



# LAWYERS' PROFESSIONAL LIABILITY CHECKLIST

## Key Issues to Consider Before You Buy Lawyers' Professional Liability Insurance

- ◆ What are the coverage terms/exclusions?
  - Does the policy provide coverage for:**
    - All legal services performed by the firm?
    - Activities of members of the firm when acting as officer or directors?
    - Extended reporting periods?
    - Claims first made and reported during the policy period?
  - Is coverage excluded for:**
    - Any services critical to the firm (e.g. securities, real estate)?
    - Dishonest, criminal or malicious acts? If so, is coverage afforded to innocent partners?
    - Vicarious liability acquired by law or by contracts for the acts, errors or omissions of others?
- ◆ Are you carrying the appropriate limits/deductibles for your firm?
  - Are claims expenses included in the limits of liability?
  - Are limits of liability per claim or annual aggregate?
  - Are deductibles per claim or annual aggregate?
- ◆ Does your policy provide coverage for all persons for whom the insured is legally responsible?
  - Does the definition of the insured include:**
    - Named Insured and Predecessor (s)?
    - Former lawyers, partners, officers, employers and shareholders?
    - Current lawyers, partners, officers, directors and shareholders?
    - Future lawyers, partners, officers, directors and shareholders?
    - Independent contractors?
    - Attorneys in an "Of Counsel" capacity?
    - Others - i.e. heirs, executors, administrators, legal representatives, or assigns of insured?
- ◆ Does your policy provide for prior acts coverage?
  - Does this coverage include:**
    - Prior acts of attorneys and the firm for professional services before inception of the policy?
    - Prior acts of attorneys for professional services before joining the firm?
    - Requirement to give notice to the insurance company of potential claims?
- ◆ Is the insured's consent required to settle a claim?
  - Who selects defense counsel?
  - Is the agreement to defend claims sufficiently broad enough to offer full protection?
  - Does the policy provide for arbitration of coverage dispute between the insurer and the insured?
- ◆ Are you confident in the stability of the carrier?
  - What is the A.M. Best rating of the carrier?
  - How long has the carrier been writing lawyers' professional liability?