

Anatomy of a Lawyers' Professional Liability Policy

Introduction and Overview



Mosea Harris, CPCU, Claims Examiner
ISBA Mutual Insurance Company

30 years experience in Claims, with specific focus on lawyers' professional liability. Mosea has a BA in Economics from Eastern Illinois University and also holds MDiv from Virginia Union University.



Orsola Meo, Underwriter
ISBA Mutual Insurance Company

15 years experience in Underwriting, with specific focus on lawyers' professional liability. Orsola received her Bachelor of Arts degree from Loyola University Chicago and is an active committee member in the Professional Liability Underwriting Society.

What is the purpose of your Policy

- ▶ Protect the Client and the Public
- ▶ Defend the Lawyer/Firm
- ▶ Elevate the Legal Profession



ISBA Mutual Lawyers' Malpractice Insurance

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Components of Insurance Contract

1. Declarations Page
2. Coverage Agreement
3. Supplementary Coverages
4. Definitions
5. Limit of Liability and Deductible
6. Conditions
7. Exclusions
8. Extended Reporting Period



ISBA Mutual Lawyers' Malpractice Insurance

Source: ISBA Mutual Insurance Company Policy Agreement

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Declaration Page

Illinois State Bar Association Mutual Insurance Company

(An Illinois Mutual Insurance Company)

Lawyers' Professional Liability Policy Declarations

1. Policy Number:	000000-1
2. Named Insured:	World's Best Law Firm
3. Principal Address:	1060 W. Addison Left Field Bleachers Chicago, IL 60613
4. Prior Acts Date:	May 22, 2018
5. Policy Term:	From May 22, 2018 to May 22, 2019 At 12:01 AM CST at address of Insured named in Item 2
6. Annual Premium:	\$ 1,500.00
7. Limit of Liability:	Per Claim \$1,000,000 Aggregate \$3,000,000
8. Deductible: PerClaim	\$ 5,000
9. Date of Application:	May 22, 2018
Attached Forms and Endorsements:	

This schedule including all endorsements listed herein, is incorporated in and made part of the policy to which it applies.



ISBA Mutual Lawyers' Malpractice Insurance

Source: ISBA Mutual Insurance Company Policy Agreement 5

Coverage Agreement

- Claims Made and Reported

I. COVERAGE AGREEMENTS

A. The Company agrees to pay on the Insured's behalf Claim Expenses in accordance with the terms of this Policy and all Damages in excess of the Deductible, up to the Limit of Liability, which the Insured becomes legally obligated to pay as a result of a Claim first made against an Insured and reported to the Company in writing during the Policy Period or any Extended Reporting Period, if applicable, provided that:

1. the Claim arises out of a Wrongful Act which occurred on or after the Prior Acts Date but before the end of the Policy Period;
2. as of the effective date of this Policy, the Insured had no knowledge of the Claim;
3. notice of the Claim was not given nor required to be given to any prior insurer; and
4. no Insured had a basis to believe any Wrongful Act might reasonably be expected to be the basis of a Claim.



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Source: ISBA Mutual Insurance Company Policy Agreement 6

Coverage Period



Wrongful Act date: The date when the alleged Wrongful Act took place.

Claim made date: The date the a lawyer within the firm became aware of the alleged Wrongful Act.

Report date: The date the firm informs the insurance company of the alleged Wrongful Act.

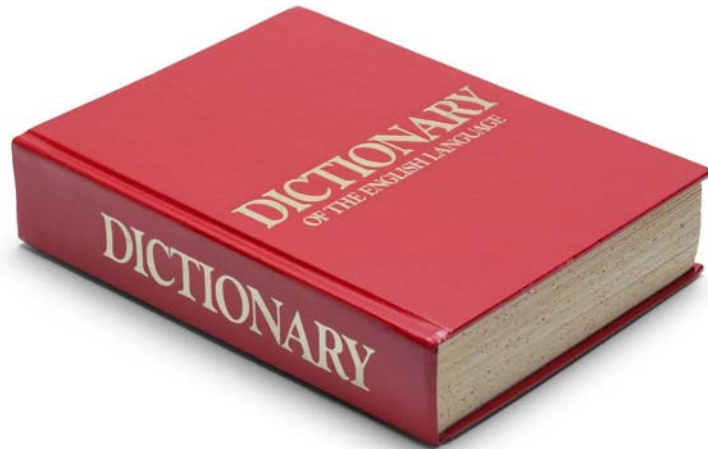


Supplemental Coverages

- ▶ Loss of earnings
- ▶ ARDC/Disciplinary coverage
- ▶ Cyber Coverage



Definitions (see Glossary)



The Named Insured

NAMED INSURED is the lawyer or law firm to whom the policy is issued

Illinois State Bar Association Mutual Insurance Company
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Lawyers' Professional Liability Policy Declarations

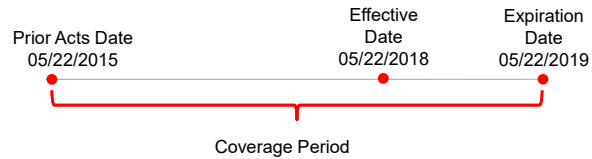
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Prior Acts Date



Prior Acts Date (or Retroactive Date): The earliest date for which insurance company provides insurance coverage for legal services rendered. You must show proof of continuous insurance coverage back to that date.



Claim, Claims Expenses, Damages



Extended Reporting Period

The period of time after the end of the **Policy Period** during which **Claims** may be reported.



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Professional Services

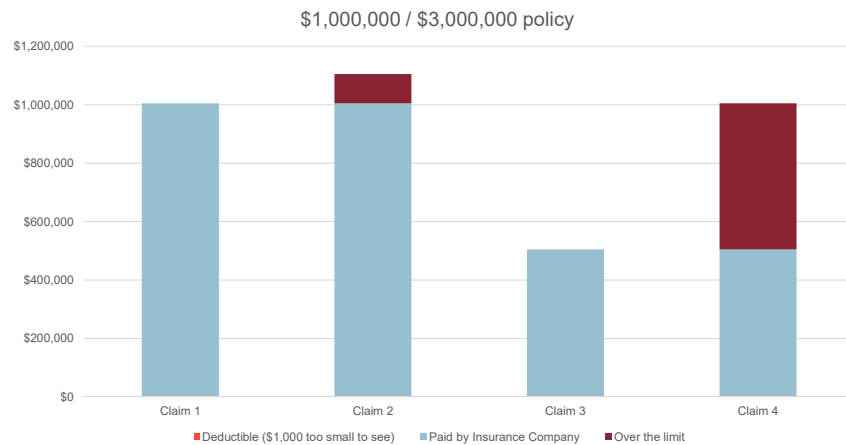
Services rendered by the **Insured** as a Lawyer, whether or not for a fee.



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Limits of Liability & Deductible



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Conditions

- ▶ Application & Supplements: Provide accurate and complete information
- ▶ Notice of Claim
- ▶ Let your insurance carrier know about mid-year changes
- ▶ Timely payment of Premium and Deductible



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Exclusions

- ▶ Intentional or criminal acts
- ▶ Revoked or suspended license
- ▶ Work as a Public Official / Government Employee
- ▶ Investment advice
- ▶ Outside interests
- ▶ Insured vs. insured
- ▶ Office sharing
- ▶ Beneficiary of a trust
- ▶ Anything covered under another policy
- ▶ Nuclear radiation

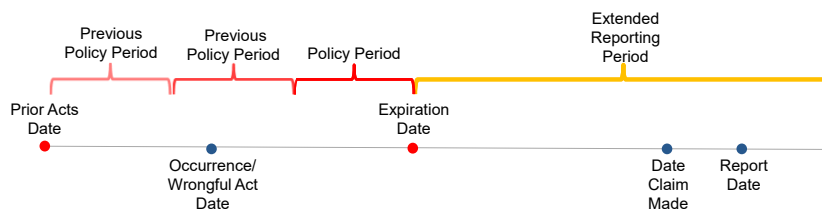


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Extended Reporting Period

- Also known as a "tail"
- Only covers work during the policy period
- Types
 - Optional
 - Death/disability
 - Retirement
 - Military duty
- You have 60 days to purchase ERP from expiration / cancellation date
- Must be paid in full, can't be cancelled or renewed



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Thank you!

▸ Questions?



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