

## In this issue . . .

We look at the main causes of Lawyers Professional Liability claims.

In the 17 years that we have been underwriting Lawyers Professional Liability Insurance (LPL), we have seen thousands of submissions and reviewed even more claims, our own as well as those sustained by other carriers.

While the circumstances of each claim are unique, an appropriate loss control plan that is diligently followed will always

help mitigate LPL losses. However, loss control programs are lengthy documents and well beyond the scope of this newsletter. Instead, we thought it would be useful for our brokers and their clients to point out how the majority of LPL claims originate, on the theory that to be forewarned might help in being forearmed. For some this will serve as a reminder while for others it will be

the first time they have seen such a list.

Although we could probably have compiled the list from our experience, we took, with their permission, the Top Ten Causes of Malpractice listed by American Bar Association.\* The comments after each "cause" are ours.

## Top Ten Causes of Lawyers Malpractice Claims

### ❖ Missing Deadlines

One of the most common causes: an inefficient diary system or failure to act on a timely basis results in many claims against law firms.

### ❖ Lawyer Stress and Substance Abuse

Practicing law is as stressful today as it's ever been. Overstressed lawyers produce bad work. The all too often concomitant substance abuse compounds the problem.

### ❖ Conflicts of Interest

Conflicts of interest can arise from a variety of situations. It is important to identify and avoid conflicts of interest when undertaking representation.

### ❖ Ineffective Client Screening

Every lawyer likes to bring in new clients; sometimes, however, they are "the wrong kind of client." This is often ruefully acknowledged in retrospect.

### ❖ Inadequate Research and Investigation

Probably the only category that relates specifically to the practicing of law.

### ❖ Poor Client Relations

Malpractice claims begin with an unhappy client. The reason for this is often simple failure to provide good customer service.

### ❖ Overzealous Efforts to Collect a Fee

Money for services is important, but resolutely litigating unpaid bills often triggers a counter claim for malpractice. This can be a product of poor client selection. Suing for a fee is not recommended.

### ❖ Poor or Inadequate Documentation

A disorganized law practice that produces weak, incomplete or no documentation is a practice that can expect problems.

### ❖ Inappropriate Involvement in Clients' Businesses

A variation on the "Conflict of Interest" category. Has the lawyer become a business partner with the client as well as its professional adviser?

### ❖ Unwillingness to believe You might be Sued

No one is immune from legal action: harboring the illusion that you are can result in a rude awakening.

Chicago Underwriting Group, Inc. continues to be a market for Lawyers Professional Liability, although we have currently suspended writing new business in California. Other underwriting parameters include:

- ❖ Law firms must have ten attorneys or more.
- ❖ Avoidance of firms specializing in plaintiffs personal injury.

To discuss any aspect of LPL, please contact Bill Schwass [bschwass@cug.com] or telephone: 312.750.8800.

Our LPL application, policy form and endorsements are available for viewing and downloading from our web site at <http://www.cug.com/forms>



\* "The Lawyer's Desk Guide to Preventing Legal Malpractice" 2nd Edition, 1999. American Bar Association, Standing Committee on Lawyers' Professional Liability © 1999 American Bar Association. Reprinted by Permission.

Worth reading: an extensive analysis on the whole subject, with detailed loss prevention sections.

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