorsement**:
  1. **THE BIC FEE**

The **BIC fee** is payable at the beginning of the **BIC coverage period** and is fully earned.
  2. **REPRESENTATIONS**

## INDEMNIFICATION POLICY

By accepting the coverage afforded under this **BIC endorsement**, each **additional Covered Party** agrees:

- 2.1 the statements in this **BIC application** are accurate and complete; and
- 2.2 this **BIC endorsement** has been issued in reliance upon such representations;

but coverage is nevertheless extended under this policy to an **additional Covered Party** who did not make or who did not knowingly permit to be made any false statement in the **BIC application**.

### 3. ACTING AS AGENT

Each **individual Covered Party** expected to be with a **covered firm** at the inception of the **BIC coverage period** authorizes, on their behalf, the **authorized agent** at the **covered firm** to act as their sole agent to complete and sign the **BIC application**, and the **authorized agent** or **covered firm** to give or receive notice of cancellation, pay the **BIC fee** and agree to any changes to this **BIC endorsement**.

### 4. LIMITS OF LIABILITY

The limit of liability for **damages, claims expenses** and deductible is \$1,000,000 per **error**. The annual aggregate limit of liability for coverage afforded by this **BIC endorsement** is \$2,000,000 for all **additional Covered Parties** covered by all **BIC endorsements** issued to **members** at the **covered firm** for all **damages, claims expenses** and deductible arising from all **vicarious liability claims** or potential **vicarious liability claims** first made and reported to us in writing during the **BIC endorsement period**. All payments, including deductible, under Part A for the same **error** or **errors** are within, not in addition to, these limits of liability.

### 7. The following conditions are added to the **Policy**:

- 2.1.1 If **damages** or **claims expenses** are paid pursuant to the **BIC endorsement** for **vicarious liability claims**, you will pay the deductible in Declaration 7 for Endorsement #1.
- 17.4 This **BIC endorsement** may be cancelled by **BCLIA** for non-payment of the **BIC fee** by providing 15 days written notice to the **covered firm**. This **BIC endorsement** may be cancelled by the **covered firm** by surrender thereof to **BCLIA** or by written notice to the **Company** stating when thereafter the cancellation shall be effective. The mailing of notice by regular mail shall be sufficient proof of notice by the **Company** or the **covered firm**. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **BIC coverage period**. Notice of cancellation by **BCLIA** to the **covered firm** shall be deemed notice to all **additional Covered Parties**.

All other terms and conditions of the **Policy** remain unchanged.

