

Real Estate Case Study

Understanding Exposures in a Legal Liability Claim



My Dog Sunny



Definition: Risk



ISBA Mutual Lawyers' Malpractice Insurance

3

Definition: Liability



ISBA Mutual Lawyers' Malpractice Insurance

4

Supreme Court Rules 721 and 722



ISBA Mutual Lawyers' Malpractice Insurance

5

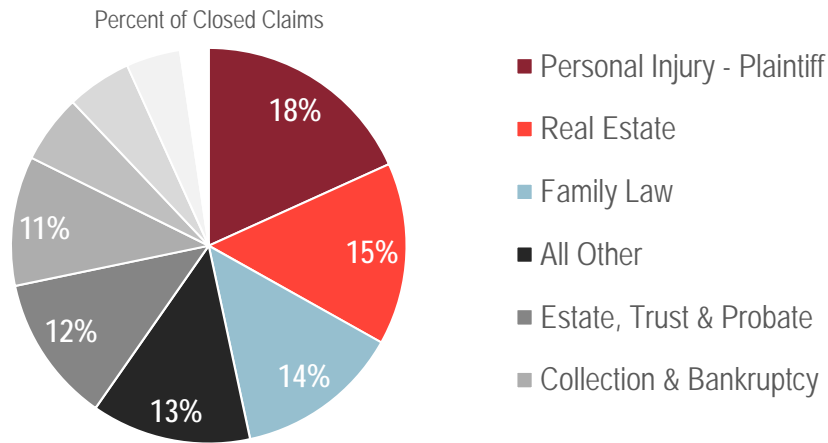
Definition: Exposure



ISBA Mutual Lawyers' Malpractice Insurance

6

Top 5 areas of practice with highest claims



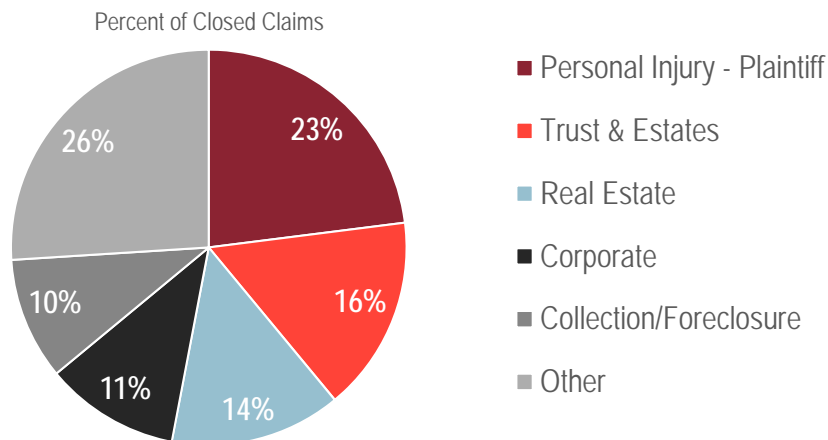
Source: American Bar Association Standing Committee on Lawyers' Professional Liability Profile of Legal Malpractice Claims 2012-2015, 2015 Study



ISBA Mutual Lawyers' Malpractice Insurance

7

ISBA Mutual Top 5 Claims



ISBA Mutual Lawyers' Malpractice Insurance

8

Firm Internal Procedures

- ▶ Client intake
- ▶ Conflict of Interest
- ▶ Docket/Calendar Control System
- ▶ Individual Diary System
- ▶ File Review Process
- ▶ Billing Policy and Procedures
- ▶ Use of Engagement Letters/Disengagement Letters



ISBA Mutual Lawyers' Malpractice Insurance

9

Case Study



ISBA Mutual Lawyers' Malpractice Insurance

10

Loss Prevention

- ▶ Risk Identification
- ▶ Risk Prevention
- ▶ Risk Reduction
- ▶ Risk Transfer



ISBA Mutual Lawyers' Malpractice Insurance

11

Loss Reduction: What is an incident?



ISBA Mutual Lawyers' Malpractice Insurance

Better than a stick! Contact a Professional



ISBA Mutual Lawyers' Malpractice Insurance

Photo credit: Phil Stafford / Shutterstock.com
13

Policy Interactions

- ▶ Coverage Agreement
- ▶ Supplementary Payments
- ▶ Definitions
- ▶ Conditions



ISBA Mutual Lawyers' Malpractice Insurance

14

Summary

- ▶ Understand your exposures
- ▶ Use engagement agreements and disengagement letters
- ▶ Seek advice from a professional at the risk hotline
- ▶ Have a plan for risk financing

