

Overview of Cassels Brock Corporate & Regulatory Insurance Practice



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THE FIRM IN BRIEF

- Toronto-based law firm of more than 200 lawyers focused on serving the transaction, advocacy and advisory needs of Canada's most dynamic business sectors
- Emphasis on core practice areas of corporate and commercial law, mergers and acquisitions, securities and corporate finance, tax, intellectual property, real estate and international business
- One of the largest business law practices in Canada, serving mid-market, national and multinational entities and dedicated to value-driven public and private merger, acquisition and divestiture work
- Consistently ranked at or near the top of Bloomberg and Thomson Financial deals league tables for M&A and equity offerings
- Cited as market leaders by Chambers Global, ALM 500, Best Lawyers, Lexpert, Global Counsel and others
- Acted on two of the winning deals honoured at the 2009 Canadian Dealmakers' Gala; acted on two of the winning deals honoured at the 2008 Canadian Dealmakers' Gala; counsel to three of the five winners of the 2008 Canadian General Counsel Awards, including the winner in the Dealmaking Category; and architects of the transaction awarded the Value Creation Deal of the Year at the 2007 Canadian Dealmakers' Gala
- Member of the World Services Group, offering a platform of more than 700 lawyers across Canada providing legal services in every province and territory
- Dedicated to staying on the leading edge of trends in law and business to offer timely proactive and preventative advice that adds demonstrable value
- Serving leadership roles in business, political, civic, charitable and cultural organizations in community, national and international organizations

HISTORY AND OVERVIEW

Cassels Brock is a leading provider of legal services to Canadian and international clients. With a complement of more than 200 lawyers, the firm offers a full range of sophisticated business transaction and advisory services. Our firm's nimble platform allows us to work effectively with organizations of all sizes and types and to handle domestic and international engagements of every nature and complexity. Our lawyers make it a point to understand their clients' business objectives, listen to their needs and stay up-to-date on the issues that affect their industries and markets. Through creative strategies and proactive advice, we help to seize opportunities and overcome challenges. We have also developed a strong agency network of other leading law firms across Canada and around the world.

OUR CORPORATE & REGULATORY INSURANCE PRACTICE

The legal requirements of the insurance industry in Canada require specialized expertise. Whether a company is incorporating, licensing, merging or reorganizing, acquiring or divesting, adding new products or expanding into new markets or distribution channels, it needs specialized legal advice and counsel.

Cassels Brock has one of the largest and most respected corporate and regulatory insurance law practices in Canada, and offers a depth and breadth of expertise that is second to none.

We provide corporate and regulatory legal services to a full range of clients in the insurance industry, including life insurance companies; property and casualty insurance companies; reinsurers; mutual insurance companies; fraternal benefit societies; reciprocals; insurance brokers; managing general agents; banks and trust companies; risk management departments of large corporations, finance corporations, equipment manufacturers, automotive manufacturers and retailers; and insurance industry associations.

We offer expert legal advice and counsel for all facets of the insurance industry in Canada and abroad, including:

- Incorporation of insurance companies and brokers
- Acting as Chief Agent for Canadian branch operations of foreign insurance companies
- Admission criteria to carry on business in Canada
- Advising insurance and reinsurance companies regarding the Part XIII changes to the *Insurance Companies Act*
- Federal and provincial licensing
- Regulatory approvals
- Dealing with insurance regulators
- Corporate reorganizations
- Mergers and acquisitions of insurers and brokers
- Transfers and assumptions of business
- Drafting and interpretation of policies and reinsurance agreements
- Insurance broker licensing issues
- Tax matters affecting insurers including life insurance taxation, excise tax and permanent establishment issues
- Intellectual property matters including trademarks
- Software, information technology and licensing agreements
- Corporate governance work
- Establishment of captive insurance companies
- Establishment of risk retention groups and pools
- Investment & commercial lending

- Securities work for insurers including initial public offerings, financings and compliance work
- Automobile and similar clubs that offer insurance products to their members
- Warranty products
- Drafting and reviewing outsourcing arrangements and service agreements

We have acted as legal advisors to both the Canadian federal and provincial governments in relation to the redrafting of insurance legislation. As a matter of course, we maintain up-to-date information on regulatory policy and new industry developments across Canada.

Examples of our recent work include:

- Acting for a large life and health insurance company in its \$200 million-plus takeover of a mutual fund company
- Establishment of Canadian branches for foreign life and property and casualty insurers and reinsurers
- Acting for life and property and casualty insurers and reinsurers on transfers and assumption of business
- Acting for a large public insurance company on its acquisition of a US insurance company
- Demutualization of a Canadian mutual life insurance company
- Advising a large Bermuda-based reinsurer with the Canadian aspects of a worldwide reorganization
- Sale of a large Canadian property and casualty insurance company
- Advising an industry association in its submissions to the Office of the Superintendent of Financial Institution's Discussion Paper on the Regulatory and Supervisory Approach to Reinsurance

OUR TEAM



Brian Reeve

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Brian is the Chair of the firm's Corporate & Regulatory Insurance Practice Group.

Brian is a partner in the firm, specializing in the regulation and corporate governance of insurance companies.

Brian has been a special advisor to both the Ontario and Federal Ministries of Finance on insurance matters. Brian has served on the boards of several Canadian insurance companies, as well as being the Chief Agent in Canada for a number of foreign insurers. He has frequently spoken and published papers on various matters relating to insurance and corporate law.

Brian's clients include life and property and casualty insurers, reinsurers and brokers. He has also advised on the formation of captive insurance companies as well as various types of self-insured and risk retention structures.

Brian's practice involves a variety of different types of work, including mergers and acquisitions, licensing of foreign insurers in Canada, distribution issues and product development. He is listed in Euromoney's *Guide to the World's Leading Insurance and Reinsurance Lawyers* and *The International Who's Who of Insurance and Reinsurance Lawyers*.



Gordon Goodman

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Gordon is a partner in the firm, specializing in providing corporate and regulatory advice to insurance clients. He provides advice with respect to corporate governance, transactions, licensing and other regulatory matters. Gordon's clients include life and general insurance companies, insurance agents and brokers, reinsurance companies and other financial services clients.

Gordon's practice involves mergers and acquisitions, portfolio transfers, demutualization, corporate reorganizations, formation of insurers, federal and provincial licensing, corporate governance, compliance matters and working with regulators. Gordon regularly provides advice on insurance policies, reinsurance contracts and other types of agreements, and assists clients with product development and distribution issues. He has also advised insurance

clients in connection with the establishment and operation of captive insurers, reciprocal insurance exchanges and other risk retention and transfer structures.

Gordon has also acted as a director of both life and general insurance companies and as a member of the Audit and Conduct Review Committee.



Laurie LaPalme

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Laurie is a partner in the firm. She practises in the areas of corporate and commercial law, with an emphasis on corporate and regulatory insurance, transactions, corporate reorganizations and governance involving both public and private companies. In addition to her general business clients, Laurie's clients include both domestic and foreign life and general insurance companies, insurance agents and brokers, reinsurance companies and other financial services clients.

Laurie's corporate and insurance regulatory practice involves mergers and acquisitions, portfolio transfers, demutualization, corporate reorganizations, formation of insurers, federal and provincial licensing, corporate governance, compliance matters and working with both federal and provincial regulators. She has also advised insurance clients in connection with the establishment and operation of captive insurers, self-funded deductible programs and other risk retention and transfer structures. Laurie assists clients with respect to entry into Canada, including the incorporation, organization and financing of their companies, the drafting of shareholder, partnership and joint venture agreements, purchase and sale agreements, as well as the drafting of a range of commercial agreements, outsourcing agreements, security agreements and service agreements.

Laurie regularly organizes and presents seminars to clients and professional associations.



James M. Parks

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Jim is a partner in the firm's Tax and Trusts Practice Group. His practice involves a variety of work for the insurance industry, including advising property and casualty and life insurance companies on corporate reorganizations and mergers, acquisitions and divestitures. Jim advises non-resident insurers on the establishment of Canadian branches and the conversion of Canadian branches to Canadian subsidiaries, the implications of reciprocal income tax treaties, carrying on business in Canada, permanent establishments, withholding tax and transfer pricing as well as other issues. He advises Canadian insurers on domestic and foreign corporate structures, including the use of offshore captive insurance companies, the tax treaty with Barbados and the Canadian foreign affiliate rules governing foreign operations of Canadian insurers.

Jim advises Canadian and non-resident insurers on corporate tax, commodity tax including GST/HST, excise tax on premiums, provincial sales tax on premiums, corporate tax on premiums, the taxation of warranties and the taxation of insurance policies, annuity contracts and other products.



Terry Hall

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Terry is a partner in the firm. His practice emphasizes regulatory and transactional matters involving financial service providers and other businesses. Terry frequently advises Canadian and non-Canadian financial institutions on the Canadian regulation of financial services, including the operation of credit, debit and payment card programs, cost of credit disclosure, payments system issues and compliance matters. He is often retained to assist financial institutions and business clients with consumer credit transactions, commercial lending, outsourcing arrangements, anti-money laundering requirements and corporate governance. He has advised government and financial services industry clients on the development of legislation, transactions requiring regulatory approval, product development and regulatory compliance.

Terry has acted as a special advisor in the financial institutions division of the Department of Finance Canada and as a senior advisor in the financial services policy branch of the Ontario Ministry of Finance. He also spent two years as in-house counsel in the Canadian offices of a multinational financial services conglomerate.

Terry often writes for industry publications and speaks at industry events and seminars. He authored *A Guide to Canadian Money Laundering Legislation*, 2009 Edition, published by LexisNexis.

One of Terry's areas of specialization is the distribution of insurance products by banks, credit card companies and other similar types of financial institutions.



Y. Ken Chun

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Ken is a partner in the firm. He has extensive experience acting for both public and private companies on a broad range of corporate and commercial law matters with an emphasis on mergers and acquisitions, venture capital investments, project financing, government privatizations, joint ventures and reorganizations.

Some of Ken's experience includes:

- Working with various insurance companies, brokers, producers, bankers and other lenders in respect of mergers and acquisitions, financing transactions, corporate reorganizations, strategic alliances and other corporate matters
- Working with pension funds and their asset managers in the acquisition of various commercial real estate portfolios through S.149 acquisition vehicles
- Assisting clients in preparing and submitting proposals in response to requests for proposals issued by governmental bodies
- Shareholder agreements, partnership agreements, distribution agreements, franchise agreements and shareholder disputes



Brian P. Koscak

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Brian is a partner in the firm. He specializes in corporate and securities law with an emphasis on corporate and regulatory insurance matters.

As a former life insurance agent, accident and sickness insurance agent and registered insurance broker of Ontario, Brian has worked for many years in the insurance brokerage business prior to becoming a lawyer. He has been involved with personal lines, commercial lines, employee benefits and travel insurance for both individual and group accounts. Brian has obtained his Chartered Insurance Professional designation from the Insurance Institute of

Canada and has taken certain courses towards obtaining his designation as a Certified Employee Benefit Specialist prior to entering the legal profession.

Brian has represented insurance companies on various securities related matters including a \$50 million CAT bond issuance by an offshore reinsurance company and provides ongoing securities advice for public companies. Brian has advised Canadian investment dealers on insurance regulatory matters in connection with M&A transactions involving insurance subsidiaries. Brian has also been involved in a number of insurance broker acquisitions and sales over the years and regularly advises clients on licensing and registration matters including life, accident and sickness and property and casualty insurance for individual and corporate entities.



Erin Brady

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Erin is an associate in the firm. Erin was both a summer and articling student at the firm. During that time, she gained experience with a range of corporate and financing transactions.

Erin recently completed a secondment at XL Insurance.



Miho Felicio

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Miho is an associate in the firm. Prior to joining Cassels Brock as an associate, Miho was an articling student at the firm. During this time, she worked on a variety of corporate transactions including venture financings and mergers and acquisitions.

Miho recently completed a secondment at Kingsway Financial Services Inc.



Rick Da Costa

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Richard (Rick) is an associate practising in the Insurance – Corporate and Regulatory Group and the Financial Services Group. He was both a summer and articling student at Cassels Brock prior to joining the firm as an associate.

Richard's experience includes:

- Liaising with federal and extra-provincial financial regulators on behalf of financial institutions and intermediaries
- Assisting regulated financial institutions with compliance matters regarding grey market products, including the incidental sale of insurance products
- Assisting regulated financial institutions with regulatory compliance matters
- Representing financial institutions in mergers and acquisitions
- Assisting financial institutions in complying with the Office of the Superintendent of Financial Institutions Guidelines, including the drafting of various compliance policies
- Representing foreign financial institutions in the federal and extra-provincial licensing process
- Representing domestic financial institutions in the extra-provincial licensing process
- Representing insurance intermediaries in the extra-provincial licensing process
- Representing insurers in the preparation and submission of various applications for approval to the Office of the Superintendent of Financial Institutions