

# Banack's Bencher News #91

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**LAW SOCIETY LITIGATION:** Many Benchers were elected in 1995 as a result of the then unfolding insurance crisis which resulted from a 1994 LPIC deficit of approximately \$153 million. Enormous effort was devoted to the problem by Malcolm Heins, Harvey Strosberg and many Benchers who participated in the Insurance Task Force. In April 1997, I reported that:

“LAW SOCIETY/LPIC \$110 MILLION LAW SUIT AGAINST FORMER AUDITORS AND ACTUARIES: The Law Society and LPIC have finally begun an action against its former auditors and actuaries as a result of the deficit in our insurance program. The damages claimed are for breach of contract, negligence, negligent misstatement, and for remedial and investigative costs. The Law Society maintains that the deficit would not have been incurred had it received proper audit and actuarial advice. Statements of Defence have not yet been filed.”

**SETTLEMENT:** Although Convocation has been provided with no details, the following is a Law Society statement released to the Law Times:

“The law suit by the Law Society of Upper Canada and LawPro against their former auditors, Ernst & Young and former actuaries, Tillinghast has been settled following a judicial mediation. As a result of the settlement the Law Society will receive payment of \$8 million from the defendants. The law suit related to the calculation and reporting of claims liabilities incurred in the period 1991 to 1994 in the Law Society's Insurance Plan. No party made any admission of liability as part of the settlement.”

I am hopeful, but not optimistic that the Profession will be told why lawyers had to both fund the \$153 million deficit and bear the cost of an enormous law suit that has now been settled 13 years later for \$8 million. Hopefully, the Chair of Finance will be able to advise Convocation what the settlement represents on a net basis after the payment of costs and disbursements and how the proceeds of the settlement will be used. Lawyers suffered real financial pain as a result of incredibly high insurance premiums from 1995 to 1999. Lest we forget, it was only in 1999 that annual base premiums for a sole practitioner were reduced from \$5,600.00 to \$3,600.00. This year's base premium is \$2,950.00 per lawyer. How do you feel about this?

**LAW COMMISSION OF ONTARIO:** The Access to Justice Committee reported to Convocation that the Law Commission presently has the following five research projects underway:

- Development of a coherent approach to the law as it affects older adults and as it affects persons with disabilities;
- Vulnerable workers and precarious work;
- Best practices at family justice system entry points;
- Modernization of the Provincial Offences Act; and
- Joint and several liability under the Ontario Business Corporations Act.

The Law Commission's current mandate expires on January 1, 2011. Further information about the research mandate and future projects can be accessed through the Commission's website at <http://www.lco-cdo.org/en/index.html>

**CANADIAN BAR ASSOCIATION AWARDS:** April is nomination month for various CBA Awards which recognize significant and prominent contributions in a number of areas. See the CBA website for nomination deadlines, contact information and designated liaison persons at the national office. <http://www.cba.org/>

**ANNUAL REPORT DEADLINE:** March 31 is the deadline to file 2009 Lawyer Annual Report to the Law Society. Do not delay in filing the hard copy report provided to your office or you can e-file by following the instructions at <https://eforms.lsuc.on.ca>. If you have any questions, call 1-800-668-7380 (3315) or 416-947-3315.

**COMING EVENTS TO LAMONT LEARNING CENTRE (OSGOODE HALL):**

**Holocaust Memorial Day** – April 12 2010  
**National Aboriginal Day** – June 14, 2010

**Asian Heritage Month** – May 10, 2010  
**Pride Week** – June 29, 2010

**CONVOCATION REPORTS:** All reports to Convocation can be viewed at <http://www.lsuc.on.ca/news/>. In order to more fully understand the issues facing Convocation, you may wish to review previous editions of Banack's Bencher News at [http://www.kmlaw.ca/publications/banacks\\_bencher\\_news\\_home.aspx](http://www.kmlaw.ca/publications/banacks_bencher_news_home.aspx).

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