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March 10, 2015

Ms. Janet Leiper, Chair  
Challenges Faced by Racialized Licensees Working Group  
The Law Society of Upper Canada  
Osgoode Hall, 130 Queen Street West  
Toronto, ON M5H 2N6

Dear Ms. Leiper:

**RE: Comments about LAWPRO premiums at Developing Strategies for Change: Addressing Challenges Faced by Racialized Licensees - Toronto Learning and Consultation Program, February 25, 2015**

We understand that LAWPRO premiums under The Law Society of Upper Canada (the "Law Society") professional insurance program (the "Program") were raised as a possible barrier for racialized lawyers entering into practice during the questions segment at the above-noted program. We thought that it might be helpful to bring to your attention features of the Program related to premiums that are already of particular benefit to racialized lawyers entering into practice in Ontario.

Of course, except for the risk-rating process, LAWPRO has no mandate to incorporate features under the Program to benefit any one lawyer group over others: Its mandate, stated broadly, is to operate as a commercially reasonable insurer. Our operation of the Program on typical insurance principles is subject to scrutiny by the insurance regulator, reinsurers and our rating agency.

However, by virtue of LAWPRO striving to operate the Program on a risk-rated basis (i.e., where the costs of insurance generally reflect the risk), a number of premium features in the Program today are likely to be of particular interest to racialized lawyers considering entering into private practice. Furthermore, a number of these features have been significantly improved in recent years (such as higher percentage reductions and a shorter minimum premium period).

In particular, we note the following:

- **New Lawyer Discount:** We believe racialized lawyers tend to be younger, based on the September 2004 report prepared for the Law Society by F.M. Kay *et al.*, online: <http://rc.lsuc.on.ca/pdf/equity/diversityChange.pdf>. Lawyers who have been in practice less than one full year are eligible to receive a premium discount equal to 50% of the base premium (in 2015, \$1,675). From years two to four, the discount ranges from 40% to 20%.<sup>1</sup>
- **Part-Time Practice Option:** As further noted in the Kay Report, racialized lawyers were more likely to report income in the lower income brackets of \$90,000 or less. The part-time practice option is currently available to lawyers who have in 2014, and will in 2015, restrict their hours of practice to being on a part-time basis and will have gross billings of \$75,000 per year or less.<sup>2</sup> Qualifying lawyers are eligible for a discount equal to 50% of the base premium (\$1,675 in 2015).

<sup>1</sup> Note that for purposes of the New Lawyer Discount, time spent practising in another jurisdiction is considered.

<sup>2</sup> The eligibility criteria are set out as follows:

[https://www.lawpro.ca/insurance/practice\\_type/part\\_time\\_practice.asp](https://www.lawpro.ca/insurance/practice_type/part_time_practice.asp).



- **Restricted Area of Practice Option:** Based on the Kay Report, racialized lawyers are more likely than non-racialized lawyers to report that they practise criminal law, immigration law and poverty law. Eligible lawyers who practice solely immigration and/or criminal law qualify for a discount equal to 50% of the base premium (\$1,675 in 2015), provided they practise in a firm in which all licensees insured with LAWPRO limit their practice to these practice areas.<sup>3</sup>
- **Minimum Premium Period:** If lawyers have varying periods of legal employment or private practice over the year, they are allowed to purchase coverage under the Program in 30 day blocks to even out periods of practice or exemption. This gives flexibility to lawyers who are doing short term contract work, for example, as a means of entry to the profession.

We hope that this information is of assistance to you and other Working Group members.

Yours truly,

**LAWYERS' PROFESSIONAL INDEMNITY COMPANY (LAWPRO®)**

per:



Kathleen A. Waters  
President and Chief Executive Officer

- c.c. Julian Falconer, Vice Chair, Challenges Faced by Racialized Licensees Working Group
- c.c. Howard Goldblatt, Vice Chair, Challenges Faced by Racialized Licensees Working Group
- cc. Madam Treasurer Janet E. Minor (Treasurer, The Law Society of Upper Canada)
- c.c. Robert G. W. Lapper, Q.C. (Chief Executive Officer, The Law Society of Upper Canada)
- c.c. Josée Bouchard (Director, Equity, The Law Society of Upper Canada)
- c.c. Susan T. McGrath (Bencher and Chair, LAWPRO)
- c.c. Robert F. Evans, Q.C. (Bencher and Director, LAWPRO)
- c.c. Barbara J. Murchie (Bencher and Director, LAWPRO)
- c.c. Alan G. Silverstein (Bencher and Director, LAWPRO)

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<sup>3</sup> Note that the maximum premium discount for restricted area of practice, part-time practice option and the new lawyer discount combined cannot exceed 50% of the base premium.