



LAWPRO
Board Director Profile
August 2017

Client Organization: LAWPRO
Position Title: Board Director
Location: Toronto, Ontario, Canada



COMPANY BACKGROUND

Lawyers' Professional Indemnity Company (LAWPRO®) is a wholly Canadian owned insurance company that provides professional liability insurance to lawyers in Ontario and TitlePLUS® title insurance coast-to-coast. LAWPRO is headquartered in Toronto, Ontario, Canada.

LAWPRO provides errors and omissions insurance to more than 26,000 members of the Law Society of Upper Canada. Through its TitlePLUS Program (being the only all-Canadian, bar-related title insurance product), LAWPRO also provides comprehensive title insurance and legal services coverage for residential purchase and mortgage-only/refinance transactions handled by lawyers or Quebec notaries.

Incorporated in 1990 by the Law Society of Upper Canada, LAWPRO has operated independently of the Law Society of Upper Canada since 1995, with its own management and Board of Directors. For more than 20 years, the LAWPRO team has provided the Ontario bar with cost-effective liability insurance, expert claims administration, and proactive risk and practice management initiatives to help prevent claims.

LAWPRO operates in a commercially viable and responsible manner in accordance with the regulations of the Ontario *Insurance Act*, the Ontario *Corporations Act*, and other applicable legislation. LAWPRO's strong underwriting and claims management underlies its financial strength. LAWPRO has consistently been awarded an "A (Excellent)" rating for its financial strength by A.M. Best Co, a leading rating agency.

VISION, MISSION AND VALUES

VISION

To be regarded as the preferred insurer in all markets and product lines in which we do business.

MISSION

To be an innovative provider of insurance products and services that enhance the viability and competitive position of the legal profession.



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VALUES

Professionalism

Individually and as a team, we hold ourselves to the highest professional standards.

- We deliver programs and services known for quality and cost-effectiveness, and for being practical, helpful and relevant.
- We demand the best of ourselves every day and in everything we do.

Innovation

We foster a climate in which creativity, innovation and change can flourish.

- We share ideas, skills and knowledge and encourage continual learning.
- We value teamwork and collaboration, and the diverse strengths and perspectives of others.

Integrity

We act with the highest levels of integrity in all of our interactions and decisions.

- We aim to always be consistent, fair, ethical and accountable.

Service

We strive for excellence in customer service.

- We share our knowledge, experience and expertise with our customers and with each other, so that together we can identify, prevent and solve problems.
- We take the time to listen and understand, so we can respond effectively and empathetically to our customers and to each other.
- We demonstrate courtesy and genuine respect for all.

Leadership

We try to make the world a better place, and to that end lend our energies and expertise to many communities.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to being a responsible, involved and accountable citizen of the many communities in which we hold membership: the employer community, the insurance community, the legal community, and of course the larger community in which we all live.

The LAWPRO Corporate Social Responsibility Statement is informed by this spirit of community and accountability, while acknowledging that we are governed and profoundly shaped by our unique role as the provider of the primary professional liability insurance program for all lawyers in Ontario. Our social responsibility commitment as a corporate body is focused on four principal areas:

Providing a healthy and rewarding workplace

- We respect and value our employees and the vital role they play in enabling the company to fulfill its mandate. To that end we adopt policies and practices that not only comply with applicable law and fair labor practices, but also respect diversity, promote inclusion and fellowship, cultivate professional growth through education and service, and promote health, safety and wellness, in the workplace and in personal life.



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Respecting the environment

- We believe that individually and as a company we have a role to play as stewards of our environment and its resources. To that end we support and promote initiatives in our company that help advance the goal of a sustainable environment.
- The company supports the work of its employee-led Green & Wellness Committee, which aims to educate LAWPRO employees about the role individuals and organizations can play in protecting and improving the environment. LAWPRO also has spearheaded a company-wide campaign to reduce reliance on paper and related products, and facilitate use of technology in all aspects of the company's operations. The company actively encourages initiatives such as these that meet a dual mandate of being stewards of the environment and the bar's resources.

Fostering the legal community

- We view a committed, healthy and diverse bar as essential to the functioning of a democracy and to the protection of individual rights in society.
- We have over the years provided financial and in-kind support to organizations that promote and deliver lawyer wellness programs. As well, we make available wellness information and resources electronically at no cost.
- We support and sponsor a range of legal-related charitable and non-profit causes that advance the role and reputation of lawyers in our community, and by implication, foster access to justice in Canada. We also work to support charitable initiatives which have captured the interest and imagination of the bar and their clients. We promote the enrichment of the bar through our promotion of legal education, both internally and externally, and by fostering the building of relationships within the legal community.

Supporting the broader Canadian community

- We acknowledge that as highly skilled and employed individuals, we are among the fortunate in our community. LAWPRO employees give back by selecting five registered charities annually and partner with the company to fundraise for their benefit. In addition, each LAWPRO employee may request one "charity day" per year to undertake work for the registered charity of the employee's choice.
- We actively contribute to the advancement of the Canadian insurance industry, and engage in a dialogue with government in the interests of the bar and the Canadian consumer.
- We promote inclusion by working to expand the range of our materials available in both official languages and by providing materials in other languages based on level of demand.

CORPORATE GOVERNANCE

The Board of Directors, either directly or through its committees, bears responsibility for the stewardship of the Company. To discharge that responsibility, the Board supervises the management of the business and the affairs of the Company, including the oversight or monitoring of all significant aspects of the operation, so that the Company effectively and efficiently fulfills its mission, vision and values.



The Company's corporate governance processes, structures and information are designed to strengthen the ability of the Board to oversee management, and to enhance long-term policyholder value. Every director has a duty to guide the Company's affairs in a manner that achieves the Company's objectives and is expected to exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. Directors are subject to regular performance evaluations and to an annual survey designed to identify conflicts of interest.

The corporate governance processes and mandate are derived, in part, from the Ontario Insurance Act and regulatory "best practices".

BOARD INDEPENDENCE

Demonstrable evidence of independence is at the heart of effective governance. Independence is normally a matter of a Board demonstrating its ability to act independently of management when appropriate. The Board has operated for many years with a majority of independent Directors.

BOARD COMPOSITION

15 Directors serve on LawPRO's Board. Annually, the Board reviews its composition to determine whether or not the Board is optimally structured to ensure the achievement of the corporate strategy and business plan. Also important is a regular assessment of the skills, experience and independence of those on the Board.

BOARD RESPONSIBILITIES

The basic oversight responsibilities of the Board include:

- Corporate performance oversight: the Board ensures that corporate management continuously and effectively strives to meet the two opposing goals of minimizing premiums and achieving a satisfactory financial result, taking account of risk.
- Appointment of the President & CEO and related human resources issues: the Board appoints the President & CEO and approves the President & CEO's objectives, assesses his or her performance and determines compensation of the President & CEO. As well, the Board approves key appointments reporting to the President & CEO, reviews key executive performance and approves compensation policy and succession plans.
- Strategic direction and policy: the Board reviews and approves management's proposed strategic direction and policy matters, and ensures that policies on key issues, including exposure to various risks, are in place, are appropriate and are reviewed to ensure compliance with same.
- Budgeting and planning: the Board approves the Company's proposed budgets and other performance goals, reviews performance against goals and recommends corrective actions.
- Risk Management: the Board monitors all categories of risk affecting the Company's operations, approves risk management strategies and assesses risk management performance.
- Regulatory compliance and financial monitoring: through an independent audit committee, the Board requires and monitors regulatory compliance, appoints the auditor, oversees the audit process and reviews and approves financial reports. The Board also ensures that financial systems produce accurate and timely information, and that appropriate controls are in place.
- Ensuring its own effectiveness: the Board establishes committee structures that assist the effective operations of the Board, and enable a review and assessment of the Board's own performance.
- Setting an appropriate cultural tone: through its support for the corporation's vision, mission and values and corporate social responsibility statement and its adherence to the Code of Business Conduct, the Board promotes a culture of integrity, exemplary business conduct, and due regard for the fair treatment of customers while acting in a commercially reasonable manner.



BOARD COMMITTEES

The members of the Board are assisted in fulfilling the responsibilities explained above through the following committees:

Audit Committee

The Audit Committee assists the Board in monitoring:

- The integrity of the Company's financial reporting process;
- Financial & solvency risks that the Company is exposed to;
- The controls for managing those risks; and
- The independence and performance of the Company's external auditor and actuary.

Conduct Review Committee

The Conduct Review Committee oversees the Company's compliance with the related party provisions of the Ontario insurance legislation.

Executive Committee

The Executive Committee has the authority of the Board, subject to the limitations of law and those set forth in the Company's bylaws, to consider urgent matters that require action prior to the next Board meeting. Actions taken by the Executive Committee are reported to the full Board at the next meeting.

Governance Committee

- Assists the Board of Directors in its oversight role with respect to: a) the development of the Company's corporate governance policies, practices and processes; and b) the effectiveness of the Board of Directors and its committees;
- Identifies individuals qualified and suitable to become Board members and recommends to the Board of Directors the director nominees for each annual meeting of the shareholders;
- Assists the Board of Directors in its oversight role with respect to: a) the Company's human resources strategy, policies and programs; and b) all matters relating to utilization of human resources within the Company, with special focus on management succession, development and compensation;
- Oversees procedures for resolving conflicts of interest, restricting the use of confidential information and dealing with customer complaints; and
- Assists the Board of Directors in liaising with the principal shareholder.

Investment Committee

- Assists the Board and management in managing the invested assets of the Company;
- Develops and monitors investment policies and guidelines;
- Provides recommendations to the Board in connection with the hiring of external investment managers; and
- Meets with and monitors the performance of external investment managers.

Risk Committee

The Risk Committee assists the Board in monitoring all risks (other than financial & solvency risks) to which the Company is subject and overseeing the development and implementation of appropriate risk management policies and programs.



KEY EXPERIENCE AND COMPETENCIES

Every Director has a duty to make an objective and constructive contribution towards the effective direction of the corporation's affairs. Director's functions include the following:

- maintaining an objective interest in the agenda and topics placed before the Board;
- ensuring that the Board receives comment, advice or criticism from the corporation's auditors, actuaries or other specialists whose role it is, specifically, to advise the Board;
- making a unique contribution, by way of expertise, judgement or particular contacts which would not otherwise be available to the Board;
- assisting the Chair in the selection, assessment and remuneration of the Directors and senior management;
- acting in an advisory role for specific projects within the corporation, if the director's experience is applicable, and to become involved as a member of appropriate board committees, by invitation; and
- questioning information presented to the Board where this is incomplete or departs from the expected, and ensuring that the rationale for decision-making is justified.

Qualifications that a Director should possess include the following:

- **Business and Board experience:** The Director will have a breadth of business experience and outlook, in successful organizations, including experience with governance issues; board experience is an asset;
- **Mental capacity for long-term thinking and planning,** and an ability to analyze a situation fairly quickly;
- **Financial comfort:** The Director will have financial sense, and a working familiarity with corporate financial statements, accounts and reporting systems;
- **Ability to communicate in a clear and productive manner** which moves forward the understanding and resolution of an issue;
- **Non-conflicting involvements:** The important attribute is the ability to allocate sufficient time so as to discharge, responsibly and diligently, the obligations of the appointment;
- **Compatible philosophy:** A Director must have a business philosophy which is in keeping with the operation of a regulated insurance corporation with complex financial and operational goals;
- **Preferred competencies will include one or more of the following: insurance industry and operational experience (including technology oversight experience), an aptitude for a governance role, and exposure to an organization with a public policy purpose or role;**
- **Independence:** Independence, both financial and intellectual, is essential so that views can be expressed without constraint;
- **Honesty and integrity demonstrated through the Director's actions,** including the conduct of the Director's personal and professional responsibilities. A Director should not have (i) a criminal record or a history of inappropriate conduct involving inter alia dishonesty, misappropriation or fraud, (ii) any irregular or reproachable conduct regarding their own personal financial situation or that of any entity by whom they were previously employed or retained in a leadership role, or (iii) been declared by a relevant regulatory authority to be in breach of compliance or to lack integrity in a comparable role.

Every Director must:

- comply promptly with all requests for information (personal or otherwise) necessary to fulfill management operational needs and corporate regulatory obligations, including consenting to criminal record and credit checks;



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- comply with the conflict of interest policy for directors, including (where applicable) removing oneself, and then abstaining, from engagements opposing the interests of LAWPRO or other lawyer professional liability or title insurance programs, whether as counsel or expert witness;
- attend orientation training for new directors and such on-going training arranged or approved by the Chair from time to time;
- participate in evaluations or other programs to assess Director qualifications and competencies and/or Board effectiveness, as directed by the Chair.

It is expected that within a reasonable time the Director will have acquired:

- a sound knowledge of the nature and extent of the LAWPRO business and more generally, the insurance industry;
- an awareness of the economic, political and social environment in which the business is conducted;
- an understanding of the availability of financial resources and the level of current and proposed investments; and
- an introduction, through the President & CEO, to senior persons responsible for the corporation's operational management.

REMUNERATION

Competitive remuneration is extended to Board Directors for annual Board meetings in addition to Board Committee meetings.

LawPRO is committed to complying with the *Accessibility for Ontarians with Disabilities Act, 2005*. Please be advised that accommodation is available in our recruitment processes to all applicants with disabilities, upon request.

AMROP KNIGHTSBRIDGE CONTACT INFORMATION

Please forward a confidential expression of interest (cover letter and current resume) to: Ed Perkovic, Director of Research – eperkovic@amropknightsbridge.com.

Should you have any questions regarding this opportunity to be part of a dynamic and collegial Board of Directors, please contact:

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