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My client owns a title agency. Will you cover that with the law firm?

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My client doesn’t handle litigation and doesn’t have a docket. How should they answer the docket questions?

My client doesn’t take engagements where a conflict exists. How should they answer the question on disclosure of conflicts?

My client handles divorce cases. Should these be included in the Plaintiff AOP Supplement?

Can I get terms with a competitor application?

We can often provide a non-binding indication using a competitor application. Some renewal applications give almost no information but others are more complete. It is very helpful to have the last new business application in addition to the renewal application, if it’s available. Please be sure to include the firm’s current coverage profile: expiration date, limit, deductible and prior acts coverage for the firm and each attorney. We need a full attorney roster, including Of Counsel attorneys and independent contractors. For Of Counsels and independent contractors, we also need the average number of hours worked per week for the applicant law firm and if the Of Counsel or independent contractor has a separate malpractice policy. The more complete the information is, the more accurate the indication will be.

Do you have an easy way to explain claims made coverage and retroactive dates to my client?

In brief, the coverage in place at the time when either a) the claim is made against the law firm or b) the firm provides the carrier with notice of a potential claim is the coverage that then applies to the claim. This is different than occurrence coverage that applies at the time the error (e.g., car accident) occurs.

The acts giving rise to the claim must have occurred on or after the retroactive date (or prior acts date), if any, in the policy.

Please see the E&O Edge, Retroactive date: a key component to policy coverage, for a discussion of these topics.
My client had a claim in the past five years. Is that a problem?

We evaluate the firm's claim history, taking into account the number of claims, the details of each claim and the outcome. We need a Claim Supplement for each matter, detailing the nature of the engagement, allegations against the firm, defenses to those allegations, alleged damages, current status (if closed, how was it resolved? In mediation? Settlement prior to trial? At trial?) and steps taken to prevent a recurrence. Even if the firm believes that they did nothing wrong, please ask them to take a thoughtful look at the matter and advise if any procedures have been changed in the firm. We also need loss runs.

My client is concerned that reporting a potential claim may increase the premium.

Most policies provide, if, during the policy period, the law firm reports a matter that could give rise to a claim and a claim later arises from the reported "potential" matter, coverage will apply under the policy in which the matter was first reported. It is in the firm's best interests to report when they become aware of any potential claim. Failure to do so may result in denial of the actual claim, if it is made in a subsequent policy year, due to the exclusion for matters that could reasonably be expected to give rise to a claim. Each policy is a separate 12-month contract and each year the firm must attest to its knowledge of claims and potential claims.

Not only will reporting establish coverage (assuming that the claim falls within the policy's terms and conditions) but Swiss Re's Claims Department may be able to help the law firm manage the circumstances and avoid a claim entirely. The policy provides specific coverage for assistance with subpoenas and may pay for the initial investigation into a potential claim without involvement of the deductible. Please review Insuring Agreement II: Supplemental Payments.

As underwriters, we recognize that firms may have potential claim files for matters that were reported in an abundance of caution. We evaluate the circumstances of the potential claim reports and do not punish insureds for doing the right thing by reporting them. We encourage prompt reporting of potential claims.

Please refer to our Claims Commitment for a further discussion of the assistance available from our Claims Team.

Are there any areas of practice that you won't write?

All areas of practice are eligible for coverage. Higher hazard work, such as SEC and IP, are carefully underwritten. There may be risk characteristics within a firm's particular area of practice that are outside our strike zone. We are not a market for firms that specialize in title but can accept firms with incidental title exposure.

What is required to bind coverage?

While we can indicate using a competitor application, it's unusual to have sufficient information from that application to offer firm, bindable terms. We need our fully completed applications signed and dated by an owner / officer of the firm and a copy of their letterhead. If each attorney has his/her own version of letterhead, we only need one example. The Individual Lawyers Supplement is required for all risks. The applicant must also complete any Supplements that are prompted by their responses to the new business application.

Our quotes will include a Request to Issue form. It must be signed and dated by an owner / officer of the firm and returned to us, along with responses to any subjectivities included in the quote, by the quote expiration date.
My insured’s renewal premium went up but nothing in the firm changed. What happened?

The most likely reason for a change in the premium is found in the retroactive dates on the policy. Each attorney is charged based on his or her retroactive date and the first year’s renewal charge is the steepest. An attorney with no prior acts coverage will have a factor of 1.00. In TN, the charge increases each year until the sixth year of coverage, when the maximum factor is applied.

Are there options for Extended Reporting Period coverage?

Appropriate Extended Reporting Period coverage (“tail” coverage) is an important issue for firms that are splitting up or merging or for an individual who is permanently leaving the private practice of law. It’s best to direct your client to the Extended Reporting Period (ERP) conditions in the policy as there are some restrictions and conditions around this coverage option. This coverage will respond to claims arising out of "professional services" rendered on or after the applicable retroactive date, if any, and prior to the termination of the policy. The claim must be made and reported during the ERP period.

A firm may consider purchasing a policy-level ERP if the firm is splitting up and no attorney or group of attorneys is the successor to more than 50% of the firm’s assets and liabilities. Purchasing an ERP for the firm will provide coverage for the firm entity, the attorneys and the non-attorney staff per the terms and conditions of the policy. This may also be a good option in the event of a merger with or acquisition by another law firm as the other firm may not wish to take on the liabilities of your client.

The premiums for a policy-level ERP are based on percentages of the annual premium at policy inception and included in the policy form.

An individual attorney who permanently ceases the private practice of law also has Non-Practicing ERP options. If the attorney has been insured for three continuous years with any carrier(s) prior to the ERP election, he or she is eligible for a free, unlimited ERP. This feature is especially important if a firm wishes to move their coverage to Swiss Re but is concerned about ERP coverage for a member of the firm who is close to retirement. The wording in the policy that requires three years of coverage with Westport is amended by an endorsement that applies to all policies.

The individual attorney does not have to give up his or her law license to qualify for the Non-Practicing ERP. He or she may continue to work as an attorney other than in the private practice of law (e.g., general counsel employed by a corporation). There is no ERP option for an individual attorney who leaves the policyholder to work for another law firm. Please see the definition of “insured” for coverage details.

If the attorney has not been continuously insured for three years before ceasing the private practice of law and wishes to purchase an individual ERP, please contact your Swiss Re underwriter for the premium charge. The ERP charge is based on the premium allocated to the attorney who is buying the ERP and may be impacted by prior acts factor.

Please also see the policy wording for provisions in the event of death, disability or moving to the bench.

My client is reluctant to provide their SSN. Is this required?

No, this field is no longer required.
What is a legal administrator?

This person will fit the following definition:

This individual will be responsible for such areas as financial planning, accounting, human resources and practice management. He or she reports to a senior partner and participates in management meetings. The person's full-time duties must be those of a legal administrator. A person who works full time but also functions as a legal secretary or paralegal or other post in the firm does not qualify under our definition as a full-time legal administrator.

My client owns a title agency. Will you cover that with the law firm?

Yes, we can add a wholly-owned title agency as an additional insured for a flat charge, as long as the title work is incidental to the law practice.

We can also add a wholly-owned arbitration / mediation firm as an additional insured for a flat charge.

My client works part time. Is a part time policy available?

We do not have a part time policy in TN but can reflect a solo practitioner's part time hours in the pricing.

My client had a disciplinary complaint but it's been dismissed. Do they have to report that?

No, our app requires reporting of any closed matter with a finding of any kind against the attorney and open complaints. We do not require reporting of complaints that were dismissed with no action taken.

My client doesn’t handle litigation and does not have a docket. How should they answer the docket questions?

The applicant should read the questions on docket as "docket or calendar". Even a transactional real estate firm will have at least one calendar to track closings. The question on the number of dockets "systems" is sometimes misunderstood. The applicant may think of the entire docket process as "one system" but it can be made up of two or more docket / calendar platforms.

My client does not take engagements where a conflict exists. How should they answer the question on disclosure of conflicts?

The firm can manually enter "N/A" for Q4B in Section IV.

My client handles divorce cases. Should these be included in the Plaintiff AOP Supplement?

This Supplement is designed to reflect only those areas of practice listed specifically as "plaintiff" in the AOP grid. Divorce cases are not included. If the law firm files a plaintiff action and the opposing party countersues, causing the law firm to defend that action, the case should be allocated to the initial action taken by the law firm and reported only under plaintiff. The opposite holds true as well, when the firm files a counterclaim while defending their client.