



Secrets of a Lawyers' Professional Liability Policy

Learn What Most People Don't Know About a Claims Made Policy



Secrets Should Not Exist – But They Do!



Secret Number One – Liability Insurance is Different by Design

Occurrence Policy: your coverage and limits of liability survive after the expiration of the policy.

Claims Made and Reported Policy: your coverage and limits of liability are only available during the policy term or any extended reporting period.



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The Culprit



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Secret Number Two – Policy Gems



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Hidden Gems in the Policy

- **Insuring/Coverage Agreement**
 - Right and Duty to Defend
 - Claims Expenses Paid Prior to Deductible
 - Subpoena Assistance for Testimony or Documents



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Hidden Gems in the Policy

- ▶ **Supplementary Payments**
 - ▶ Paid In Addition to the Limits of Liability
 - ▶ Loss of Earnings Payments
 - ▶ Disciplinary Proceeding Defense



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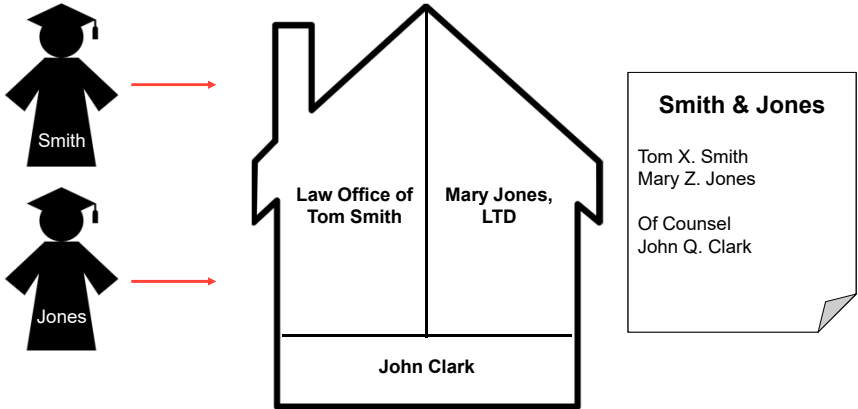
Secret Number Three – Who is Covered?

- ▶ **Definitions**
 - ▶ NAMED INSURED is the Lawyer or Law Firm to Whom the Policy is Issued
 - ▶ Policy Is Not Portable
 - ▶ Wrongful Act
 - ▶ Any Actual or Alleged Negligent Act



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Named Insured – Client Perspective



Secret Number Four – Prior Acts Date Get Back to the Beginning



Secret Number Four – Dates Matter

Policy Dates

- ▶ Effective Date
- ▶ Prior Acts Date/
Retroactive Date
- ▶ Expiration Date

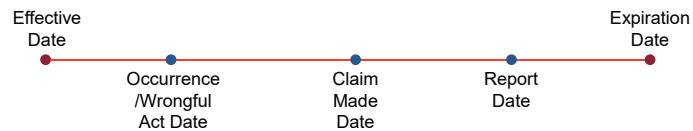
Claim Dates

- ▶ Occurrence/
Wrongful Act Date
- ▶ Claim Made Date
- ▶ Claim Report Date



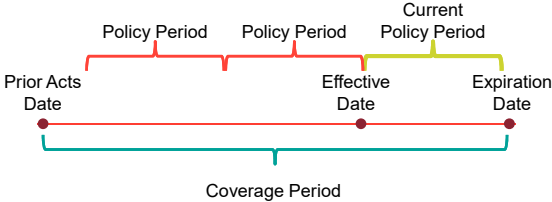
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The Policy Timeline – One Year Period



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The Policy Timeline – Your Career



Secret Number Five – You Have an Expert to Help



What is a Wrongful Act?

▶ Incident or Claim

- ▶ Risk Management Hotline
- ▶ Does Not Hurt You to Call Them
- ▶ Claims Must Be Reported in Writing



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Is It Covered? Maybe!

▶ Conditions

- ▶ Statements in Application are Accurate
- ▶ Insured Will Assist and Cooperate to Resolve Claim
- ▶ Changes are Reported in a Timely Manner
- ▶ Timely Notice of a Claim
- ▶ Notice of Suspension or Disbarment
- ▶ Voluntary Payments are not Covered



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Is It Covered? Maybe!

- Exclusions

- Prior Knowledge/Late Notice of a Claim
- Criminal, Dishonest, Fraudulent Acts
- Work on Behalf of Entity other than the Named Insured
- Work Done on Lawyer's Own Behalf
- Bodily Injury and Property Damage
- ERISA, and other Employee Benefit Claims
- Investment or Financial Advice
- Work on Behalf of a Government Entity
- Punitive Damages



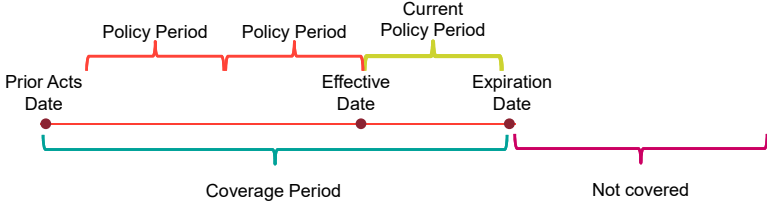
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Secret Number Six – Don't Drop the Rope

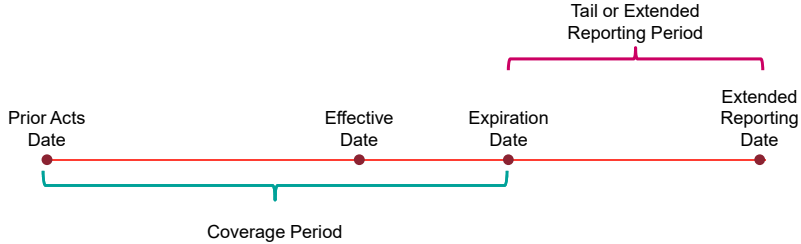


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The Timeline – Coverage Lapse



The Timeline – Extended Reporting Period



Six “Secrets” Revealed

- Occurrence vs Claims Made Policy
- Know the Benefits You Have
- Named Insured
- Policy and Claims Dates
- Call the Experts
- Know your Extended Reporting Period Endorsement



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Thank You

