



MEMBER'S MANUAL

AMENDMENT PAGES

2024: No. 1 January

Highlights

Law Society Rules 2015: * *Effective January 1, 2024*, the return to practice rules are updated to better balance the requirements with the impact on individuals, including increasing the “relevant period” from 5 to 7 years (definition of “qualification examination” and Rules 2-5(2), 2-79(2), (5) and (6), 2-85(2), 2-88(1), 2-89(1) to (4) and (6), 2-90(4) and (5), 3-45(3) and Schedule 1 E.2: pp. 17, 42, 81, 85, 88, 89, 123 and 217); a lawyer need not be a Bencher to be designated a motions adjudicator (definition of “motions adjudicator”: p. 14); fees are updated for 2024 (Schedules 1, 2 and 3: pp. 217-221); the table of contents is updated (pp. 1-10.2).

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

Code of Professional Conduct for British Columbia: A website reference is updated (rule 3.7-1 commentary [7]: p. 50); the table of contents is updated (pp. iii-vi).

Indemnification Policy: Indemnification Policy No. LPL 24-01-01 replaces Policy No. LPL 23-01-01. 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	1 – 10 13 – 14 17 – 18 41 – 42 81 – 82 85 – 90 123 – 124 217 – 222	1 – 10, 10.1 – 10.2 13 – 14 17 – 18 41 – 42 81 – 82 85 – 90 123 – 124 217 – 222
Code of Professional Conduct for British Columbia	iii – vi 49 – 50	iii – vi 49 – 50
Indemnification Policies	Policy No. LPL 23-01-01 (1 – 33) BIC Endorsement #1 (1 – 3)	Policy No. LPL 24-01-01 (1 – 32)

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

This amendment package updates the *Member’s Manual* to **December 31, 2023**. The previous amendment package was 2023: No. 3 August.

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. Refer to the website for the most current versions of the Rules and Code.

MEMBER'S MANUAL CONTENTS CHECKLIST

2024: No. 1 January

The following list of pages and tabs can be used to verify that your *Member's Manual* is complete and up to date.

Section of Manual	Pages	Dated	Section of Manual	Pages	Dated
Divider tab: LEGAL PROFESSION ACT			Text (<i>continued</i>)	67 – 68	[03/2021]
Title page	—	—		69 – 72	[01/2023]
Table of Contents	1 – 2	[12/2019]		73 – 74	[07/2022]
	3 – 4	[06/2016]		75 – 80	[01/2023]
	5 – 6	[03/2018]		81 – 82	[01/2024]
	7 – 8	[06/2016]		83 – 84	[01/2022]
	9 – 12	[12/2012]		85 – 90	[01/2024]
	13 – 14	[12/2019]		91 – 92	[01/2022]
	15 – 16	[06/2016]		93 – 94	deleted
	17 – 18	[12/2019]		95 – 96	[12/2020]
	19 – 20	[03/2018]		97 – 100	[07/2021]
	21 – 22	[06/2016]	101 – 106, 106.1 – 106.8		[04/2022]
23 – 26, 26.1 – 26.2	[12/2019]		107 – 108, 108.1 – 108.4		[01/2022]
	27 – 28	[06/2019]		109 – 112	[06/2018]
	29 – 34	[03/2018]		113 – 114	[10/2020]
	34.1 – 34.2	[12/2012]	115 – 116, 116.1 – 116.2		[03/2022]
	34.3 – 34.4	[03/2018]		117 – 118	[03/2017]
	34.5 – 34.6	[12/2012]		119 – 122	[12/2020]
	35 – 36	[06/2019]		123 – 124	[01/2024]
	36.1 – 36.2	[07/07]		125 – 126	[07/2021]
	37 – 40	[06/2019]		127 – 130	[09/2019]
	41 – 42	[03/2018]	131 – 136, 136.1 – 136.4		[07/2021]
	43 – 44	[03/2013]		137 – 138	[09/2019]
	45 – 46	[07/2010]		139 – 140	[07/2021]
	47 – 48	[06/2016]		141 – 142	[07/2022]
	49 – 50	[12/98]		143 – 146	[03/2022]
	51 – 54	[12/2012]		147 – 148	[07/2021]
	55 – 58	[03/2018]		149 – 150	[12/2020]
	59 – 60	[09/2014]		151 – 152	[07/2021]
				153 – 156	[06/2020]
				157 – 158	[07/2021]
Divider tab: LAW SOCIETY RULES				159 – 160	[04/2022]
Title page	—	—		161 – 162	[12/2020]
Table of Contents	1 – 10, 10.1 – 10.2	[01/2024]		163 – 164	[07/2021]
Text	11 – 12	[01/2023]		165 – 166	[05/2025]
	13 – 14	[01/2024]		167 – 168	[01/2022]
	15 – 16	[08/2023]		169 – 170	[05/2023]
	17 – 18	[01/2024]		171 – 174, 174.1 – 174.2	[04/2022]
	19 – 20	[07/2021]		175 – 176	[01/2023]
	21 – 22	[07/2022]		177 – 178	[05/2023]
	23 – 24	[07/2021]		179 – 180	[08/2023]
	25 – 26	[07/2022]		181 – 184	[07/2022]
26.1 – 26.2	[07/2021]			185 – 186	[01/2022]
	27 – 28	[06/2015]		187 – 188	[05/2023]
	29 – 32	[07/2021]		189 – 190	[01/2022]
	33 – 34	[12/2015]		191 – 192	[05/2023]
	35 – 36	[10/2020]		193 – 198	[01/2022]
	37 – 38	[01/2022]		199 – 200	deleted
	39 – 40	[07/2021]		201 – 204	[06/2015]
	41 – 42	[01/2024]		205 – 210	[03/2022]
	43 – 44	[12/2020]		211 – 212	[07/2021]
44.1 – 44.2, 45 – 50	[07/2021]			213 – 214	[08/2023]
	51 – 56	[11/2022]		215 – 216	[01/2022]
	57 – 58	[12/2020]		217 – 222	[01/2024]
	59 – 60	[07/2021]		223 – 224	[01/2022]
	61 – 62	[12/2020]			
	63 – 64	[01/2023]			
	65 – 66	[07/2022]			

[continued over]

Section of Manual	Pages	Dated	Section of Manual	Pages	Dated
Divider tab: CODE OF PROFESSIONAL CONDUCT / PROFESSIONAL CONDUCT HANDBOOK			Divider tab: INDEMNIFICATION POLICIES Policy No. LPL 24-01-01	1 – 32	[01/2024]
Title page	—	—	Divider tab: ARTICLING		
Table of Contents	i – ii	[11/2022]	Text	1 – 2	[06/03]
	iii – vi	[01/2024]		3 – 4	[07/09]
Introduction	vii – viii	[03/2017]		5 – 8	[06/03]
Text	1 – 2	[12/2013]			
	3 – 4	[12/2012]			
	5 – 8	[01/2022]			
	9 – 10	[12/2012]			
	11 – 14	[01/2022]			
	14.1 – 14.2	[03/2017]			
	15 – 16	[06/2013]			
	17 – 20	[01/2022]			
	21 – 22	[12/2012]			
	23 – 24	[06/2019]			
	24.1 – 24.2	[12/2016]			
	25 – 30, 30.1 – 30.2	[11/2022]			
	31 – 32	[03/2021]			
	33 – 36	[12/2016]			
	37 – 38	[01/2022]			
	38.1 – 38.2	[12/2016]			
	38.3 – 38.4	[07/2021]			
	39 – 40	[01/2022]			
	41 – 42	[12/2012]			
	43 – 44	[06/2013]			
	45 – 46	[06/2015]			
	47 – 48	[12/2015]			
	49 – 50	[01/2024]			
	51 – 52	[01/2022]			
	53 – 56	[03/2017]			
	57 – 58	[12/2014]			
	59 – 62	[12/2012]			
	63 – 64	[01/2022]			
	64.1 – 64.4	[05/2023]			
	65 – 68	[12/2012]			
	69 – 70	[01/2022]			
	71 – 72	[09/2014]			
	73 – 78	[01/2022]			
	79 – 80, 80.1 – 80.6	[08/2023]			
	81 – 88, 88.1 – 88.2	[01/2022]			
	89 – 90	[12/2012]			
	91 – 94	[12/2019]			
	95 – 98	[01/2022]			
	99 – 100	[12/2012]			
	101 – 102	[03/2013]			
	102.1 – 102.4	[01/2022]			
	103 – 106	[03/2015]			
	107 – 108	[12/2016]			
	109 – 112	deleted			
	113 – 114	[12/2012]			
	115 – 116	[12/2015]			

CONTENTS

<i>Rule</i>	<i>Page</i>
1 Definitions	11
PART 1 – ORGANIZATION	
Division 1 – Law Society	
Benchers	
1-1 Term of office	19
1-2 Term limits	19
1-3 Oath of office	19
1-4 Life Benchers	19
1-5 President and Vice-Presidents	20
1-6 Removal of the President or a Vice-President	21
1-7 Bencher ceasing to hold office	21
Meetings	
1-8 Annual general meeting	22
1-9 Telephone and internet connections	23
1-9.1 Annual general meeting by internet connection	24
1-10 Auditors	24
1-11 Special general meeting	25
1-12 Quorum	26
1-13 Procedure at general meeting	26
1-13.1 Voting in advance of general meeting	26.1
1-13.2 Voting at general meeting	26.2
1-14 Bencher meetings	26.2
1-15 Notice of Bencher meeting	26.2
1-16 Procedure at Bencher meeting	27
1-17 Quorum for committee meetings	28
1-18 Procedure for committee meetings	28
Elections	
1-19 Second Vice-President-elect	28
1-20 Bencher elections	28
1-21 Regional election of Benchers	29
1-22 Qualifications of candidate	29
1-23 Nomination	29
1-24 Acclamation	30
1-25 Eligibility and entitlement to vote	30
1-26 Voter list	30
1-27 Voting procedure	31
1-27.1 Electronic voting	32
1-28 Order of names on ballot	32
1-29 Rejection of ballots	33
1-30 Alternative vote ballot	33
1-31 Scrutineers	34
1-32 Counting of votes	34
1-33 Attendance of candidate	34
1-34 Declaration of candidates elected	34
1-35 Election record and disclosure of votes received	35

Law Society Rules

1-36	Review by Executive Committee	35
1-37	Retention of documents	35
1-38	Bencher by-election	35
1-39	Appointment of Bencher to represent a district	36
1-40	Referendum ballots	36
1-41	Election of Executive Committee	36
1-42	Date falling on Saturday, Sunday or holiday	37
1-44	Extension of dates	37
General		
1-44.1	Executive Director’s delegate	37
1-45	Seal	38
1-46	Laying of information	38
1-47	<i>Freedom of Information and Protection of Privacy Act</i>	38
1-48	Appointment of Law Society counsel	38
Division 2 – Committees		
1-49	Committees of the Benchers	38
1-50	Executive Committee	39
1-51	Powers and duties	39
Division 3 – Law Society Rules		
1-52	Act, Rules and Code	40
PART 2 – MEMBERSHIP AND AUTHORITY TO PRACTISE LAW		
Division 1 – Practice of Law		
Members		
2-1	Categories of membership	41
2-2	Member in good standing	41
2-3	Non-practising members	41
2-4	Retired members	41
2-5	Release from undertaking	42
2-6	Legal services by non-practising and retired members	42
2-7	Certificates and permits	42
Member information		
2-8	Annual practice declaration	42
2-9	Definitions	43
2-10	Business address	43
2-11	Residential address	43
2-12	Practice history	44
Law firms		
2-12.1	Definitions and application	44
2-12.2	Registration	44
2-12.3	Self-assessment report	44.1
2-12.4	Late delivery	44.1
2-12.5	Designated representative	44.1
Paralegals		
2-13	Supervision of limited number of designated paralegals	44.2
Unauthorized practice		
2-14	Unauthorized practice of law	44.2

Inter-jurisdictional practice		
2-15	Definitions	44.2
2-16	Inter-jurisdictional practice without a permit	45
2-17	Disqualifications	46
2-18	Federal jurisdiction	47
2-19	Inter-jurisdictional practice permit	48
2-20	Application for inter-jurisdictional practice permit	48
2-21	Non-practising and retired members	49
2-22	Expiry and renewal of inter-jurisdictional practice permit	49
2-23	Responsibilities of visiting lawyer	49
2-24	Enforcement	50
2-25	Trust funds	50
2-26	Dispute resolution	51
2-27	National Registry of Practising Lawyers	51
Information sharing		
2-27.1	Sharing information with a governing body.....	51
Practitioners of foreign law		
2-28	Definitions	51
2-29	Practitioners of foreign law	52
2-30	Conditions and limitations	53
2-31	Providing foreign legal services without a permit	53
2-32	Dual qualification	54
2-33	Marketing of legal services by practitioners of foreign law	55
2-34	Renewal of permit	55
Canadian legal advisors		
2-35	Scope of practice	55
2-36	Requirements.....	56
Non-resident partners		
2-37	Inter-jurisdictional law firms	56
Multi-disciplinary practice		
2-38	Definition and application	57
2-39	Conditions for MDP	57
2-40	Application to practise law in MDP	58
2-41	Consideration of MDP application	59
2-42	Changes in MDP	59
2-43	Cancellation of MDP permit	60
2-44	Lawyer’s professional duties	61
2-45	Privilege and confidentiality	62
2-46	Conflicts of interest	62
2-47	Liability indemnification	62
2-48	Trust funds	62
2-49	Notifying the Society	63
Division 2 – Admission and Reinstatement		
Credentials Committee		
2-50	Credentials Committee	63
2-51	Referral to Credentials Committee	63
2-52	Powers of Credentials Committee	64
Application for enrolment, admission or reinstatement		
2-53	Disclosure of information.....	64

Admission program		
2-54	Enrolment in the admission program	65
2-55	Re-enrolment	66
2-56	Consideration of application for enrolment	66
2-57	Principals	67
2-58	Hiring articled students	68
2-59	Articling term	69
2-60	Legal services by articled students	69
2-61	Mid-term report	70
2-62	Part-time articles	70
2-63	Law clerks	71
2-64	Articles in another Canadian jurisdiction	72
2-65	Practice experience in a common law jurisdiction outside Canada	72
2-66	Secondment of articles	72
2-67	Assignment of articles	72
2-68	Other employment	73
2-69	Leave during articles	73
2-70	Temporary articles	74
2-71	Court and tribunal appearances by temporary articled students	75
2-72	Training course	76
2-73	Tutorial program	77
2-74	Review of failed standing	77
2-75	Termination of enrolment	78
Call and admission		
2-76	Call and admission	79
2-77	First call and admission	79
2-78	Law school faculty	80
2-79	Transfer from another Canadian jurisdiction	80
2-80	In-house counsel	82
2-81	Transfer under National Mobility Agreement and Territorial Mobility Agreement....	82
2-82	Transfer as Canadian legal advisor	83
2-83	Consideration of application for call and admission	83
2-84	Barristers and solicitors' oath and presentation in court	84
Reinstatement		
2-85	Reinstatement of former lawyer	85
2-86	Subsequent application for reinstatement	86
Former judge or master		
2-87	Former judge or master.....	87
Returning to practice		
2-88	Definition and application	88
2-89	Returning to practice after an absence	88
2-90	Conditions on returning to practice	89
Credentials hearings		
2-91	Notice to applicant	90
2-92	Security for costs	90
2-93	Law Society counsel	91
2-102	Inactive applications	91
2-103	Publication of credentials decision	95
2-104	Anonymous publication	95

Contents

Division 3 – Fees and Assessments

2-105	Annual practising and indemnity fee instalments	95
2-105.1	Annual non-practising and retired member fees	96
2-106	Assessments	96
2-107	Application fees	96
2-108	Late payment	96
2-108.1	Failure to pay fees	97
2-109	Definition and application	97
2-110	Trust administration fee	98
2-111	Late payment of trust administration fee	98
2-112	Executive Director’s discretion	98
2-113	Referral to Executive Committee	98
2-114	Taxes payable	99
2-115	Refund when lawyer does not practise law	99
2-116	Refund on exemption during practice year	99
2-117	Money owed to the Society	100
2-118	No refund on suspension	100

PART 3 – PROTECTION OF THE PUBLIC

Division 1 – Complaints

3-1	Application	101
3-2	Complaints	101
3-3	Confidentiality of complaints	101
3-4	Consideration of complaints and other information	102
3-5	Investigation of complaints	102
3-6	Failure to produce records on complaint investigation	104
3-7	Resolution by informal means	104
3-7.1	Resolution by consent agreement	104
3-7.2	Breach of consent agreement	105
3-7.3	Amending consent agreement	106
3-7.4	Publication of consent agreement	106
3-8	Action on a complaint	106.1
3-9	Notice	106.1

Division 1.01 – Health issues

3-9.1	Proceeding on health issue	106.2
3-9.2	Risk mitigation	106.2
3-9.3	Health information	106.2
3-9.4	Consent agreement	106.3
3-9.5	Practice conditions and limitations	106.4
3-9.6	Amending consent agreement	106.4
3-9.7	Breach of consent agreement	106.5
3-9.8	Records and confidentiality	106.5
3-9.9	Referral to complaint investigation process	106.6
3-9.10	Dispute resolution	106.6

Division 1.1 – Extraordinary action to protect public

3-10	Interim suspension or practice conditions	106.7
3-11	Medical examination	106.8
3-12	Public protection proceeding	107
3-12.1	Notice to lawyer or articulated student	108
3-12.2	Non-disclosure	108
3-12.3	Review of interim suspension or practice conditions	108.1

Division 1.2 – Complainants’ Review Committee	
3-13	Appointment of Complainants’ Review Committee 108.2
3-14	Review by Complainants’ Review Committee 108.2
Division 2 – Practice Standards	
3-15	Practice Standards Committee 108.3
3-16	Objectives 109
3-17	Consideration of complaints 109
3-18	Practice review 110
3-19	Action by Practice Standards Committee 110
3-20	Conditions or limitations on practice 111
3-21	Referral to Discipline Committee 112
3-22	Remedial program 113
3-23	Confidentiality of Practice Standards Committee deliberations 113
3-24	Report to complainant 114
3-25	Costs 114
Division 3 – Education	
3-26	Definitions 114
3-27	Application 115
3-28	Practice management course 115
3-28.1	Indigenous intercultural course 116
3-28.11	Late completion of Indigenous intercultural course 116
3-28.2	Failure to complete Indigenous intercultural course 116
3-29	Professional development 116.1
3-30	Mentoring 116.2
3-31	Late completion of professional development 117
3-32	Failure to complete professional development 118
Division 4 – Specialization and Restricted Practice	
3-33	Definitions 118
3-34	Advertising 118
3-35	Family law mediators 118
3-36	Family law arbitrators 119
3-37	Parenting coordinators 119
3-38	Professional development for family law neutrals 120
Division 5 – Indemnification	
3-39	Compulsory professional liability indemnification 120
3-39.1	Compulsory trust protection indemnification 121
3-40	Annual indemnity fee 121
3-42	Indemnity fee credit 121
3-43	Exemption from professional liability indemnification 122
3-44	Deductible, surcharge and reimbursement 123
3-45	Application for indemnity coverage 123
3-46	Confidentiality of indemnity claims 123
Division 6 – Financial Responsibility	
3-47	Definitions 124
3-48	Application 125
3-49	Standards of financial responsibility 125
3-50	Failure to satisfy judgment 126
3-51	Insolvent lawyer 126
3-52	Consideration by Discipline Committee 127

Contents

Division 7 – Trust Accounts and Other Client Property	
3-53	Definitions 127
3-54	Personal responsibility 129
3-55	Fiduciary property 129
3-56	Designated savings institutions 130
3-57	Removal of designation 130
3-58	Deposit of trust funds 130
3-58.1	Trust account only for legal services 131
3-59	Cash transactions 131
3-60	Pooled trust account 132
3-61	Separate trust account 133
3-62	Cheque endorsed over 133
3-63	Trust account balance 134
3-64	Withdrawal from trust 134
3-64.1	Electronic transfers from trust 135
3-64.2	Electronic deposits into trust 136.1
3-64.3	Withdrawal from trust by bank draft 136.1
3-65	Payment of fees from trust 136.2
3-66	Withdrawal from separate trust account 136.3
3-67	Accounting records 136.3
3-68	Trust account records 137
3-69	General account records 137
3-70	Records of cash transactions 138
3-71	Billing records 139
3-72	Recording transactions 139
3-73	Monthly trust reconciliation 139
3-74	Trust shortage 140
3-75	Retention of records 140
3-76	Executive Director’s modification 141
3-77	Canada Deposit Insurance Corporation 141
3-78	Lawyer’s right to claim funds 141
3-79	Trust report 141
3-80	Late filing of trust report 142
3-81	Failure to file trust report 142
3-82	Accountant’s report 143
3-83	Exceptions and qualifications 144
3-84	Former lawyers 144
3-85	Compliance audit of books, records and accounts 144
3-86	Failure to produce records on compliance audit 145
3-87	Disposition of files, trust money and other documents and valuables 145
Division 8 – Unclaimed Trust Money	
3-88	Definition 147
3-89	Payment of unclaimed trust money to the Society 147
3-90	Investigation of claims 147
3-91	Adjudication of claims 148
3-92	Calculation of interest 149
3-93	Efforts to locate the owner of funds 149
3-94	Payment to the Law Foundation 149

Division 9 – Real Estate Practice		
3-95	Definitions	149
3-96	Report of failure to cancel mortgage	150
3-96.1	Electronic submission of documents	150
Division 10 – Criminal Charges		
3-97	Reporting criminal charges	150
Division 11 – Client Identification and Verification		
3-98	Definitions	151
3-99	Application	152
3-100	Requirement to identify client	152
3-101	Exemptions	153
3-102	Requirement to verify client identity	154
3-103	Requirement to identify directors, shareholders and owners	155
3-104	Use of an agent for client verification	156
3-105	Timing of verification for individuals	157
3-106	Timing of verification for organizations	157
3-107	Record keeping and retention	157
3-108	Existing matters	158
3-109	Criminal activity, duty to withdraw	158
3-110	Monitoring	158
PART 4 – DISCIPLINE		
4-1	Interpretation and application	159
Division 1 – Discipline Committee		
4-2	Discipline Committee	159
4-3	Consideration of complaints by Committee	159
4-4	Action on complaints	160
4-5	Consideration of complaints by chair	160
4-6	Continuation of membership during investigation or disciplinary proceedings	160
4-7	Notification	161
4-8	Confidentiality of Discipline Committee deliberations	161
4-9	Conduct letter from the chair	162
4-10	Conduct meeting	162
4-11	Conduct Review Subcommittee	163
4-12	Conduct review	163
4-13	Conduct Review Subcommittee report	163
4-14	Privilege and confidentiality	164
4-15	Publication and disclosure	164
4-16	Evidence of conduct review at the hearing of a citation	165
4-17	Direction to issue, expand or rescind citation	165
4-18	Contents of citation	165
4-19	Notice of citation	165
4-20	Publication of citation	166
4-20.1	Anonymous publication of citation	166
4-27	Appointment of Law Society counsel	167
4-29	Conditional admission	167
4-45	Discipline proceedings involving members of other governing bodies	168
4-46	Discipline involving lawyers practising in other jurisdictions	169

Division 2 – Disclosure and publication	
4-47	Public notice of suspension or disbarment 169
4-48	Publication of discipline decisions 170
4-49	Anonymous publication 171
4-50	Disclosure of practice restrictions 171
4-51	Disbarment 172
Division 3 – Criminal conviction	
4-52	Conviction 172
4-53	Notice 172
4-54	Summary procedure 173
Division 4 – Investigation	
4-55	Investigation of books and accounts 173
Division 5 – Enforcement	
4-56	Failure to pay fine, costs or administrative penalty or fulfill practice condition 174
4-57	Recovery of money owed to the Society 174
Division 6 – Administrative penalty	
4-58	Application 174.1
4-59	Administrative penalty 174.1
4-60	Review and order 174.2
PART 5 – TRIBUNAL, HEARINGS AND APPEALS	
5-1	Application 175
The Tribunal	
5-1.1	Tribunal 175
5-1.2	Service, filing and communication 175
5-1.3	Tribunal Chair 176
5-1.4	Practice directions 176
Hearing panels	
5-2	Appointment of hearing panel 176
5-3	Panel member unable to continue 177
5-4	Disqualification 177
Practice and procedure before a hearing panel	
5-4.1	Hearing date and notice 178
5-4.2	Amending an allegation in a citation 178
5-4.3	Preliminary questions 178
5-4.4	Severance and joinder..... 179
5-4.5	Summary hearing 179
5-4.6	Demand for disclosure of evidence 179
5-4.7	Application for details of the circumstances 180
5-4.8	Notice to admit 180
5-5	Compelling witnesses and production of documents 181
5-5.1	Pre-hearing conference 182
5-5.2	Adjournment 184
5-5.3	Application moot 184
5-6	Procedure 184
5-6.1	Preliminary matters 185
5-6.2	Burden of proof 186
5-6.3	Submissions and determination..... 186
5-6.4	Disciplinary action..... 186
5-6.5	Admission and consent to disciplinary action 187

5-6.6	Rejection of admission	188
5-8	Public hearing	188
5-9	Transcript and exhibits	189
5-10	Decision	189
5-11	Costs of hearings	189
5-12	Application to vary order	190
The review board		
5-15	Review by review board	192
5-16	Review boards	192
5-17	Disqualification	193
5-18	Review board member unable to continue	193
Practice and procedure before a review board		
5-19	Initiating a review	193
5-19.1	Extension of time to initiate a review	194
5-20	Stay of order pending review	194
5-21	Notice of review	194
5-22	Record of credentials hearing	194
5-23	Record of discipline hearing	195
5-24	Record of an order for costs by the Practice Standards Committee	195
5-24.1	Preparation and delivery of record	195
5-24.2	Notice of review hearing	196
5-25	Pre-review conference	196
5-26	Adjournment	197
5-27	Decision on review	197
5-28	Inactive reviews	198
Corrections		
5-28.1	Slip rule	198
Appeals		
5.29	Appeal to Court of Appeal	198
PART 6 – CUSTODIANSHIPS		
6-1	Co-operation in conduct of custodianship	201
6-2	Report of possible claim	201
6-3	Acting for lawyer’s clients	201
6-4	Acquiring lawyer’s practice	201
6-5	Notice of custodianship order	201
PART 7 – LAW FOUNDATION		
[no rules]		
PART 8 – LAWYERS’ FEES		
8-1	Reasonable remuneration	203
8-2	Maximum remuneration in personal injury actions	203
8-3	Form and content of contingent fee agreements	203
8-4	Statement of rules in contingent fee agreements	204

PART 9 – INCORPORATION AND LIMITED LIABILITY PARTNERSHIPS

Division 1 – Law Corporations

9-1	Corporate name	205
9-2	Corporate name certificate	205
9-3	Review of Executive Director’s decision	205
9-4	Law corporation permit	206
9-5	Issuance of permit	206
9-6	Change of corporate name	206
9-7	Public disclosure of corporate status	207
9-8	Corporate information	207
9-9	Disclosure of corporate information	207
9-10	Notice of change in corporate information	208
9-11	Revocation of permits	208

Division 2 – Limited Liability Partnerships

9-12	Definition	209
9-13	Practice through a limited liability partnership	209
9-14	LLP name	209
9-15	Notice of application for registration	209
9-16	Review of Executive Director’s decision	210
9-17	Disclosure of LLP status	211
9-18	Change in LLP information and annual reports	212
9-19	Disclosure of LLP information	212
9-20	Notification of non-compliance	212

PART 10 – GENERAL

10-1	Service and notice	213
10-2	Duty not to disclose	214
10-2.1	Communication with Equity Advisor confidential	214
10-3	Records	214
10-4	Security of records	215

SCHEDULES

Schedule 1	– Law Society Fees and Assessments	217
Schedule 2	– Prorated Fees and Assessments for Practising Lawyers	220
Schedule 3	– Prorated Fees for Non-Practising and Retired Members	221
Schedule 4	– Tariff for Hearing and Review Costs	222
Schedule 5	– Form of Summons	224

[This page is intentionally left blank.]

- “enrolment start date”** means the date on which an articulated student’s enrolment in the admission program becomes effective;
- “Equity Advisor”** means a person appointed by the Executive Director to provide confidential dispute resolution and mediation assistance to lawyers, articulated students, law students and support staff of legal employers, regarding allegations of harassment or discrimination by lawyers and includes anyone employed to assist the Equity Advisor in that capacity;
- “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”]
- “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 the Tribunal Chair or a lawyer 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;
- “officer”** means the Executive Director, a Deputy Executive Director or other person appointed as an officer by the Benchers;
- “Ombudsperson”** [rescinded – see “Equity Advisor”]

“qualification examination” means an examination set by the Executive Director that may be required by the Credentials Committee as a condition for a lawyer’s or applicant’s return to practice;

“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 Bencher elected under Rule 1-19 [*Second Vice-President-elect*], from the time of the election until the Bencher 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.

PART 2 – MEMBERSHIP AND AUTHORITY TO PRACTISE LAW

Division 1 – Practice of Law

Members

Categories of membership

2-1 The following are the categories of members of the Society:

- (a) practising lawyers, as defined in section 1;
- (b) retired members;
- (c) non-practising members;
- (d) Canadian legal advisor.

Member in good standing

2-2 Subject to Rules 3-18 (7) [*Practice review*] and 4-6 (2) [*Continuation of membership under investigation or disciplinary proceedings*], a member of the Society is a member in good standing unless suspended under section 38 (5) (d) [*Discipline hearings*] or under these rules.

Non-practising members

2-3 Any member of the Society in good standing may become a non-practising member by

- (a) undertaking in writing to the Executive Director not to engage in the practice of law until released from the undertaking, and
- (b) paying the application fee specified in Schedule 1 and a prorated annual fee for non-practising members as provided in Schedule 3.

(2) [rescinded]

Retired members

2-4 (1) A member of the Society in good standing who has done one of the following qualifies to become a retired member:

- (a) reached the age of 55 years;
- (b) been a member of the Society in good standing for 20 of the previous 25 years;
- (c) engaged in the full-time active practice of law for 20 of the previous 25 years.

(2) A lawyer who qualifies under subrule (1) may become a retired member by

- (a) undertaking in writing to the Executive Director not to engage in the practice of law until released from the undertaking, and
- (b) paying the application fee specified in Schedule 1 and the prorated annual fee for retired members as provided in Schedule 3.

(3) and (4) [rescinded]

Release from undertaking

- 2-5 (1) A retired or non-practising member may apply for release from an undertaking given under Rule 2-3 [*Non-practising members*] or 2-4 [*Retired members*] by delivering to the Executive Director
- (a) an application in the prescribed form, including written consent for the release of relevant information to the Society, and
 - (b) the application fee specified in Schedule 1.
- (2) The Executive Director must not grant a release from an undertaking under this rule unless satisfied that the lawyer is not prohibited from practising law under Rule 2-89 [*Returning to practice of law after an absence*] or 2-90 [*Conditions on returning to practice*].

Legal services by non-practising and retired members

- 2-6 Despite an undertaking given under Rule 2-3 (1) (a) [*Non-practising members*] or 2-4 (2) (a) [*Retired members*], a non-practising or retired member may
- (a) provide pro bono legal services, or
 - (b) act as a designated paralegal under Rule 2-13 [*Paralegals*].

Certificates and permits

- 2-7 The Executive Director may approve the form of
- (a) practising certificate issued under section 23 [*Annual fees and practising certificate*],
 - (b) retired membership certificate issued under Rule 2-4 [*Retired members*],
 - (c) non-practising membership certificate issued under Rule 2-3 [*Non-practising members*],
 - (d) practitioner of foreign law permit issued under Rule 2-29 [*Practitioners of foreign law*],
 - (e) inter-jurisdictional practice permit issued under Rule 2-20 [*Application for inter-jurisdictional practice permit*], and
 - (f) Canadian legal advisor certificate issued under Rule 2-84 [*Barristers and solicitors' roll and oath*].

Member information

Annual practice declaration

- 2-8 (1) In this rule, “**declaration**” means the Annual Practice Declaration in the prescribed form.
- (2) A practising lawyer must complete and deliver a declaration to the Executive Director in each calendar year.

- (d) a professional liability indemnity application or exemption form;
 - (e) proof of academic qualification
 - (i) as required of applicants for enrolment under Rule 2-54 (2) [*Enrolment in the admission program*], or;
 - (ii) for a member of the Barreau, proof that the applicant has earned
 - (A) a bachelor's degree in civil law in Canada, or
 - (B) a foreign degree and a certificate of equivalency from the Barreau;
 - (f) the following fees:
 - (i) the application fee and call and admission fees 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*];
 - (g) any other information and documents required by the Act or these rules that are requested by the Credentials Committee or the Benchers.
- (2) An applicant under this rule must not be called and admitted unless the Executive Director is satisfied that the lawyer is not prohibited from practising law under Rule 2-89 [*Returning to practice after an absence*] or 2-90 [*Conditions on returning to practice*].
- (3) Unless Rule 2-81 [*Transfer under National Mobility Agreement and Territorial Mobility Agreement*] applies, an applicant under this rule must pass an examination on jurisdiction-specific substantive law, practice and procedure set by the Executive Director.
- (4) An applicant who does not satisfy the Executive Director that the applicant has an adequate knowledge of the English language must satisfactorily complete the training required by the Credentials Committee.
- (5) An applicant who is required to write an examination under this rule or the qualification examination must pass the required examination within 12 months after a decision to permit the applicant to write the examination.
- (6) At least 30 days before writing the first examination, an applicant who is required to write an examination under this rule or the qualification examination must pay the fee specified in Schedule 1 for the examination.
- (7) An applicant who fails the transfer or qualification examination
 - (a) is entitled to a formal re-read of the examination on application to the Executive Director in writing within 30 days of notification of the applicant's failure,
 - (b) may re-write the examination
 - (i) at any time, provided the applicant has not failed the examination before,
or

- (ii) after a period of one year from the date of the failure if the applicant has previously failed the examination, or
- (c) may be permitted to write the examination for a third or subsequent time at any time despite paragraph (b) (ii) on application to the Credentials Committee in writing stating
 - (i) compassionate grounds, supported by medical or other evidence, or
 - (ii) other grounds based on the applicant's past performance.

In-house counsel

- 2-80** (1) An applicant under Rule 2-79 [*Transfer from another Canadian jurisdiction*] may apply to the Credentials Committee for call and admission as in-house counsel.
- (2) On an application under this rule, the Credentials Committee may exempt an applicant from the requirements to write and pass the transfer examination or the qualification examination or complete the requirement under Rule 2-81 (3) [*Transfer under National Mobility Agreement and Territorial Mobility Agreement*].
- (3) A lawyer who is called and admitted as in-house counsel must practise law in British Columbia only on behalf of the lawyer's employer or one of its subsidiaries or affiliates.
- (4) On application of a lawyer called and admitted as in-house counsel, the Credentials Committee may relieve the lawyer of the restriction under subrule (3), on the lawyer
- (a) writing and passing the required examination under Rule 2-79 [*Transfer from another Canadian jurisdiction*], or
 - (b) completing the requirements under Rule 2-81 (3) [*Transfer under National Mobility Agreement and Territorial Mobility Agreement*], if the lawyer
 - (i) has practised law full-time in British Columbia for 2 years, or the equivalent in part-time practice, immediately preceding the application,
 - (ii) is entitled to practise law in the jurisdiction of a governing body of which the applicant is a member, or
 - (iii) was, when called and admitted in British Columbia, entitled to practise law in the jurisdiction of a governing body of which the applicant was a member.

Transfer under National Mobility Agreement and Territorial Mobility Agreement

- 2-81** (1) This rule applies to an applicant for transfer from another Canadian jurisdiction, provided that the applicant is entitled to practise law in the jurisdiction of a governing body of which the applicant is a member.
- (2) An applicant under this rule must fulfill all of the requirements in Rule 2-79 [*Transfer from another Canadian jurisdiction*] for call and admission on transfer from another Canadian jurisdiction, except that the applicant does not need to pass any transfer examination.

- (6) Despite subrule (5)
 - (a) the Executive Director may renew a certificate issued under subrule (4) on or after September 1 of the same year as its expiry, and
 - (b) the Benchers may, by resolution, extend the time for a lawyer or a category of lawyers to be presented in open court.

Reinstatement

Reinstatement of former lawyer

- 2-85** (1) A former lawyer may apply for reinstatement as a member of the Society by delivering the following to the Executive Director:
- (a) an application for reinstatement in the prescribed form, including written consent for the release of relevant information to the Society;
 - (b) the appropriate application fee specified in Schedule 1.
- (2) An applicant for reinstatement may apply for the following status on reinstatement:
- (a) practising lawyer, only if the applicant has met the conditions for practising law under Rule 2-89 [*Returning to practice after an absence*] or 2-90 [*Conditions on returning to practice*];
 - (b) non-practising member on compliance with Rule 2-3 [*Non-practising members*];
 - (c) retired member if the lawyer is qualified under Rule 2-4 (1) [*Retired members*] and on compliance with Rule 2-4 (2) and (3).
- (3) On an application under subrule (2) (c), the Executive Director may waive payment of all or part of the application fee on any conditions that the Executive Director considers appropriate.
- (4) The Executive Director may issue a practising certificate to an applicant on reinstatement on payment of the following:
- (a) the prorated practice fee specified in Schedule 2;
 - (b) the prorated annual indemnity fee specified in Schedule 2, unless exempt under Rule 3-43 [*Exemption from professional liability indemnification*];
 - (c) any surcharge for which the lawyer is liable under Rule 3-44 (2) [*Deductible, surcharge and reimbursement*].
- (5) The Executive Director may issue a non-practising or retired member certificate to an applicant on reinstatement on payment of the appropriate prorated fee specified in Schedule 3.
- (6) Subject to subrule (7), the Executive Director must consider an application for reinstatement of a former lawyer and may conduct or authorize any person to conduct an investigation concerning the application.

- (7) The Executive Director must not consider an application for reinstatement of a former lawyer unless the former lawyer has
 - (a) submitted all trust reports required under Rules 3-79 [*Trust report*] and 3-84 (1) [*Former lawyers*],
 - (b) paid all assessments accrued under Rule 3-80 [*Late filing of trust report*] before and after the former lawyer ceased to be a member of the Society unless the Executive Director waives all of the assessments under Rule 3-80 (3) and any conditions have been fulfilled, and
 - (c) paid all costs of trust reports ordered under Rule 3-81 (6) [*Failure to file trust report*].
- (8) If an applicant for reinstatement is a disbarred lawyer, the Executive Director must refer the application to the Credentials Committee.
- (9) On an application for reinstatement to which subrules (7) and (8) do not apply, the Executive Director may
 - (a) reinstate the applicant without conditions or limitations, or
 - (b) refer the application to the Credentials Committee for consideration.
- (10) Subject to subrule (11), when the Executive Director refers an application for reinstatement to the Credentials Committee under subrule (9), the Committee may
 - (a) reinstate the applicant without conditions or limitations,
 - (b) reinstate the applicant with conditions or limitations on the applicant's practice if the applicant consents in writing to those conditions or limitations, or
 - (c) order a hearing.
- (11) The Credentials Committee must order a hearing in the following circumstances:
 - (a) section 19(3) applies;
 - (b) the Committee cannot reach another disposition of the matter under subrule (10);
 - (c) the Committee resolves to order a hearing.
- (12) An applicant for reinstatement must give written notice of the application as directed by the Executive Director, and persons so notified may appear in person or by counsel at the hearing and be heard on the application.

Subsequent application for reinstatement

2-86 A person whose application for reinstatement is rejected under section 22 (3) [*Credentials hearings*] may not make a new application for reinstatement until the earlier of the following:

- (a) 2 years after the date on which the application was rejected;
- (b) the date set by the panel when the application was rejected or by the review board on a review under Part 5 [*Tribunal, Hearings and Appeals*].

Former judge or master

Former judge or master

- 2-87** (1) Subject to subrules (2) and (3), the practice of law by a lawyer who was a judge or a master is restricted as follows:
- (a) a former judge of a federally-appointed court must not appear as counsel in any court in British Columbia without first obtaining the approval of the Credentials Committee;
 - (b) a former judge of a provincial or territorial court in Canada must not appear as counsel in the Provincial Court of British Columbia for 3 years after ceasing to be a judge;
 - (c) a former master of the Supreme Court of British Columbia must not appear as counsel before a master, a registrar, a district registrar or a deputy district registrar of the Supreme Court of British Columbia for 3 years after ceasing to be a master.
- (2) The Credentials Committee may impose conditions or limitations respecting the practice of a former judge when giving approval for that lawyer to appear as counsel under subrule (1) (a).
- (3) The Credentials Committee may at any time relieve a lawyer of a practice restriction referred to in subrule (1) and may impose conditions or limitations respecting the practice of the lawyer concerned.
- (4) A lawyer who has served as a judge or master in any court must not use any judicial title or otherwise allude to the lawyer's former status in any marketing activity.
- (5) Subrule (4) does not preclude a lawyer who has served as a judge or master from referring to the lawyer's former status in
- (a) a public announcement that the lawyer has resumed the practice of law or joined a law firm,
 - (b) a public speaking engagement or publication that does not promote the lawyer's practice or firm,
 - (c) seeking employment, partnership or appointment other than the promotion of the lawyer's practice or firm, or
 - (d) informal conversation or correspondence.
- (6) For the purpose of this rule, it is not the promotion of a lawyer's practice or firm to provide, on request, a curriculum vitae or other statement of experience that refers to the lawyer's former status as a judge or master.
- (7) This rule applies to a lawyer who has served as a master or the equivalent officer of a superior court in Canada as it does to a former master of the Supreme Court of British Columbia.

Returning to practice

Definition and application

- 2-88** (1) In Rules 2-88 to 2-90, unless the context indicates otherwise, “**relevant period**” is the shortest of the following periods of time in the immediate past:
- (a) 7 years;
 - (b) the time since the lawyer’s first call and admission in any jurisdiction;
 - (c) the time since the lawyer last passed the qualification examination.
- (2) For the purpose of paragraph (b) of the definition of “relevant period” in subrule (1), a lawyer is deemed to have been called and admitted as of the date that a practising certificate was issued under Rule 2-84 (4) [*Barristers and solicitors’ roll and oath*].
- (3) Rules 2-88 to 2-90 apply to a former lawyer and an applicant.

Returning to practice after an absence

- 2-89** (1) If, for a total of between 3 years and less than 5 years in the relevant period, a lawyer has not engaged in the practice of law, the lawyer must not practise law without first completing the practice management course described in Rule 3-28 [*Practice management course*] or another course offered by the Society or by a provider approved by the Society.
- (1.1) If, for a total of 5 years or more in the relevant period, a lawyer has not engaged in the practice of law, the lawyer must not practise law without first
- (a) completing the practice management course described in Rule 3-28 or another course approved by the Executive Director, and
 - (b) certifying, in the prescribed form, that the lawyer has reviewed and understands all of the materials reasonably required by the Executive Director.
- (2) Subrules (1) and (1.1) apply
- (a) despite any other rule, and
 - (b) whether or not the lawyer holds or is entitled to hold a practising certificate.
- (3) A lawyer may apply in writing to the Credentials Committee for permission to practise law without completing a requirement set out in subrule (1) or (1.1).
- (4) On an application under subrule (3), the Credentials Committee may approve the application if, in its judgement
- (a) the lawyer has engaged in activities that have kept the lawyer current with substantive law and practice skills, or
 - (b) the public interest does not require the lawyer to complete the relevant requirements.
- (5) Before approving an application under subrule (4), the Credentials Committee may require the lawyer to enter into a written undertaking to do any of the things set out in Rule 2-90 (5) (b) [*Conditions on returning to practice*].
- (6) [rescinded]

Conditions on returning to practice

- 2-90** (1) A lawyer or applicant who has spent a period of 7 years or more not engaged in the practice of law must not practise law without the permission of the Credentials Committee.
- (2) Subrule (1) applies
- (a) despite any other rule, and
 - (b) whether or not the lawyer holds or is entitled to hold a practising certificate.
- (3) A lawyer or applicant must apply in writing to the Credentials Committee for permission to practise law under subrule (1).
- (4) [rescinded]
- (5) As a condition of permission to practise law under subrule (1), the Credentials Committee may require one or more of the following:
- (a) successful completion of all or part of one or more of the following:
 - (i) the admission program;
 - (i.1) the qualification examination;
 - (ii) the practice management course described in Rule 3-28 [*Practice management course*] or another course approved by the Executive Director;
 - (iii) certification, in the prescribed form, that the lawyer has reviewed and understands all of the materials reasonably required by the Executive Director;
 - (b) a written undertaking to do any or all of the following:
 - (i) practise law in British Columbia immediately on being granted permission;
 - (ii) not practise law as a sole practitioner;
 - (iii) practise law only in a situation approved by the Committee for a period set by the Committee, not exceeding 2 years;
 - (iv) [rescinded]
 - (v) practise law only in specified areas;
 - (vi) not practise law in specified areas.
- (6) Despite Rule 2-52 (3) [*Powers of Credentials Committee*], the Credentials Committee may vary a condition under subrule (5) (a) without the consent of the lawyer concerned.
- (7) On the written application of the lawyer, the Credentials Committee may allow a variation of an undertaking given under subrule (5) (b).

Credentials hearings

Notice to applicant

- 2-91** (1) When a hearing is ordered under this division, the Executive Director must promptly notify the applicant in writing of
- (a) the purpose of the hearing,
 - (b) [rescinded]
 - (c) the circumstances to be inquired into at the hearing, and
 - (d) the amount of security for costs set by the Credentials Committee under Rule 2-92 [*Security for costs*].

(1.1) and (1.2) [rescinded]

- (2) The notice referred to in subrule (1) must be served
- (a) in accordance with Rule 10-1 [*Service and notice*], and
 - (b) not less than 30 days before the date set for the hearing, unless the applicant consents in writing to a shorter period.

Security for costs

- 2-92** (1) When the Credentials Committee orders a hearing under this division, it must set an amount to be deposited by the applicant as security for costs.
- (2) In setting the amount to be deposited as security for costs under this rule, the Credentials Committee may take into account the circumstances of the matter, including but not limited to, the applicant's
- (a) ability to pay, and
 - (b) likelihood of success in the hearing.
- (3) The amount to be deposited as security for costs must not exceed an amount that approximates the amount that the panel may order to be paid under Rule 5-11 [*Costs of hearings*].
- (4) On application by the applicant or Law Society counsel, the Credentials Committee may vary the amount to be deposited as security for costs under this rule.
- (5) If, 15 days before the date set for a hearing, the applicant has not deposited with the Executive Director the security for costs set under this rule, the hearing is adjourned.
- (6) Before the time set for depositing security for costs under subrule (5), an applicant may apply to the Credentials Committee for an extension of time, and the Committee may, in its discretion, grant all or part of the extension applied for.

Deductible, surcharge and reimbursement

- 3-44** (1) On demand, a lawyer must pay in full to the Society any of the following amounts paid under the Society’s indemnification program on behalf of the lawyer:
- (a) a deductible amount;
 - (b) any other amount that the lawyer is required to repay or reimburse the indemnity fund under professional liability indemnity policy.
- (2) If indemnity has been paid under the Society’s indemnification program, the lawyer on whose behalf it is paid must
- (a) pay the indemnity surcharge specified in Schedule 1 for each of the next 5 years in which the lawyer is a member of the Society and not exempt from the indemnity fee, and
 - (b) if the payment was made under trust protection indemnity coverage, reimburse the Society in full on demand, for all amounts paid.
- (3) The Executive Director may, in the Executive Director’s discretion, extend the time for a lawyer to reimburse the Society under subrule (1) or (2), or pay a surcharge under subrule (2) or, in extraordinary circumstances, waive payment altogether.

Application for indemnity coverage

- 3-45** (1) A lawyer may apply for indemnity coverage by delivering to the Executive Director
- (a) an application for indemnity coverage, and
 - (b) the prorated indemnity fee as specified in Schedule 2.
- (2) A lawyer who is indemnified for part-time practice may apply for coverage for full-time practice by delivering to the Executive Director
- (a) an application for full-time indemnity coverage, and
 - (b) the difference between the prorated full-time indemnity fee specified in Schedule 2 and any payment made for part-time indemnity coverage for the current year.
- (3) The Executive Director must not grant the indemnity coverage applied for under subrule (1) or (2) unless satisfied that the lawyer is not prohibited from practising law under Rule 2-89 [*Returning to practice after an absence*] or 2-90 [*Conditions on returning to practice*].

Confidentiality of indemnity claims

- 3-46** (1) In this rule, “**claim**” means a claim or potential claim reported under the professional liability indemnity policy and trust protection indemnity coverage.
- (2) Unless permitted by this rule, no one is permitted to disclose any information or records associated with a claim.
- (3) The Executive Director may do any of the following:
- (a) disclose information about a claim with the consent of the lawyer;

- (b) if a claim has become known to the public, disclose
 - (i) the existence of the claim,
 - (ii) its subject matter,
 - (iii) its status, including, if the claim is closed, the general basis on which it was closed, and
 - (iv) any additional information necessary to correct inaccurate information.
- (4) For the purpose of subrule (3) (b) (iii), the status of a claim is its stage of progress through the claims handling process, including, but not limited to the following:
 - (a) opened;
 - (b) under investigation;
 - (c) the stage of any litigation commenced;
 - (d) closed.
- (5) In the case of a claim under trust protection indemnity coverage, despite subrule (2), the Executive Director may do any of the following:
 - (a) publish the name of a lawyer or former lawyer and the circumstances of a claim when a panel or the Benchers acting under Part 4 [*Discipline*] or 5 [*Tribunal, Hearings and Appeals*] or a court has found that the lawyer or former lawyer has misappropriated property of a claimant;
 - (b) disclose the name of a lawyer or former lawyer and the circumstances of a claim when
 - (i) the lawyer’s misappropriation is known to the public,
 - (ii) the claim arises from part of a scheme considered by a panel or the Benchers or a court in the written reasons for a decision, or
 - (iii) the facts are not disputed or are admitted by the lawyer or former lawyer;
 - (c) with the consent of the Discipline Committee, deliver to a law enforcement agency any information or documents obtained under this division that may be evidence of an offence.
- (6) This rule must not be interpreted to permit the disclosure of any information subject to solicitor and client privilege or confidentiality.

Division 6 – Financial Responsibility

Definitions

3-47 In this Division:

“**insolvent lawyer**” means a lawyer who

- (a) is the respondent to an application for a bankruptcy order under section 43,
- (b) has made an assignment of all the lawyer’s property for the general benefit of the lawyer’s creditors under section 49,
- (c) has made a proposal under section 50 or 66.12,

SCHEDULE 1 – 2024 LAW SOCIETY FEES AND ASSESSMENTS

A. Annual fee	\$
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. Trust administration fee	
1. Each client matter subject to fee (Rule 2-110 (1) [<i>Trust administration fee</i>]) ..	15.00
 C. Special assessments	
 D. Articled student and training course fees	
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
 E. Transfer fees	
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 2-90 (5) [<i>Conditions on returning to practice</i>])	325.00

F. Call and admission fees	\$
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
 G. Reinstatement fees	
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
 H. Change of status fees	
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
 I. Inter-jurisdictional practice fees	
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
 J. Corporation and limited liability partnership fees	
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
 K. Practitioners of foreign law	
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

L. Late fees	\$
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
 M. Multi-disciplinary practice fees	
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 – 2024 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
Full-time indemnification				
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
Part-time indemnification				
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 – 2024 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]*]

	Non-practising members fee	Retired members fee
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
Citation hearing		
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 5-4.6 [<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 5-5.2 [<i>Adjournment</i>] <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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

Table of Contents

Payment and appropriation of funds	49
Prepaid legal services plan	49
3.7 Withdrawal from representation	
Withdrawal from representation	49
Optional withdrawal	51
Non-payment of fees	51
Withdrawal from criminal proceedings	52
Obligatory withdrawal	53
Manner of withdrawal	53
Confidentiality	55
Duty of successor lawyer	55
Chapter 4 – Marketing of Legal Services	
4.2 Marketing	
Application of rule	57
Definitions	57
Content and format of marketing activities	57
Notary public	58
Designation	58
4.3 Advertising nature of practice	
Preferred areas of practice	58
Specialization	59
Real estate sales	59
Multi-disciplinary practice	59
Chapter 5 – Relationship to the Administration of Justice	
5.1 The lawyer as advocate	
Advocacy	61
Incriminating physical evidence	64
<i>Ex parte</i> proceedings	64.2
Single-party communications with a tribunal	64.3
Duty as prosecutor	64.4
Disclosure of error or omission	64.4
Courtesy	65
Undertakings	65
Agreement on guilty plea	65
5.2 The lawyer as witness	
Submission of evidence	66
Appeals	66

Code of Professional Conduct for British Columbia

5.3 Interviewing witnesses	
Interviewing witnesses	67
5.4 Communication with witnesses giving evidence	
Communication with witnesses giving evidence	67
5.5 Relations with jurors	
Communications before trial	68
Disclosure of information	69
Communication during trial	69
5.6 The lawyer and the administration of justice	
Encouraging respect for the administration of justice	69
Seeking legislative or administrative changes	70
Security of court facilities	71
5.7 Lawyers and mediators	
Role of mediator	71
Chapter 6 – Relationship to Students, Employees, and Others	
6.1 Supervision	
Direct supervision required	73
Definitions	74
Delegation	74
Suspended or disbarred lawyers	77
Electronic registration of documents	77
Real estate assistants	78
6.2 Students	
Recruitment and engagement procedures	79
Duties of principal	79
Duties of articled student	79
6.3 Discrimination and harassment.....	79
Discrimination	79
Harassment	80.2
Sexual harassment	80.3
Reprisal	80.5

Table of Contents

Chapter 7 – Relationship to the Society and Other Lawyers

7.1 Responsibility to the Society and the profession generally	
Regulatory compliance	81
Meeting financial obligations	81
Duty to report	82
Encouraging client to report dishonest conduct	83
7.2 Responsibility to lawyers and others	
Courtesy and good faith	83
Communications	84
Inadvertent communications	87
Undertakings and trust conditions	88
Trust cheques	88.1
Real estate transactions	88.1
7.3 Outside interests and the practice of law	
Maintaining professional integrity and judgment	88.2
7.4 The lawyer in public office	
Standard of conduct	89
7.5 Public appearances and public statements	
Communication with the public	90
Interference with right to fair trial or hearing	91
7.6 Preventing unauthorized practice.....	91
7.7 Retired judges returning to practice	92
7.8 Errors and omissions	
Informing client of errors or omission	92
Notice of claim	93
Co-operation	93
Responding to client’s claim	93

Appendix A – Affidavits, Solemn Declarations and Officer Certifications

Affidavits and solemn declarations	95
Witnessing the execution of an instrument	99

Appendix B – Family Law Mediation

Definitions	101
Disqualifications	102
Obligations of family law mediator or arbitrator or parenting coordinator when participants unrepresented	102

Code of Professional Conduct for British Columbia

Obligations of family law mediator or parenting coordinator 102.1
Obligations of family law arbitrator 102.1
Lawyer with dual role 102.2

Appendix C – Real Property Transactions

Application 103
Acting for parties with different interests 103
Simple conveyance 103
Advice and consent 105
Foreclosure proceedings 105
Unrepresented parties in a real property transaction 106

Appendix D – Conflicts Arising as a Result of Transfer Between Law Firms

[Appendix D rescinded 11/2016 – see rules 3.4-17 to 3.4-23]

Appendix E – Supervision of Paralegals

Key concepts 113
Best practices for supervising paralegals 113
Best practices for training paralegals 114
A checklist for assessing the competence of paralegals 114
Screening for family violence 115
Designated paralegals giving legal advice 116

Payment and appropriation of funds

3.6-9 If a lawyer and client agree that the lawyer will act only if the lawyer's retainer is paid in advance, the lawyer must confirm that agreement in writing with the client and specify a payment date.

3. 6-10 A lawyer must not appropriate any client funds held in trust or otherwise under the lawyer's control for or on account of fees, except as permitted by the governing legislation.

Commentary

[1] The rule is not intended to be an exhaustive statement of the considerations that apply to payment of a lawyer's account from trust. The handling of trust money is generally governed by the Law Society Rules.

[2] Refusing to reimburse any portion of advance fees for work that has not been carried out when the contract of professional services with the client has terminated is a breach of the obligation to act with integrity.

3.6-11 If the amount of fees or disbursements charged by a lawyer is reduced on a review or assessment, the lawyer must repay the monies to the client as soon as is practicable.

Prepaid legal services plan

3.6-12 A lawyer who accepts a client referred by a prepaid legal services plan must advise the client in writing of:

- (a) the scope of work to be undertaken by the lawyer under the plan; and
- (b) the extent to which a fee or disbursement will be payable by the client to the lawyer.

3.7 Withdrawal from representation

3.7-1 A lawyer must not withdraw from representation of a client except for good cause and on reasonable notice to the client.

Commentary

[1] Although the client has the right to terminate the lawyer-client relationship at will, a lawyer does not enjoy the same freedom of action. Having undertaken the representation of a client, the lawyer should complete the task as ably as possible unless there is justifiable cause for terminating the relationship. It is inappropriate for a lawyer to withdraw on capricious or arbitrary grounds.

[2] An essential element of reasonable notice is notification to the client, unless the client cannot be located after reasonable efforts. No hard and fast rules can be laid down as to what constitutes reasonable notice before withdrawal and how quickly a lawyer may cease acting after notification will depend on all relevant circumstances. When the matter is covered by statutory provisions or rules of court, these will govern. In other situations, the governing principle is that the lawyer should protect the client's interests to the best of the lawyer's ability and should not desert the client at a critical stage of a matter or at a time when withdrawal would put the client in a position of disadvantage or peril. As a general rule, the client should be given sufficient time to retain and instruct replacement counsel. Nor should withdrawal or an intention to withdraw be permitted to waste court time or prevent other counsel from reallocating time or resources scheduled for the matter in question. See rule 3.7-8 (Manner of withdrawal).

[3] Every effort should be made to ensure that withdrawal occurs at an appropriate time in the proceedings in keeping with the lawyer's obligations. The court, opposing parties and others directly affected should also be notified of the withdrawal.

[4] When a lawyer leaves a law firm to practise alone or to join another law firm, the departing lawyer and the law firm have a duty to inform all clients for whom the departing lawyer is the responsible lawyer in a legal matter that the clients have a right to choose who will continue to represent them. The same duty may arise when a firm is winding up or dividing into smaller units.

[5] This duty does not arise if the lawyers affected by the changes, acting reasonably, conclude that the circumstances make it obvious that a client will continue as a client of a particular lawyer or law firm.

[6] When this Chapter requires a notification to clients, each client must receive a letter as soon as practicable after the effective date of the changes is determined, informing the client of the right to choose a lawyer.

[7] It is preferable that this letter be sent jointly by the firm and any lawyers affected by the changes. However, in the absence of a joint announcement, the firm or any lawyers affected by the changes may send letters in substantially the form set out in a precedent letter on the Law Society website (see [Practice Resources](#): Lawyer leaving law firm).

[[7] updated 01/2024]

[8] Lawyers whose clients are affected by changes in a law firm have a continuing obligation to protect client information and property, and must minimize any adverse effect on the interests of clients. This obligation generally includes an obligation to ensure that files transferred to a new lawyer or law firm are properly transitioned, including, when necessary, describing the status of the file and noting any unfulfilled undertakings and other outstanding commitments.

[9] The right of a client to be informed of changes to a law firm and to choose a lawyer cannot be curtailed by any contractual or other arrangement.

2024 BC Lawyers Professional Liability Indemnification Policy

Indemnitor:	BC Lawyers Indemnity Association (“BCLIA”)
Address for service:	5th Floor, 845 Cambie Street, Vancouver, BC V6B 4Z9
Administrator:	Law Society of British Columbia (“Law Society”)
Manager:	Lawyers Indemnity Fund
Master Policy number:	LPL 24-01-01

INDEMNIFICATION POLICY

TABLE OF CONTENTS

DECLARATIONS.....	3
DEFINITIONS	4
PART A: PROFESSIONAL LIABILITY INDEMNITY AGREEMENTS (ERRORS & OMISSIONS) ...	12
1. Professional Liability Indemnity Agreement	12
2. Defence, Expenses and Settlement.....	12
3. Claims First Made and Reported.....	14
4. Reciprocal Jurisdictions	15
PART B: TRUST PROTECTION COVERAGE INDEMNITY AGREEMENTS (DISHONEST APPROPRIATION).....	16
1. Trust Protection Coverage Agreement	16
2. Defence and Settlement.....	16
3. Claims First Made and Reported.....	16
PART C: TRUST SHORTAGE LIABILITY INDEMNITY AGREEMENTS.....	18
1. Trust Shortage Liability Indemnity Agreement	18
2. Defence, Expenses and Settlement.....	18
3. Claims First Made and Reported.....	18
EXCLUSIONS	20
CONDITIONS.....	23
1. Limits of Liability	23
2. Deductibles.....	26
3. Reimbursement	27
4. Notice of Claim or Suit	28
5. Assistance and Cooperation	28
6. Innocent Additional Covered Party.....	29
7. Conflicts	29
8. Arbitration or Mediation	30
9. Other Coverage or Recourse	30
10. Proceedings Against Us	31
11. Insolvency, Bankruptcy, Incapacity, or Death	31
12. Subrogation	31
13. Changes.....	31
14. Assignment.....	31
15. Release of Coverage.....	31
16. Indemnity Fee Adjustment.....	31
17. Cancellation of Policy	32
18. Applicable Law	32
19. Payment Into Court	32
20. Currency.....	32
21. Territory	32

INDEMNIFICATION POLICY

DECLARATIONS

This policy governs claims and potential claims first made and reported in 2024. Please read the policy carefully.

1. **Individual Covered Party:** As defined in this policy
2. **Policy Period:** January 1, 2024 12:01 a.m. to January 1, 2025 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 error for damages, claims expenses, and deductible	\$2,000,000 per individual Covered Party , including all additional Covered Parties , less any payments made under Part C	\$5,000 per error resulting in the payment of damages , or \$10,000 for any error reported within 3 years of the report of a Part A or C error also resulting in a payment of damages	Unlimited
Part B: Trust Protection Coverage (Dishonest Appropriation)	\$300,000 per claimant and error for damages and claims expenses ; except \$250,000 for inter-jurisdictional practice	Nil	Nil	\$17,500,000 profession-wide for all claims for damages and claims expenses ; except \$2,000,000 for inter-jurisdictional practice
Part C: Trust Shortage Liability Indemnity (Social engineering fraud or reliance on fraudulent certified cheques)	\$500,000 per error for damages, claims expenses, and deductible	\$500,000 sublimit of the Part A annual aggregate limit per individual Covered Party , including all additional Covered Parties \$500,000 law firm annual aggregate limit for all claims for damages, claims expenses and deductibles	35% of the total amount of damages and claims expenses paid per error , or 15% if secondary verification is made	\$2,000,000 for all errors combined

7. **Endorsements:** None

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, 2.10, or 2.11 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 or were counsel of record or counsel for any other 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 improper or unauthorized disclosure, production, or provision of access to confidential information or data, howsoever arising, or any violation of your privacy policy or a statute arising from the gathering, storage, or use of confidential information or data.

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
 - (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) acting as a conduit of funds, from trust or otherwise, unless such services and the related appointment or retainer are incidental to the individual Covered Party's provision of substantive legal services;
- (iii) 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;
- (iv) the services or activities of a "mortgage broker" as defined in the *Mortgage Broker Act*; or
- (v) 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

INDEMNIFICATION POLICY

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.

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 AGREEMENTS (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, or under section 6(1) of the *Prohibition on the Purchase of Residential Property by Non-Canadians Act*, S.C. 2022, c.10, s. 235, 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) 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.
- 2.11 Notwithstanding Exclusion 6.2, we will investigate, defend, and pay **claims expenses** and **damages**, except as otherwise excluded or limited, arising from a **claim** against an **additional Covered Party** if, as a precondition, it is determined solely by us exercising our discretion reasonably that the **additional Covered Party**:
- (a) had no knowledge of the circumstances giving rise to the application of Exclusion 6.2; and
 - (b) exercised due diligence and made reasonable and regular enquiries, at least annually, that were intended to cause discovery of the circumstances giving rise to the application of Exclusion 6.2.

This Clause 2.11 shall not apply to any **claim, error**, or circumstances that occurred prior to January 1, 2024, unless the **additional Covered Party** purchased the Business Innocent Covered Party Endorsement from us, and then only for errors that occurred during the period the **additional Covered Party** was indemnified by a previously effective Business Innocent Covered Party Endorsement.

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.

INDEMNIFICATION 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 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 INDEMNITY AGREEMENTS (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 AGREEMENTS

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.

INDEMNIFICATION POLICY

- 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**.

INDEMNIFICATION POLICY

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.

INDEMNIFICATION POLICY

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.

INDEMNIFICATION POLICY

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**.

INDEMNIFICATION POLICY

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

INDEMNIFICATION POLICY

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.

INDEMNIFICATION POLICY

- 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.

INDEMNIFICATION POLICY

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

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



Susan I. Forbes, KC, Director