



AFFINITY

## 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?