



FOIA 2019 Spring Plenary Update

Dan Pinnington

President & CEO

Lawyers' Professional Indemnity Company

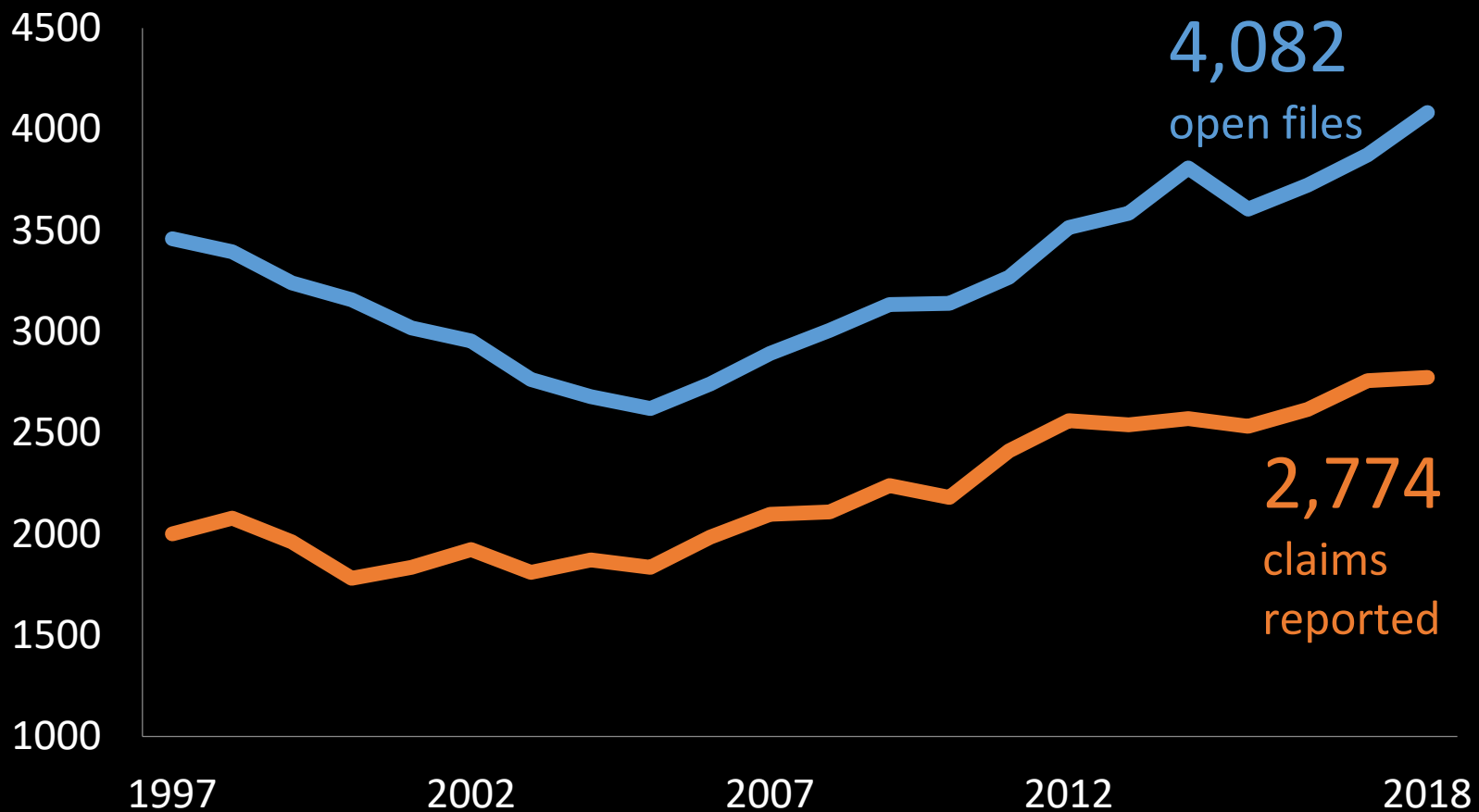
May 10, 2019

- 2018 claims
- Claims trends
- LSO MAP
- 2018 financials
- Excess
- practicePRO
- **Blockchain**
- Questions

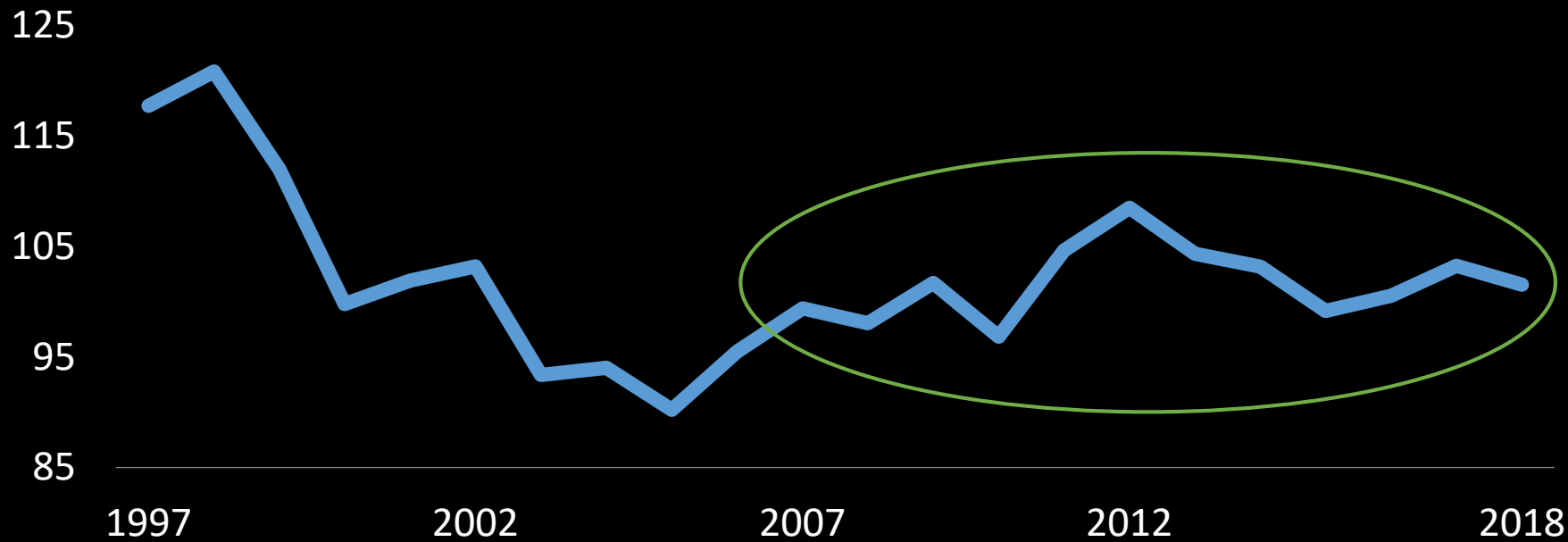
Agenda

2018 Claims

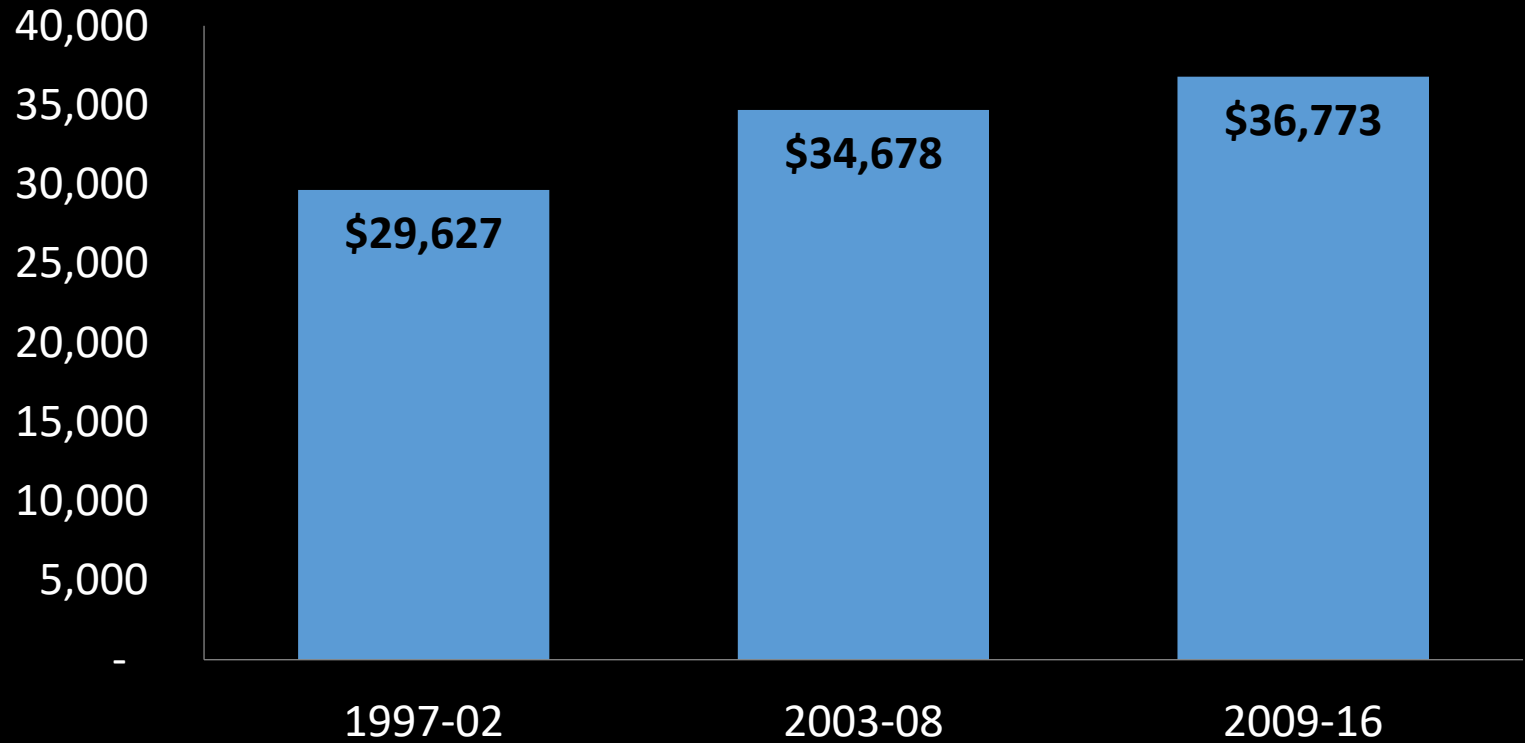
2,774 new claims
4,082 open claims



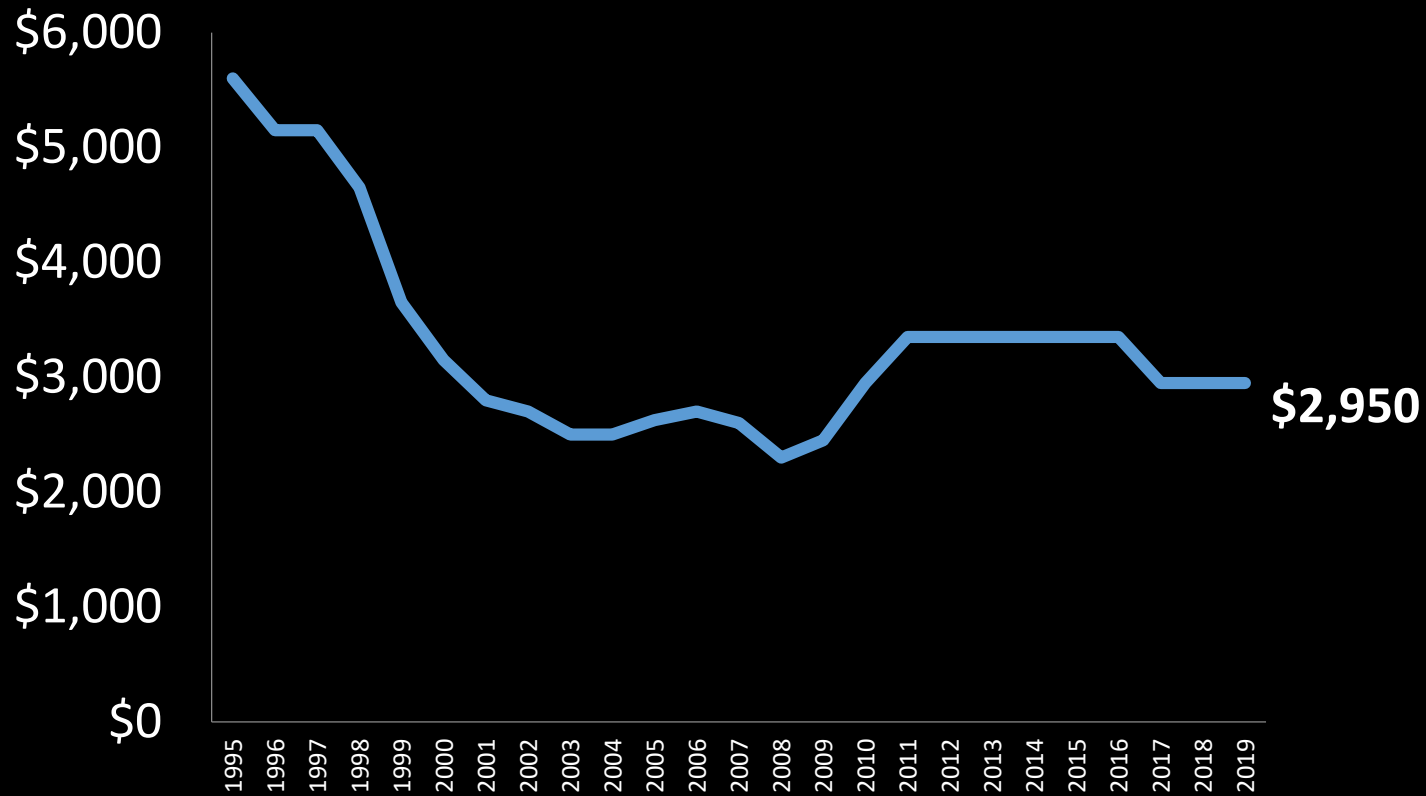
Claims count trends



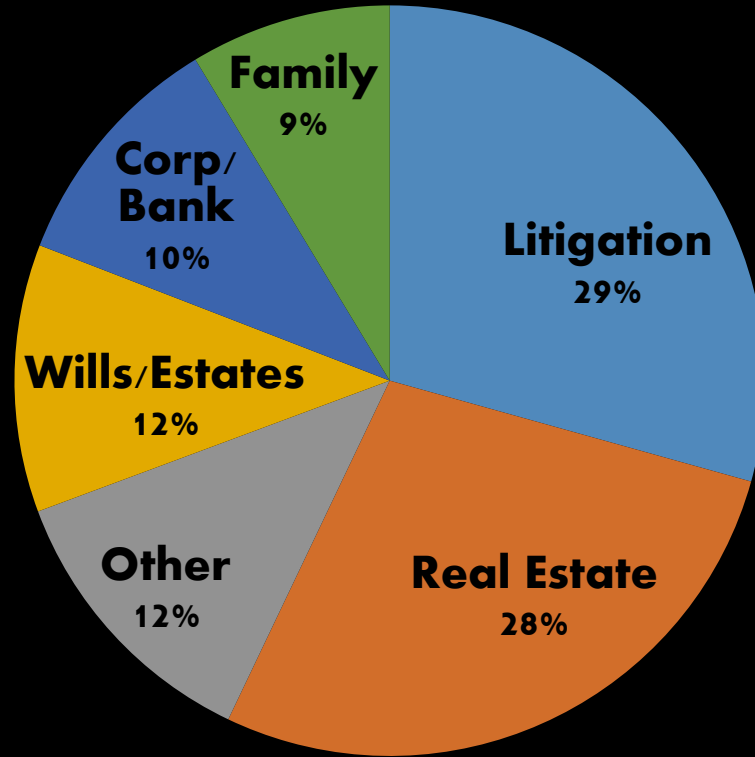
Annual claims rate per 1000 lawyers



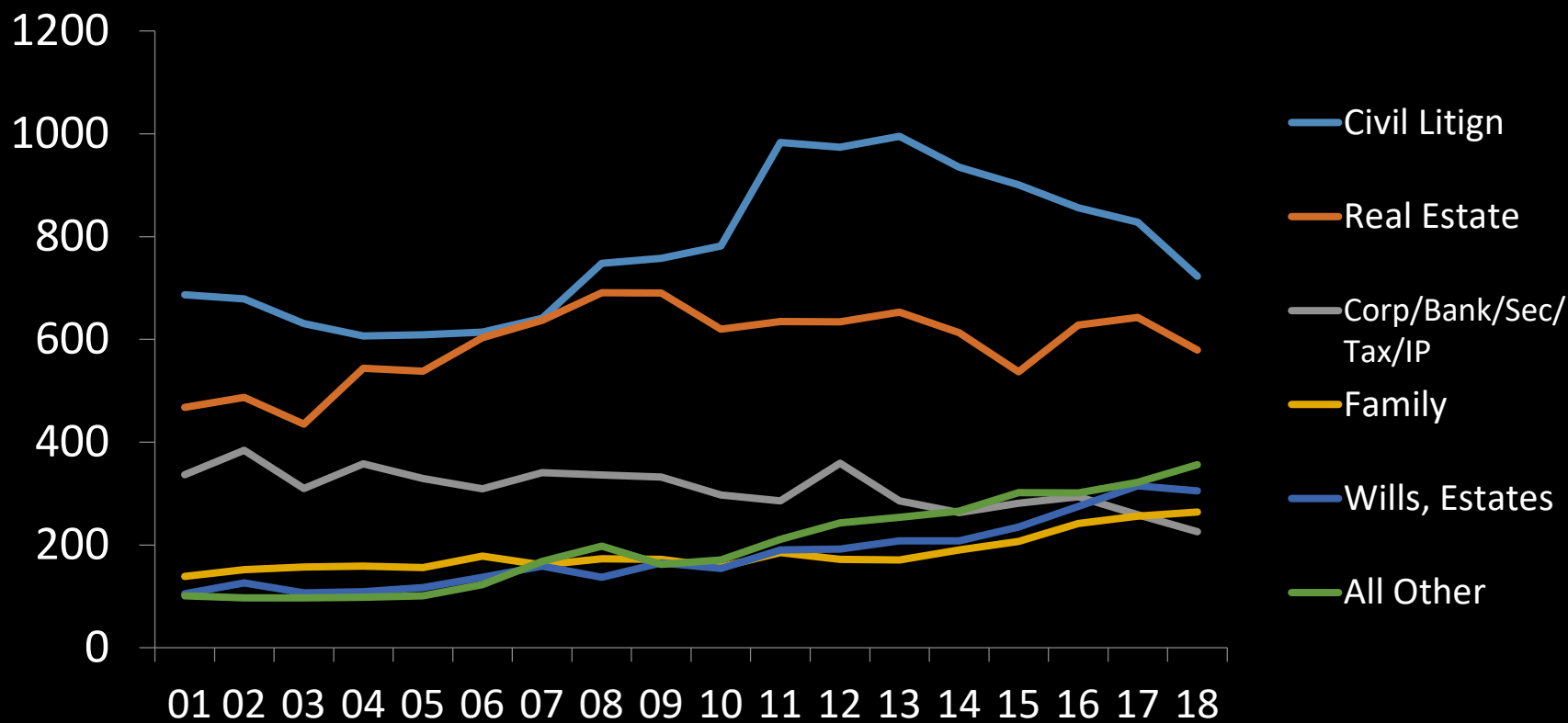
Average claims cost (case incurred)



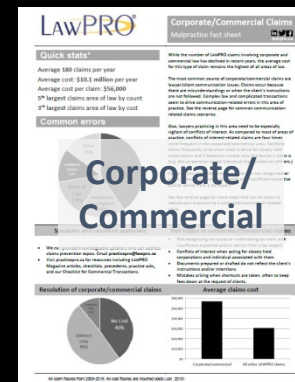
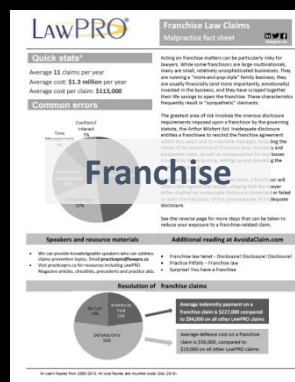
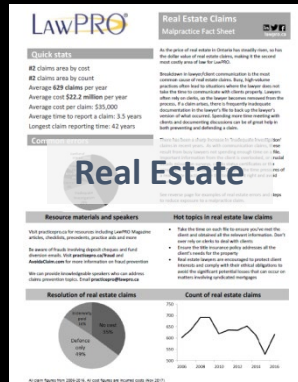
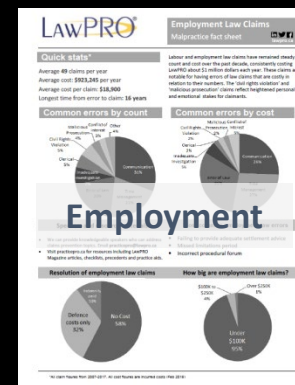
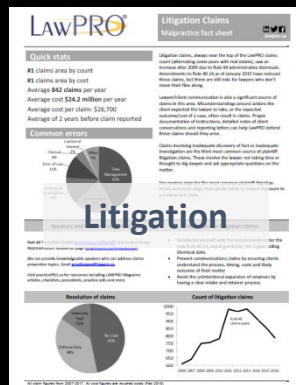
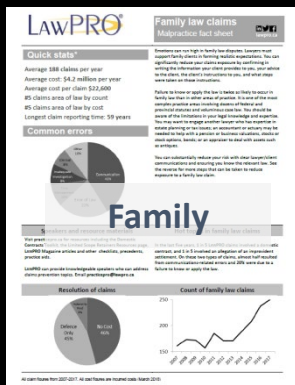
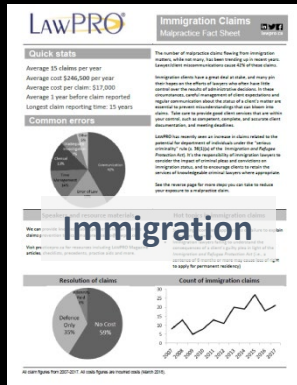
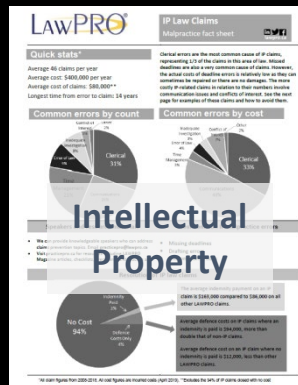
Base premium per lawyer



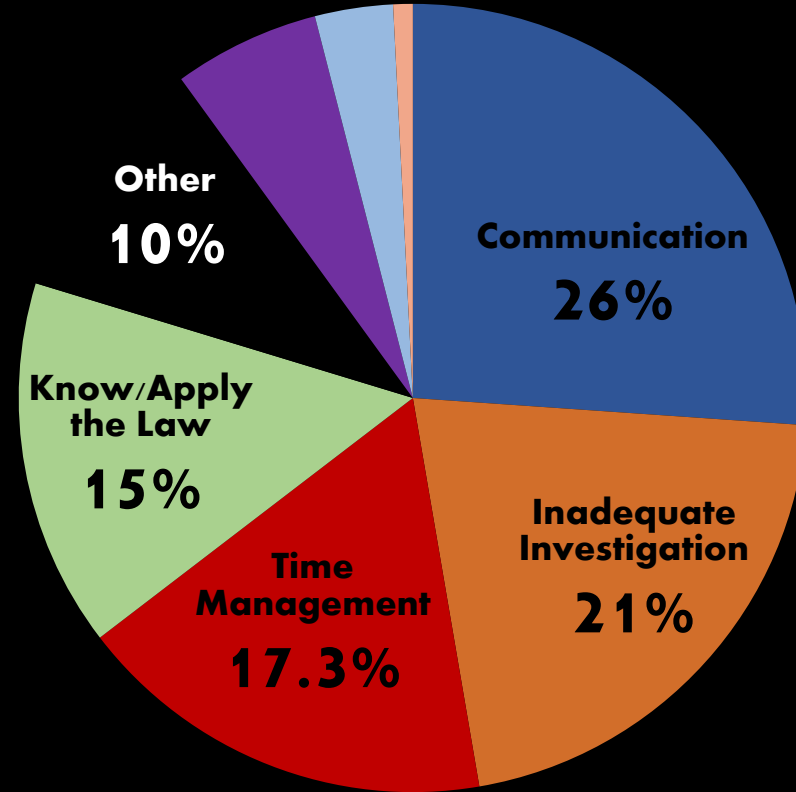
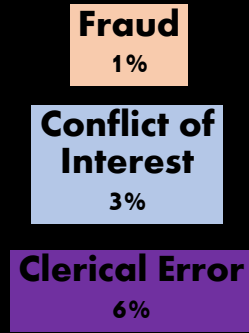
Claims by area of practice



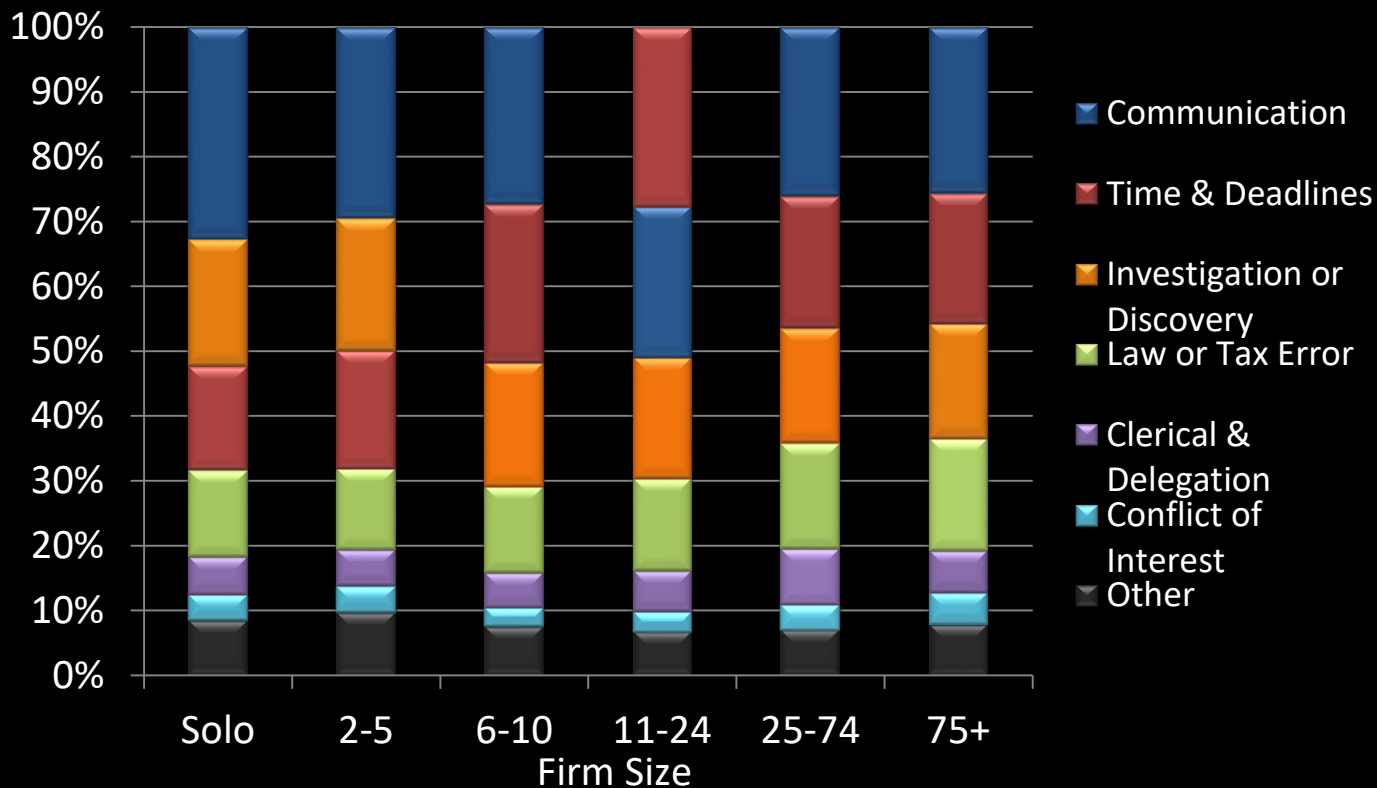
Claims count by area of law (fund year, as of Dec 31, 2018)



See our Claims Fact Sheets for information about individual areas of practice



Claims by type of error



Claims count by error type & firm size (2008-18)

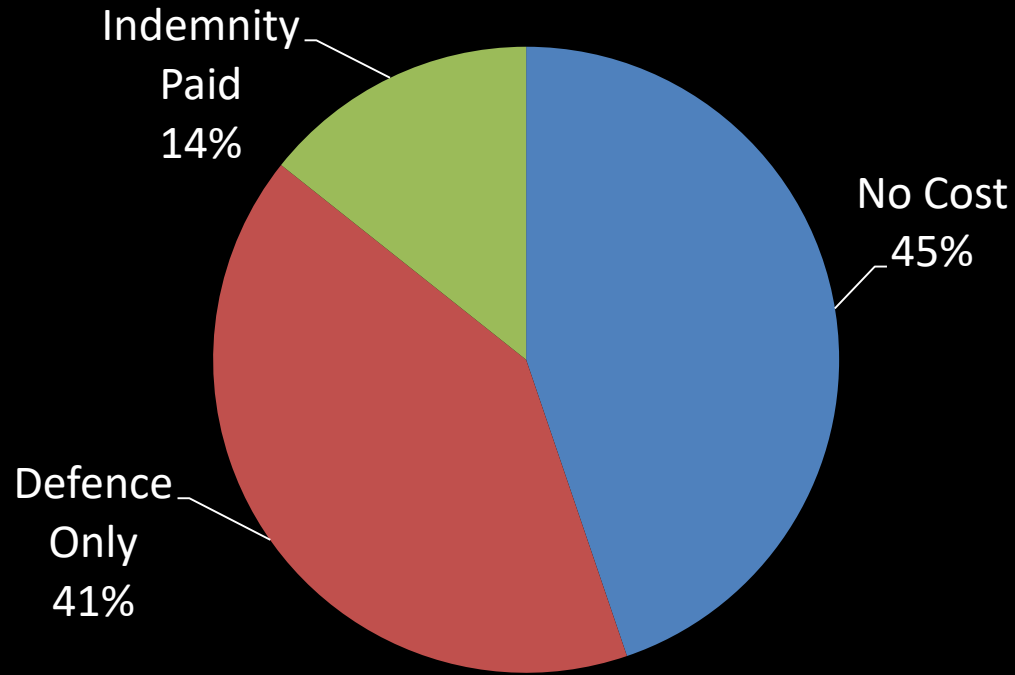
LAWPRO won:

- 6 out of 7 matters that went to trial and for which a decision was rendered
- 23 of 29 summary judgment applications
- 7 of 10 summary judgment appeal decisions

Summary of litigation results in 2018

Coverage option	No. of lawyers as of Jan. 31, 2019
New Lawyer Discount	5,295
Part-Time Practice	2,142
Restricted Area of Practice option	1,708
Innocent Party Buy-Up	3,722
Run-off Buy-Up	1,412
Real Estate Practice Coverage Option	8,489

Coverage options



Resolution of LAWPRO claims (1998 to 2017)

2018 Financials...

Premiums

\$102.7

\$22.1

General expenses

Claims costs

\$81.0

\$19.7

Net investment income

\$17.1

Other comprehensive income Income

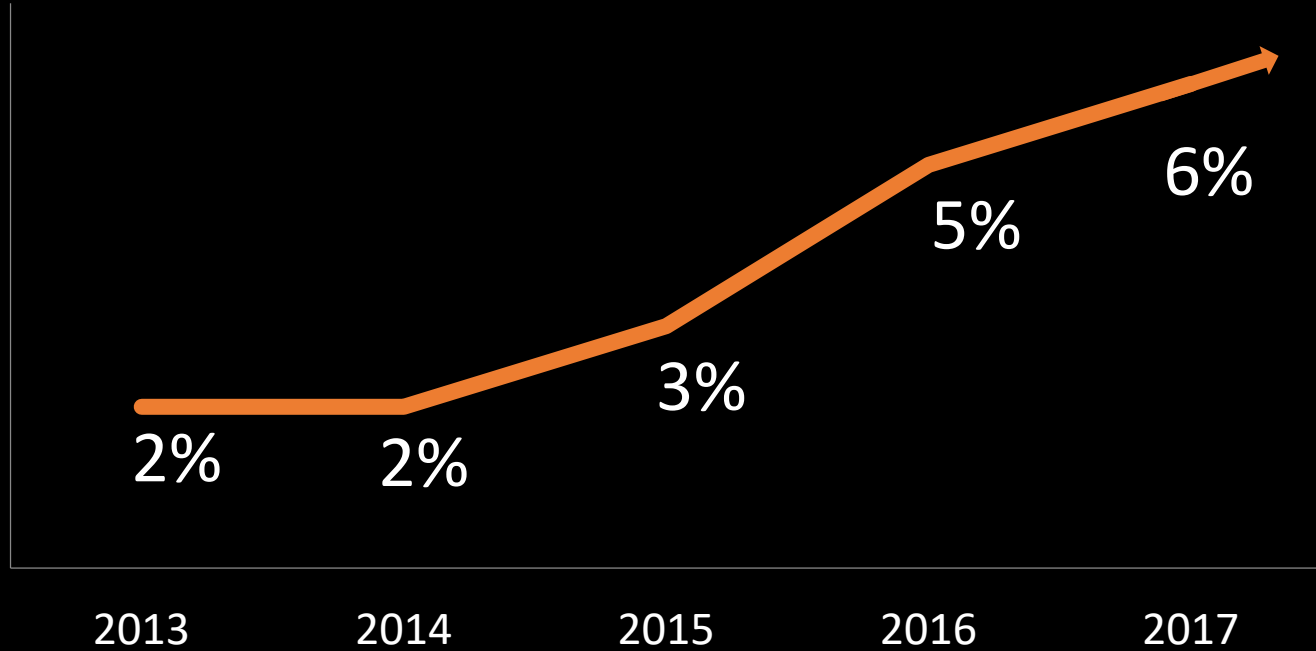
Financial results



More details at lawpro.ca/annualreport



LAWPRO contributes to funding of MAP



Member Assistance Plan (MAP) usage

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Helping you grow into a healthier life

When you or someone you care about needs help, Homewood is here for you. Whether you need advice, counselling or treatment—we are here to lend you a hand and support your recovery. We've been improving lives since 1883. How can we help you?

[SIGN UP](#)

Homeweb Member Services

When you or someone you care about needs help, Homewood is here for you. Whether you need advice, counselling or treatment—we are here to lend you a hand and support your recovery. We've been improving lives

New Homeweb website launching

LawPRO
*eXcess*TM
Insurance

20
years

The logo is a white-on-black design enclosed in a thin white rectangular border. It features the text 'LawPRO' in a small, sans-serif font above the word 'eXcess' in a large, stylized serif font. Below 'eXcess' is the word 'Insurance' in a smaller, sans-serif font. To the right of this text is a large '20' in a serif font, with the word 'years' in a script font inside the zero. The entire logo is centered within the white border.

<10 claims over \$1 million
 ± 275 claims over \$100,000

In recent years

- Limits as high as \$9 million per claim/in the aggregate
- Firm is named insured

LAWPRO Excess Program coverage

- 1,512 firms
- 3,817 lawyers
- Retention rate of 98%
- 15% of firms of <50 lawyers

LAWPRO Excess Program info

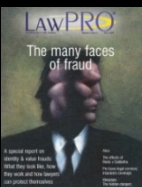
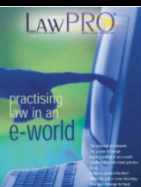
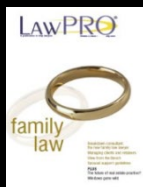
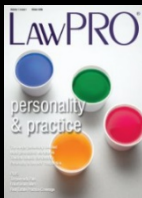
- Protection against a large claim
- No gaps in coverage
- Only one notice of claim to report a claim
- Competitive pricing
 - No broker's commission!
- Retention rate of 98%

Why consider LAWPRO Excess?

practice

PRO







- 900 presentations
- 480,000 lawyers at 2850 programs approved for Risk Management Credit

Continuing Professional Development

Follow us on



AvoidA
CLAIM

REPORT A FRAUD

- 1,800 blog posts
- 1,000 fraud warnings
- 700 visitors per day

AvoidAClaim.com blog



1,200 books borrowed

Lending library



- 12 checklists
- 10 claims factsheets
- 8 sample retainers
- 2 toolkits
- More...

Practical resources



Risk management, claims prevention and law practice management resources

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New Lawyer Resources

Welcome new lawyers! Whether you're a new call, currently articling or still in law school, we're sure you are excited to embark on an exciting career. LAWPRO's practicePRO program is here to help you succeed. Our resources, precedents, checklists and the [AvoidAClaim.com](#) blog will help you take steps to avoid a legal malpractice claim, and show you how to grow a successful and thriving law practice. We can help you:



Make the transition from student to lawyer: The [Student Issue of LAWPRO Magazine](#) will help you embark on your career as a lawyer with articles on choosing the right job, the articling experience, interview tips and how to broaden your professional network. There is also claims prevention and cyber security advice that will serve you and your clients well throughout your career.

Avoid malpractice claims: Did you know, four out of five lawyers will face a malpractice claim during the course of their career? Communication breakdowns and time management are the most common causes of claims, not mistakes of law. Check out the [biggest malpractice claims](#)

Areas of Interest



Fraud Prevention

[Read More »](#)



Most popular articles and resources in 2018

[Read More »](#)

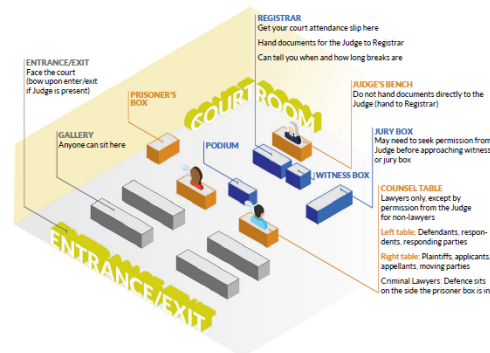


Checklists

[Read More »](#)

Latest Issue of LAWPRO Magazine

The First Timer's Going to Court Cheat Sheet



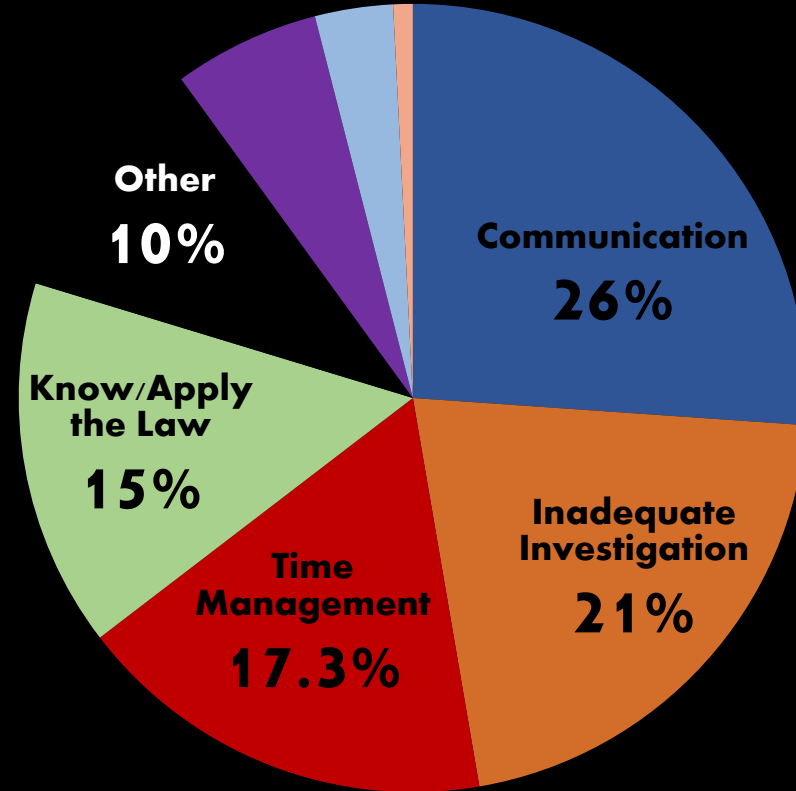
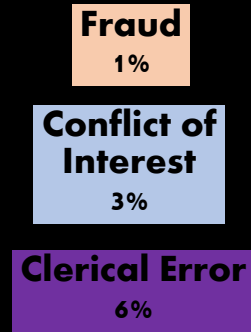
WHAT TO DO WHEN ENTERING THE COURTROOM

1. Arrive on time. Even better, arrive early
2. Approach registrar and find your matter(s) on the matter list and keep track of your matter number(s)
3. Introduce yourself to opposing counsel
4. Fill out counsel slips, available from registrar, for each matter you are appearing for
5. Take a seat at counsel table or gallery
6. Wait until your matter is called

WHAT TO DO WHEN IT'S YOUR TURN

1. When called, approach the podium or front-most counsel table
2. Moving party/plaintiff typically goes first
3. Identify yourself and the party(s) you represent. Spell your last name
4. Make submissions
5. **One speaker at a time.** Stand when making submissions, sit when not. If opposing counsel begins to speak, sit down
6. Stand and bow when Judge enters and leaves

New lawyer resources page



Most of these claims are preventable!!

Cyber claims...



Seeing more misdirected funds transfers via
compromised or spoofed emails

- Mortgage free property
- Property owned by numbered company with recent director/officer changes
- Mortgage broker getting large commission
- Borrowing corporation/officers unknown to lawyer and in rush to close
- Mortgagee is private lender
- Borrower/developer/builder using mortgage broker? Red flag!

Real estate frauds by corporate identity theft

Email is dangerous!

From: [Agustin De la Fuente | STK MDR](#) <adelafuente@stocklogistics.net>
To: "dan.pinnington@lawpro.ca" <dan.pinnington@lawpro.ca>
Date: 2018-12-14 09:53 AM
Subject: Re: Invoice Claim - [No.928374](#)

Dear Dan,

Please find attached invoice for services rendered to LAWPRO ([Lawyers'â€™ Professional Indemnity Company](#)).

Your prompt attention is greatly appreciated.

Please note payment terms of Net 30, see attached.

[Invoice Claim - No.928374.pdf](#)

[Agustin De la Fuente | STK MDR](#)

Office Manager | Account Specialist

661.633.2792 |

5201 California Ave |

Suite 370 |

Bakersfield, CA 93309 |



Your Accounts

[Amazon.com](#)

Account suspended

108-4596473-8009841

Hello

We were unable to validate important details about your **Amazon** Web Services (AWS) Account. Your AWS account has been suspended.

Please visit your account Details to update the payment information for your account.

[Update Your Payment Methode](#)

Account Details

Account #108-4596473-8009841

2016

From: Ellen Dahlmann <ellen.dahlmann@rygge.kommune.no>
To: Ellen Dahlmann <ellen.dahlmann@rygge.kommune.no>
Date: 2018-07-24 03:35 AM
Subject: IT Service Notice

Your mailbox quarter has reach the limit, click on the link: [Outlook Web App](#) to increase your mailbox limit.

From: "Daniel E. Pinnington" <pinebluff316@windstream.net>
To: ray.leclair@lawpro.ca
Date: 03/22/19 12:25 PM
Subject: RE: Request...

can you get a task done right now?

4:26



REQUEST



MIKE WINWARD

president.20199@gmail.com



To: You sam@familyseparation.ca

Thursday, May 9, 12:49 PM

SAM, Are you free at the moment?

Regards

MIKE WINWARD

Sent from my iPhone

4:26



Re: REQUEST



MIKE WINWARD
To You

12:59 PM



SAM, I am tied up right now, Can you purchase itunes gift card 7 pieces - \$100 each? I would reimburse you when am through, Let me know also i would prefer to call you but can't receive or call at the moment with my line.

Regards
MIKE WINWARD

From: "Daniel E. Pinnington" <info@vv-re.com>

To: karen.wood@lawpro.ca

Date: 03/04/19 01:35 PM

Subject: Payroll

Hello Karen

I want to make a change to my payroll Direct deposit Account.What are the requirement?

Regards
Daniel E.



FRAUD FACT SHEET

CYBERCRIME AND BAD CHEQUE SCAMS

Cybercrime and bad cheque scams are some of the most common, significant and costly problems for lawyers and LAWPRO®. Fraudsters are successfully duping lawyers, paralegals and law clerks.



Don't be complacent and think you will never be fooled

These frauds are very sophisticated. The matters will look legitimate, the fraudsters will be very convincing and the client ID and other documents you get will look real. Fake cheques are printed on real cheque stock.

Phishing emails will appear to come from your bank and other legitimate companies. Fraudsters will email you posing as colleagues and clients, and corporate records may be altered. Two or more people can collaborate on both sides of a transaction to make the scenario more convincing. Some may come to your office in person, or follow up with you over the phone.

If you aren't completely sure a matter is legitimate, terminate the retainer. Don't be sucked in by your emotions or a strong desire to help. Don't let the lure of a generous fee cause you to ignore your concerns as to the legitimacy of a matter. If you've been asked to do something that seems irregular, ask questions. If it looks too easy or sounds too good to be true, it probably is.

What to do if you have a suspicious matter?

Proceed with caution if you have even the slightest suspicion that the matter you are handling isn't legitimate.

1. Look for the red flags of a fraud. See the lists on the following pages.
2. Ask questions and dig deeper, especially if the facts don't add up or are inconsistent. See the next page for a list of things you can do.



Visit the AvoidAClaim.com blog to search names and email addresses from the frauds reported to LAWPRO. Click on "All Fraud Warnings" to see a full listing of names of confirmed fraudster clients. If you still aren't sure the matter is legitimate, call LAWPRO at 1-800-410-1013. Our experience with multiple frauds can help determine if you are being duped. If the matter turns out to be a fraud and there is a potential claim, we will work with you to prevent the fraud, if possible, and to minimize potential claims costs.

Report obvious frauds to LAWPRO

Help us help other lawyers by sending obviously fraudulent messages, scans of identification and other documents provided to you to fraudinfo@lawpro.ca

Get fraud warnings & updates from AvoidAClaim.com blog

Wondering if you've been duped or your potential client is a fraudster? For regular updates on fraud and claims prevention, subscribe to the email update from LAWPRO's AvoidAClaim.com blog.



Do you practice in real estate? See the Real Estate Fraud Fact Sheet at practicepro.ca for common types of real estate fraud, red flags, and tips on how to protect your law firm and you.



FRAUD FACT SHEET

REAL ESTATE

Avoid being duped



Fraudsters are successfully duping lawyers and law clerks using ID impersonations, property flips, value fraud, phishing scams, and more. Real estate frauds can be simple scenarios or sophisticated ones. The matters look legitimate and the fraudsters are convincing. There may even be two or more people collaborating on both sides of a transaction to make the scenario more credible.

Ultimately, if you aren't completely sure a matter is legitimate, terminate the retainer. Don't be sucked in by your emotions or a strong desire to help. Don't let the lure of a generous fee cause you to ignore your concerns as to the authenticity of a matter. If it looks too easy or sounds too good to be true, it probably is.

What to do if you have a suspicious matter?

Proceed with caution if you have even the slightest suspicion that the matter you are handling isn't legitimate.

1. Look for the red flags of fraud, many of which are described on the following pages.
2. Ask questions and dig deeper, especially if the facts don't add up or are inconsistent. See the next page for a list of things you can do.



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Concerned about other types of fraud scams? See the Cybercrime and Bad Cheque Scams Fraud Fact Sheet at practicepro.ca/fraud for common bad cheques or phishing scenarios and tips on how to protect yourself, your law firm, and your clients.

Fraud fact sheets

A FOOT IN THE DOOR

A CLASSROOM RESOURCE ON REAL ESTATE
AND HOUSING LAW IN ONTARIO



New From OJEN – Classroom Presentations
on Buying and Selling a Home



Do you need a local CPD program/speaker?



Q: What is blockchain?



Is very complex, but very simple...

What do you need to start?

Need at least three
people



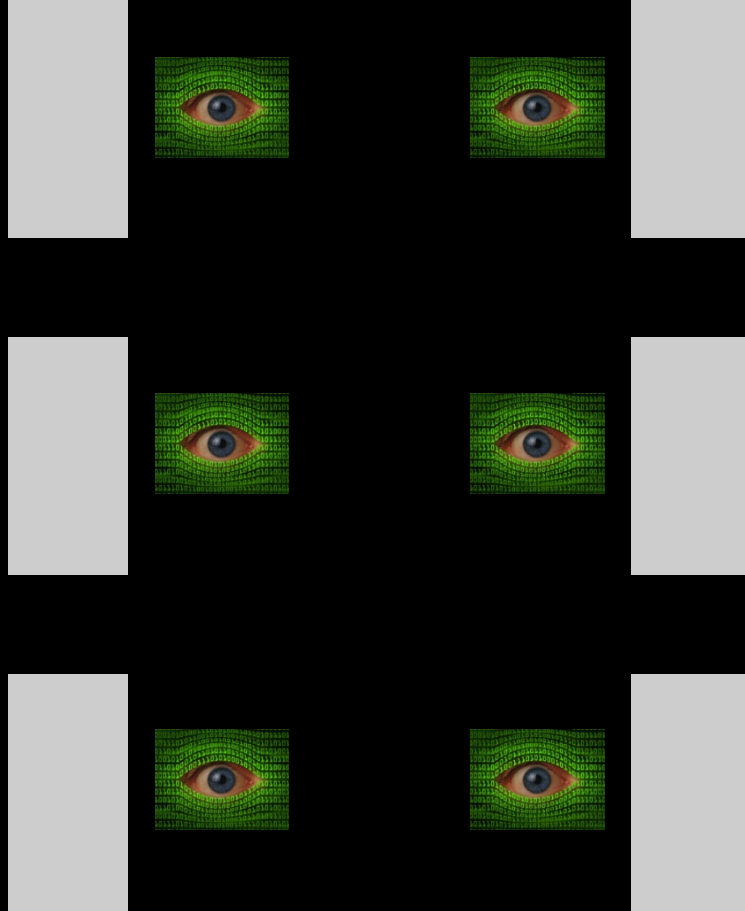
More is better



- Mutually agree to be in group
- Some common purpose



- Group members see everything (typically)
- Private to group or public



Can be
anonymous or
identities are
known



How it works...

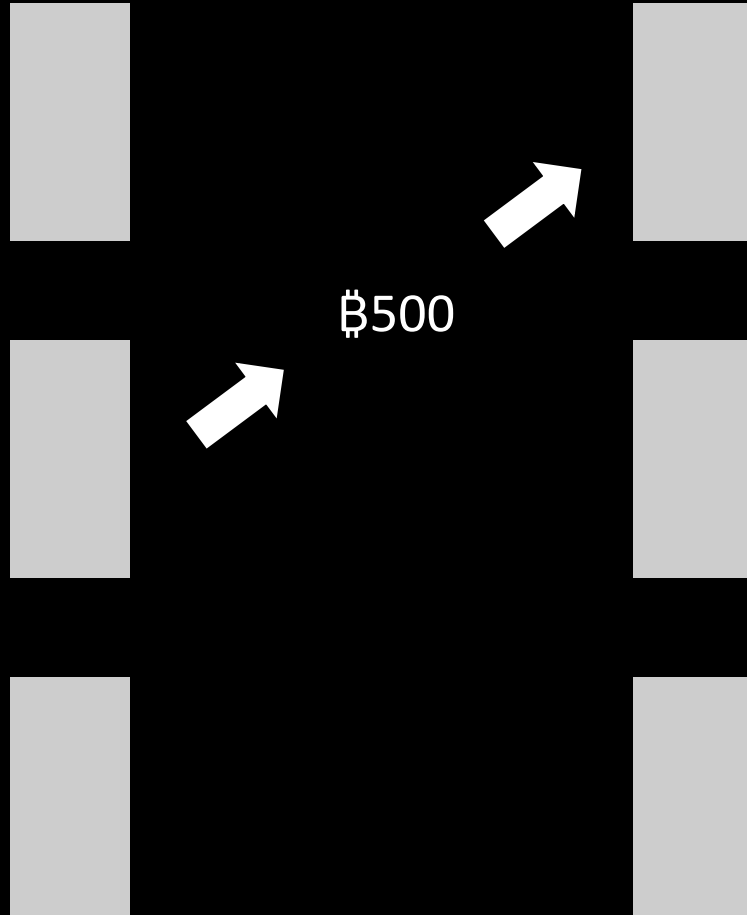
Loan between two
people in the
group



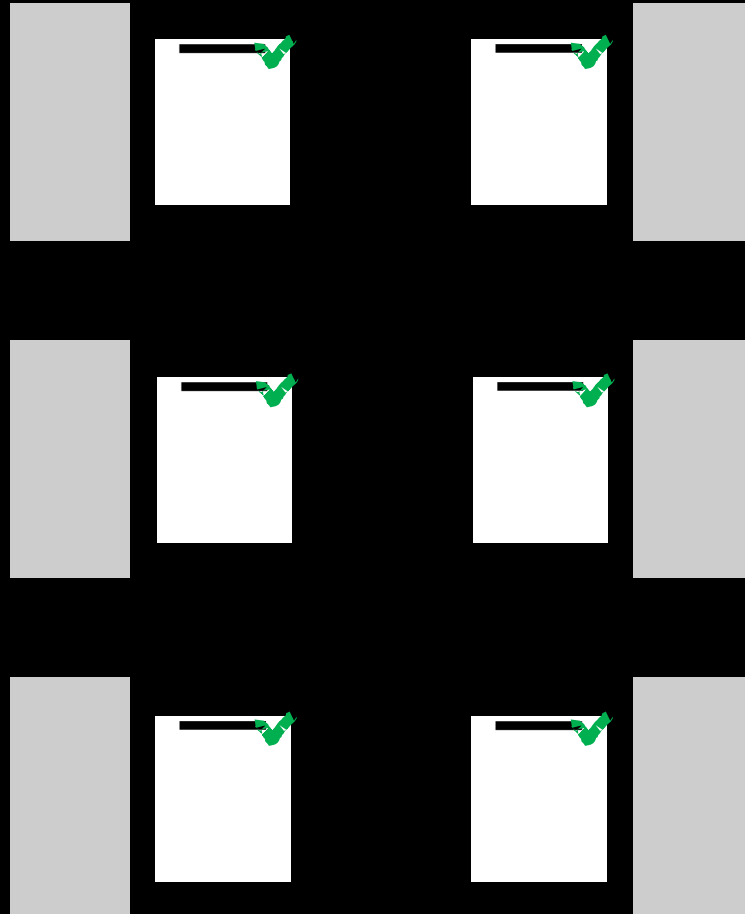
฿500



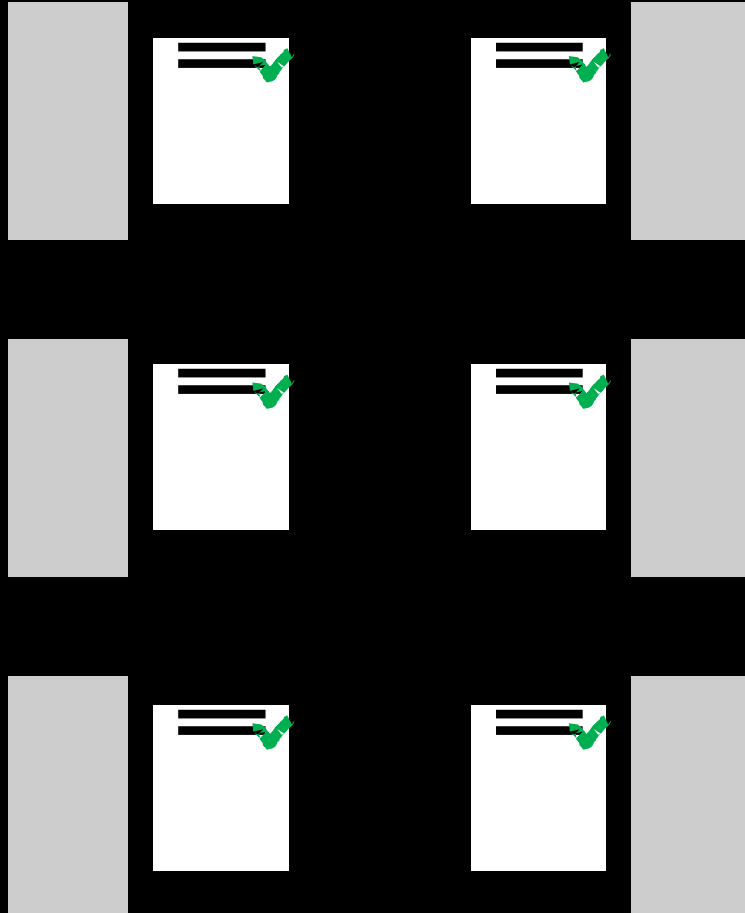
- Lender announces ₮500 transfer
- Seen by all



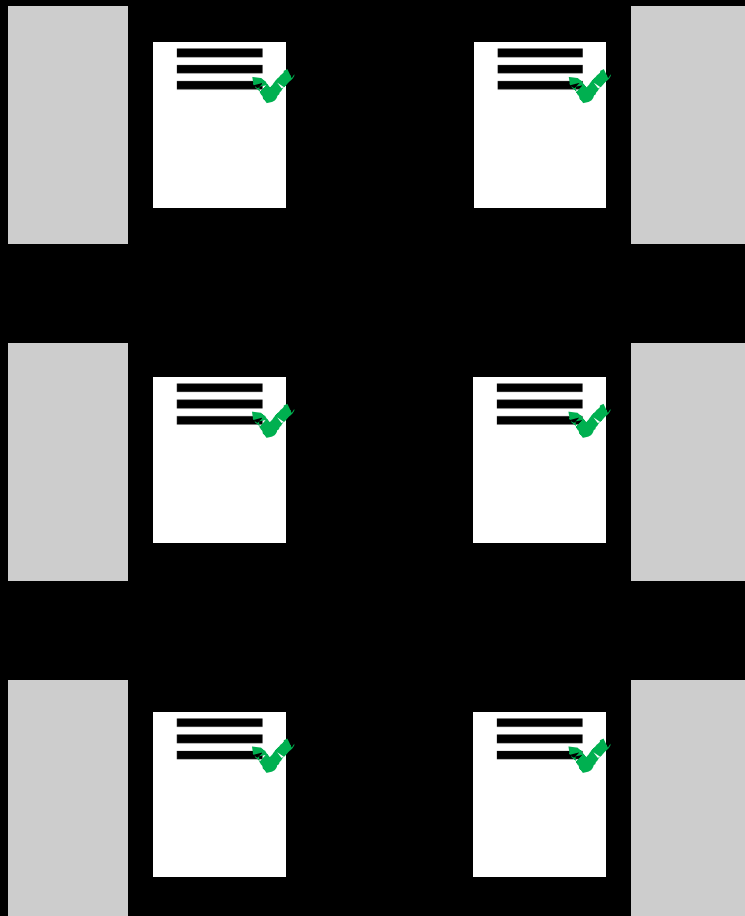
- All check lender balance
- If enough, each enters a transfer
- Considered complete
- **Distributed ledger**



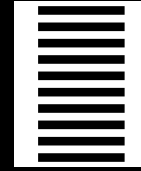
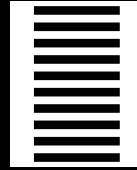
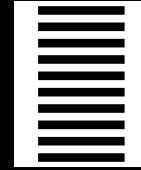
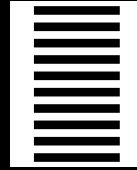
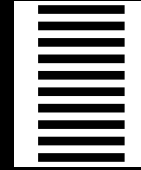
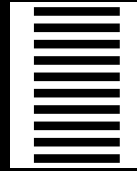
Next transaction
checked and
entered by all

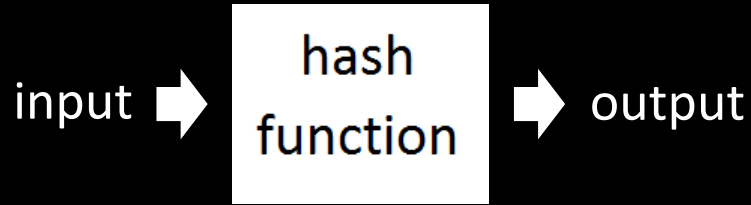


And so on...



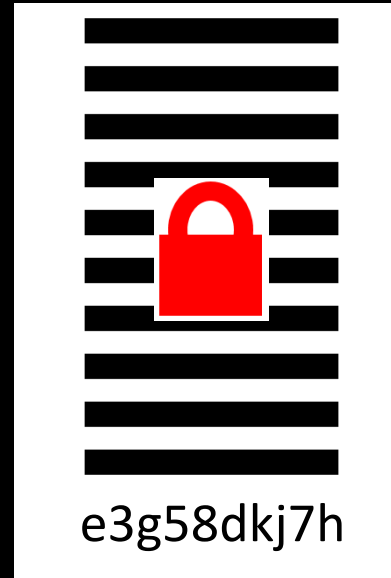
Something special
happens when
ledger page is full



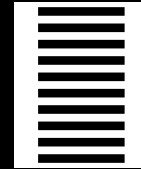
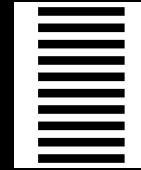
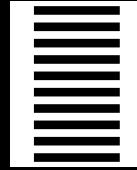
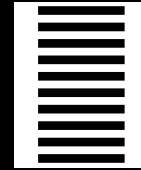


- Cryptographic code generator
- Always same answer (**hash**) for a given input
- Only works one way

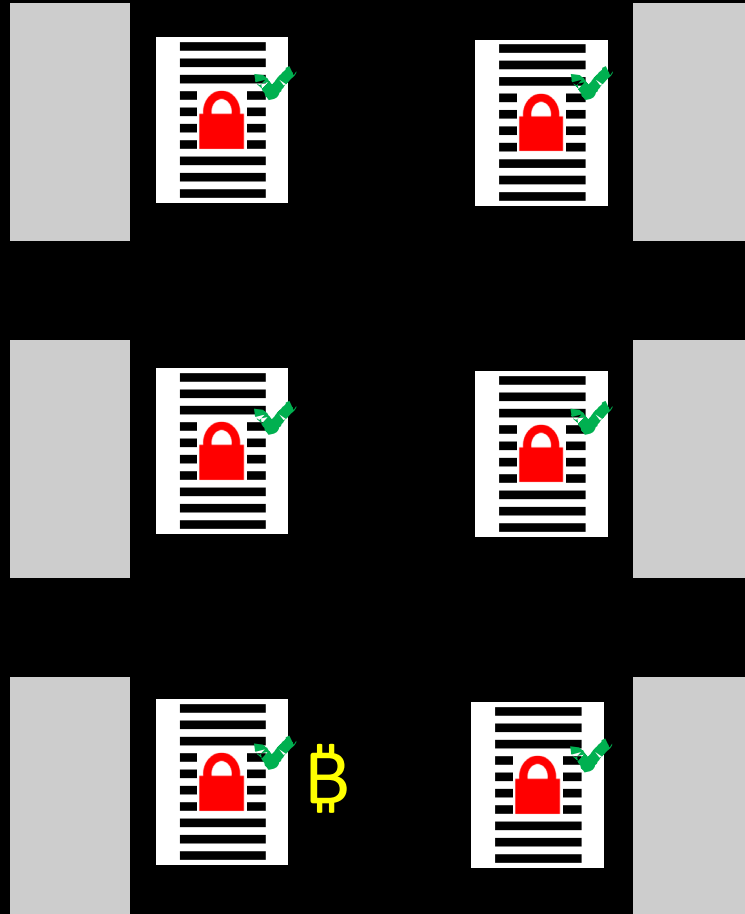
- Ledger page contents hashed
- “Locks” page
- Makes page verifiable
- **Proof of work**



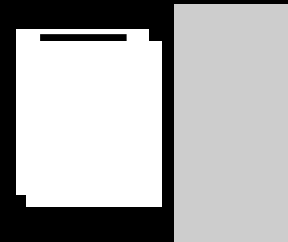
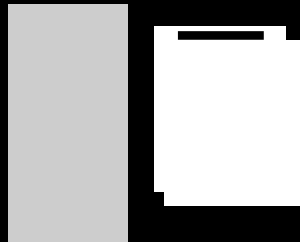
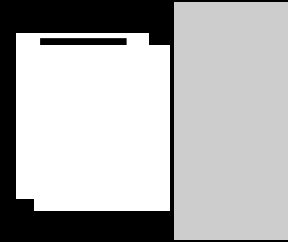
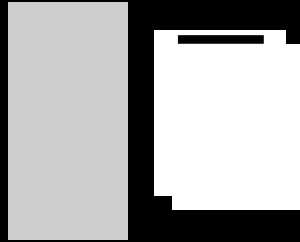
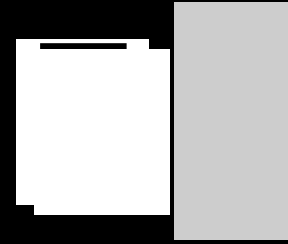
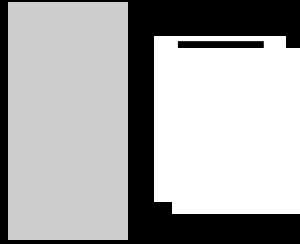
First to calculate
hash announces it



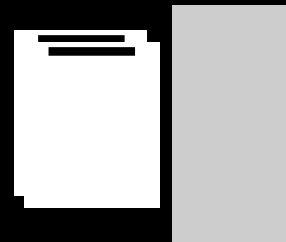
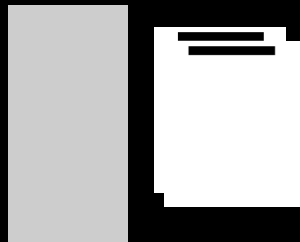
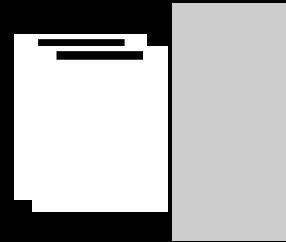
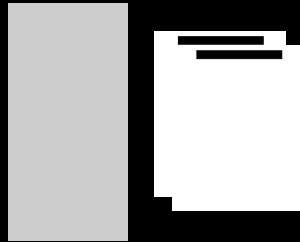
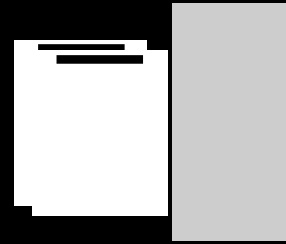
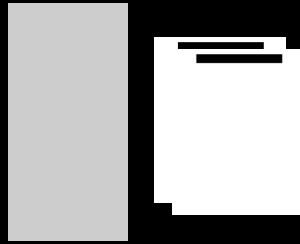
- Others check hash
- If verified, first person gets paid
- Nominal amount
- New money
- Mining



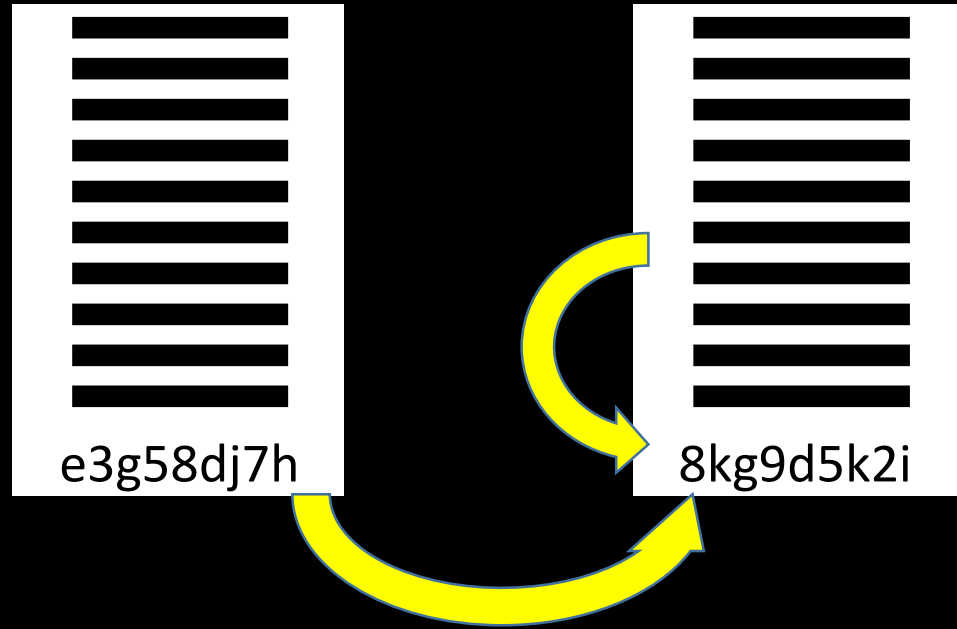
Everyone keeps old
page and starts
new page



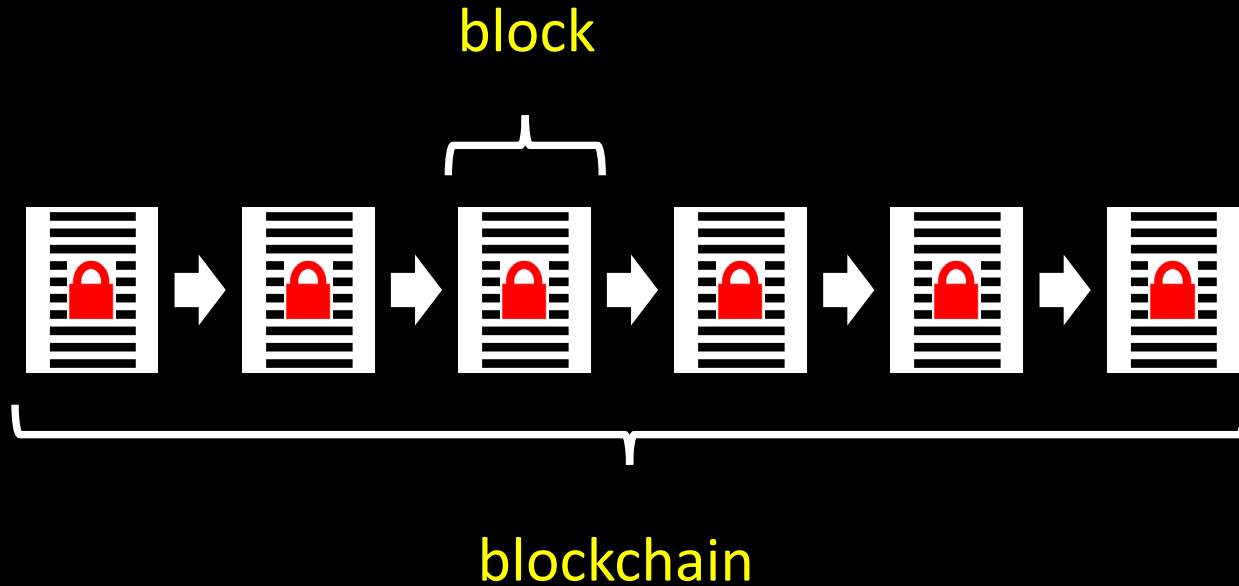
And the process
continues...



One special wrinkle...



Hash of prior page is calculated into
hash of current page

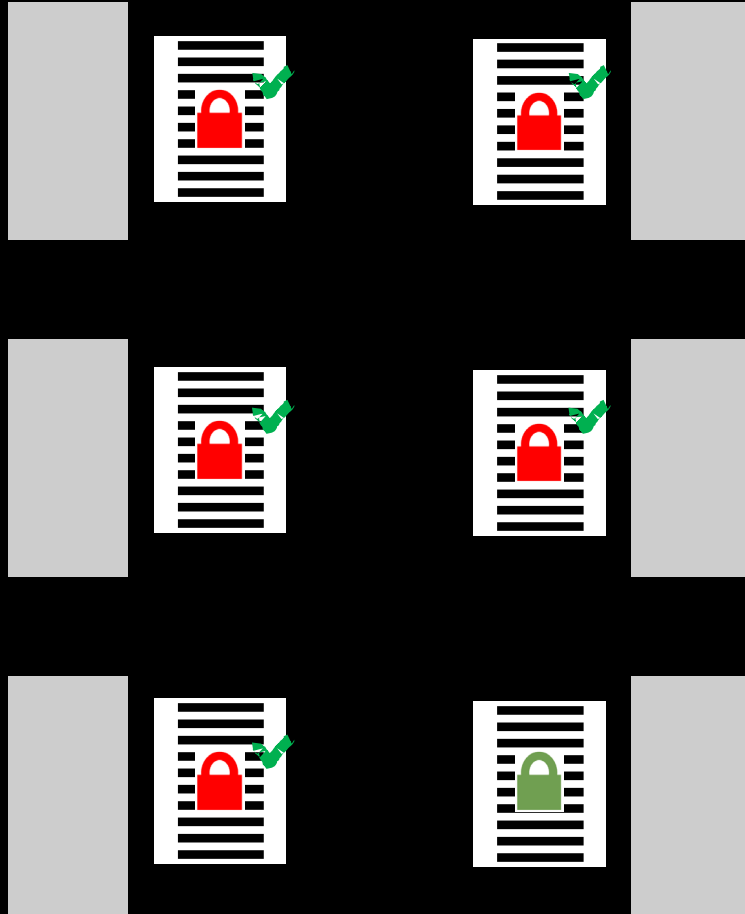


Now have locked and verifiable chain of transactions

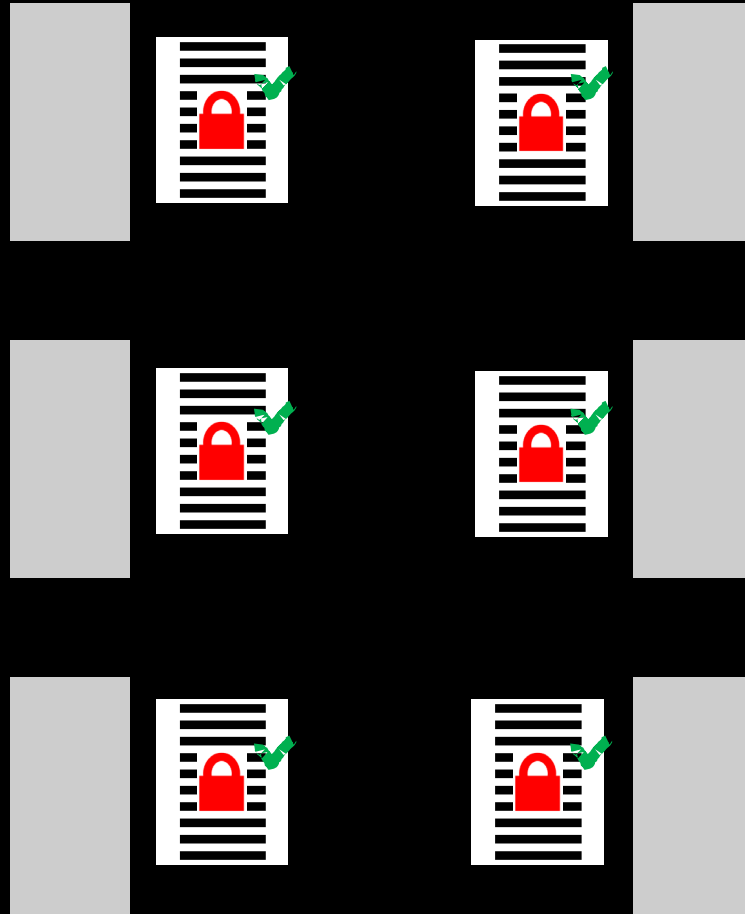
What if someone gets different hash?

A different hash is possible

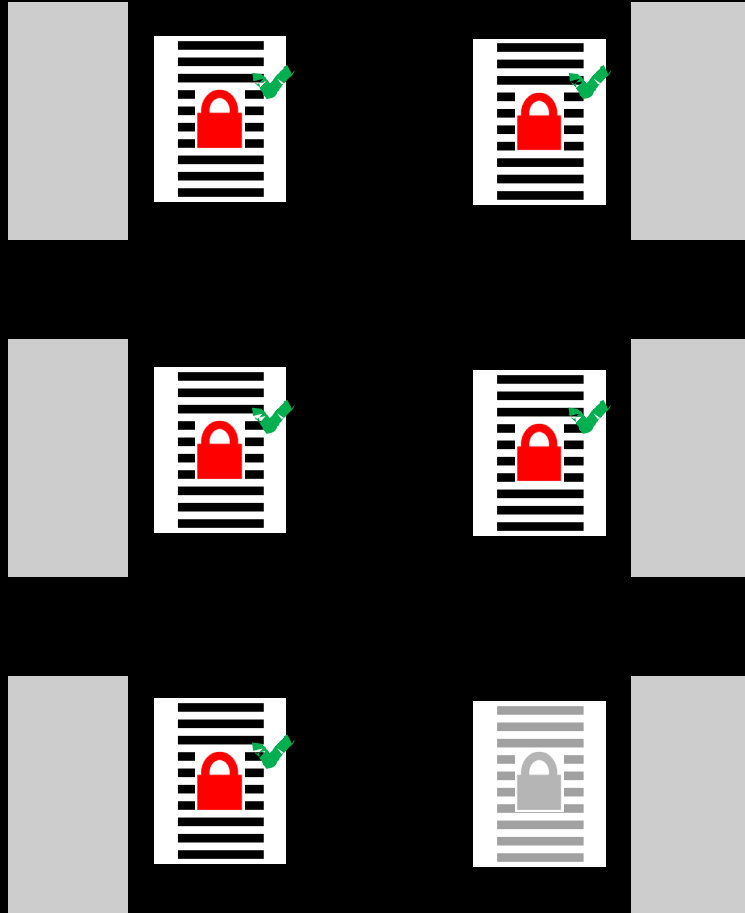
- Error
- Intentional change

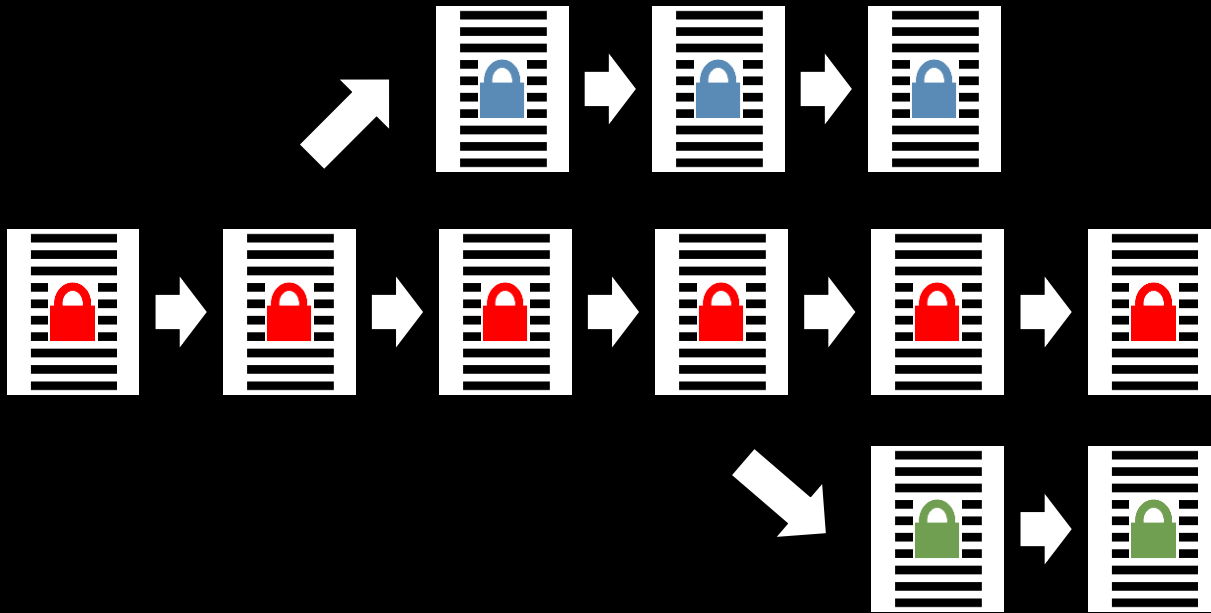


- Majority always wins
- Must replace wrong page with copy of correct page



If don't replace,
can't enter further
transactions





- Assuming majority (51%) is honest
- The longest chain is the correct one



Beyond banking...

- Smart contracts
- Transaction platform
- Registry system



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