

COMMUNIQUE PLUS

The Law Society of Upper Canada, Osgoode Hall, Toronto

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ERRORS AND OMISSIONS INSURANCE – EXCESS COVERAGE

The well-publicized “insurance crisis” has had a marked effect on the availability and cost of excess insurance, that is, coverage over and above the limit of the Law Society’s primary insurance coverage of \$600,000. Particularly affected are sole practitioners and firms of two to four lawyers who face “minimum premiums” three or four times the standard per lawyer premium.

Basically the purpose of a “minimum premium” is not only to meet increased administration costs, but also to build an appropriate structured premium income to support the Insurer’s exposure at each level of coverage in relation to the number of insured risks.

Representations have been made to American Home, who have now agreed that depending on the number of policies issued, they can reduce the “minimum premium” requirements as set out in the following schedule:

Excess Over LSUC’s \$600,000	Premium Per Lawyer	Existing Minimum Premium	Changes
\$ 400,000	\$300	\$ 500	– No change – If not less than 1,004 policies issued – \$500.00
\$1,400,000	\$450	\$1,000	– If not less than 878 policies issued – \$650.00 – If not less than 828 policies issued – \$750.00
\$2,400,000	\$600	\$2,000	– If not less than 512 policies issued – \$850.00 – If not less than 360 policies issued – \$950.00 – If not less than 340 policies issued – \$1,150.00

Applications for coverage should be sent to Marsh & McLennan, brokers, attention John McDonald, 1 First Canadian Place, P.O. Box 58, Toronto, Ontario, M5X 1G2.

Some members may wish to apply for excess coverage only at the lower price. They should indicate this on their application which will be held until the end of the month to see whether enough others apply to bring the lower price into effect. Members should take care not to let a gap occur in the continuity of their excess coverage while waiting to see whether the new coverage is available at the lower price.

Members who have already sent cheques and renewal requests to Marsh & McLennan for American Home coverage will receive an appropriate refund as and when each level of insurance policies issued is reached.

American Home has granted an extension of time for filing of applications from June 23 to July 31, 1986.

Members seeking excess coverage over \$2,400,000 may wish to contact their own brokers or Marsh & McLennan directly – John McDonald at 868-2827.

ONTARIO TASK FORCE ON INSURANCE (Slater Report)

The full text of the Society's submission is as follows:

"The Minister of Consumer and Commercial Affairs has asked for comments and submissions on the report of the Ontario Task Force on Insurance and particularly on those portions of the report dealing with the reformation of the tort system. The Society is aware that several groups, both legal and non-legal will make submissions to the Minister concerning the report and its recommendations. The Society does not propose to make any detailed response. However, because of its obligation to serve and protect the public's interest, it expresses concerns about the recommendations to abolish the tort personal injury compensation system.

Tort personal injury compensation has been an integral part of our legal system for hundreds of years and its abolition would have profound and far reaching effects not only on individual members of the public but also on society as a whole. The Society is of the view that the present tort reparation system in the Province of Ontario has worked well in providing fair and adequate compensation for accident victims. The legal system has demonstrated its ability to be flexible in varying circumstances and in meeting the needs of a changing society.

While the present tort reparation system may very well be improved to better protect the public's interest the Society is not satisfied that the recommendations made by the Task Force Report in regard to the proposed elimination of tort personal injury compensation have been sufficiently studied or researched. Should the government decide to consider such radical steps, it should take action only after very careful consideration. The Society recommends therefore that the Government, before taking any further action on the recommendations of the Task Force:

- (a) commission a study of the advantages and disadvantages of existing no-fault systems within the province particularly the Worker's Compensation Board, the Criminal Injuries Compensation Board, and existing motor vehicle no-fault systems in Ontario; and
- (b) undertake a thorough review of no-fault systems in other jurisdictions.

The Society further recommends that the above studies be done by the Ontario Law Reform Commission or be conducted under the aegis of a Royal Commission."

"PARALEGAL" AGENTS

Private Member's Bill 42 "An Act to regulate the Activities of Paralegal Agents" has received second reading in the Legislature. The explanatory note to the Bill reads:

"The Bill regulates the activities of paralegal agents who represent clients in Small Claims Court, Provincial Offences Court and other prescribed courts and tribunals. It establishes the Paralegal Agents Committee to make regulations with respect to the standards of admission and qualifications for paralegal agents. The Bill also provides for the disciplining of paralegal agents by The Law Society of Upper Canada."

The effect would be to create a new profession of "paralegal agents". Notwithstanding it has passed second reading the Society is assured it will have full opportunity to make submissions respecting it.

Meanwhile leave has been granted to appeal the acquittals of Pointts Limited and Brian Lawrie who were prosecuted for unauthorized practice in traffic cases. The appeals will likely be heard in the Court of Appeal in the autumn.

LEGAL AID – PAYMENT OF ACCOUNTS

A new computer form shows how quickly various Legal Aid accounts are being paid.

84% of standard form final accounts in criminal matters are paid within 30 days and 65.5% in civil matters. Within 45 days cheques have been issued for 91% of the civil accounts. Non-standard final accounts are slower with about 15% of criminal ones being paid within 30 days, close to 60% within 2 months and 90% within 2½ months. On the civil side 77% are paid within 2½ months. Cheques are issued for half the interim accounts within the first month and over 90% are paid within 2 months; 95% of supplementary accounts are paid within the first 45 days.

Ways are being sought to improve the average performance on all final accounts though half are now dealt with in the first 30 days and 93% within 2½ months.

LEGAL DIRECTORY – RULE 13

A letter has recently been sent by Hanover-Cornell Inc. to lawyers in Ontario inviting them to join a computer based law directory and information service. This letter states in part: “in accordance with a Law Society of Upper Canada direction we are accepting biographies from all lawyers who would like to be on the database”.

Prior to this letter being sent Hanover-Cornell Inc. had been advised by the Law Society that lawyers could participate but the information they could provide to Hanover-Cornell Inc. was limited by virtue of the requirements of Rule 13 and its Commentaries (information such as location, office hours, languages spoken, and restricted or general nature of the practice). Notwithstanding the Law Society’s advice, Hanover-Cornell Inc. has sent a detailed “information sheet” that asks the individual lawyer to provide much more detailed data.

On the assumption that Hanover-Cornell will publish all the information it receives in answer to its questions members should be aware that questions 3, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and questions 21, 22, 24 and 25 in the information sheet should not be answered because the information would go beyond what is permitted by Rule 13 and its Commentaries.

CREDIT CARDS

The Society has approved the forms of credit card agreement being offered by the following for lawyers to use so that their clients can pay them by credit card:

Canada – Mastercard
Royal Bank – Visa
Canadian Imperial Bank of Commerce – Visa
Toronto Dominion – Visa

Kenneth Jarvis,
Secretary.