

What is an Extended Reporting Period Endorsement?

Choosing the Best Option to Protect Your Firm From Prior Acts Exposure

Claims Made and Reported Policy

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.

All lawyers' professional liability policies sold in Illinois are **Claims Made and Reported**.

Claim Timing and Extended Reporting Periods

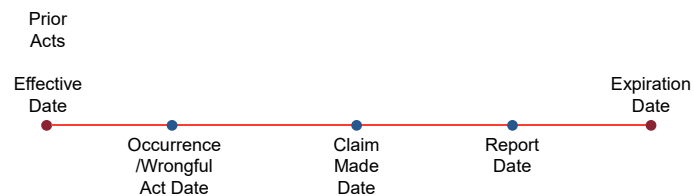
A Claim under the policy is:

- Reportable and covered while the policy is in effect or,
- During the period of time granted by an Extended Reporting Period Endorsement
- Areas of Practice are important to consider when determining coverage options



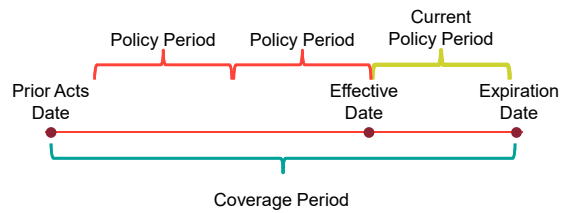
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Policy Period Timeline – Claims Dates



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The Timeline – Important Coverage Dates



Extended Reporting Period Characteristics

- It extends the period of time to report a claim
- Length ranges from one year to an unlimited term
- It is not renewable
- It is not cancellable
- It is not an extension of the insurance coverage

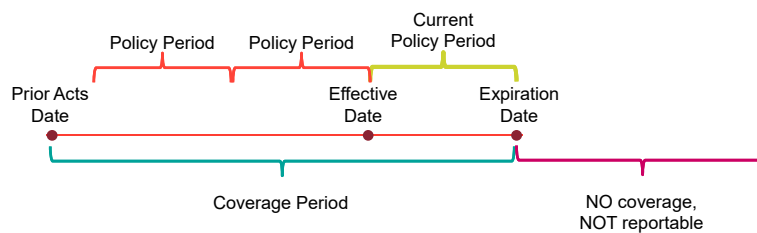
Extended Reporting Period Triggers

- ▶ Death - Free
- ▶ Disability – unable to practice law - Free
- ▶ Retirement - Free
- ▶ Military Service - Free
- ▶ Firm is dissolving or merging - Purchase



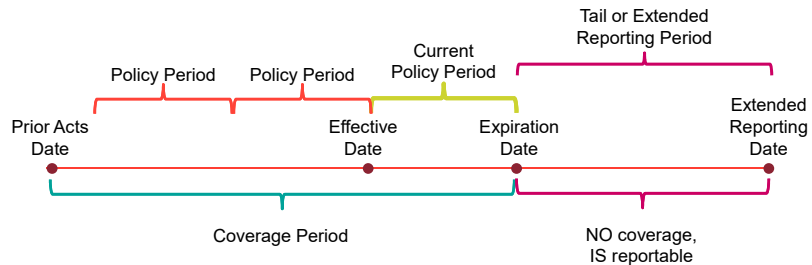
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The Timeline – Claim Reporting No Tail



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The Timeline – Claim Reporting with Tail



Coordinating ERP With Your Succession Plan

- ▶ Have written succession agreements in place
- ▶ Notify your malpractice carrier and others regarding agreements
- ▶ Designate a gatekeeper who will notify your carrier to activate endorsement if you are unable

Case Study One

- Solo attorney has her own firm for five years. Because of her extensive real estate experience she is asked to join another firm as a partner. She closes her firm and joins the new firm.
- What options should this attorney consider for her prior acts exposure?



Case Study Two

- Solo attorney decides to retire but would still like to take an occasional case from time to time.
- What are the available extended reporting period options?



Case Study Three

- Four attorneys who have been partners for many years decide it is time to close the practice. They have tried over the years to bring younger attorneys into the firm however none have stayed. Two of the attorneys want to retire and never take another case. The third attorney wants to practice part time and another wants to continue on with a solo practice.
- What are the options for this firm?



Summary

- Claims Made and Reported Policy
- Policy and Claims Dates
- Extended Reporting Period Defined
- Times when you need an Extended Reporting Period
- Succession Planning Coordination



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Thank You