

The State Bar of California
FY2009 Committee on Professional Liability Insurance Work Plan

BACKGROUND
Sub-entity Name: Committee on Professional Liability Insurance (“COPLI”)
Chair Wondie Russell and Lisa Coplen, Co-Chairs
State Bar Staff: Kathleen Eichler, Manager, Insurance Programs
Date: January 31, 2008
Committee Background: COPLI oversees a professional liability program that has congruent goals of providing attorneys with insurance coverage and clients with recourse for malpractice. COPLI should also explore and pursue programs and strategies consistent with the economic viability of the program, to make professional liability insurance available to as many California attorneys as possible. COPLI oversees and reports to the Board of Governors (“BOG”) and/or its designated board standing committee on all aspects of the State Bar approved Professional Liability Insurance Program including, but not limited to, the following:
1. Meet and confer with the Program Administrator and the Underwriting Carrier (“Underwriter”) at quarterly meetings and other times as necessary. Make recommendations, consider premium rates, benefits, limitations, exclusions and other contract provisions in relation to needs of the members of the State Bar generally as well as those provisions necessary to maintain the economic viability and stability of the program;
2. Oversee the Program Administrator to ensure the broadest dissemination of information regarding the program, the ease of members in applying for the program and other such steps as may be necessary or appropriate to precipitate program growth consistent with economic stability of the program;
3. Meet and confer with both the Program Administrator and the Underwriter to anticipate and implement program changes, coverage, specialty policies, and such matters as may respond to the needs of California’s practicing attorneys and otherwise precipitate additional programs growth;

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4.	Undertake such activities as may be necessary or appropriate to advocate with the underwriter on behalf of attorneys desiring to be included in the endorsed program and/or those who may be declined etc.;
5.	Conduct such studies as may be necessary or appropriate to identify causes, frequency, and severity of legal malpractice claims; interact with the carrier to both precipitate and assess satisfaction levels of program members following initiation of legal malpractice claims;
6.	Design, schedule, and conduct malpractice avoidance education programs available to attorneys throughout the state which qualify for MCLE credit for program members, develop and update materials on malpractice prevention.
7.	Engage in audits and reviews necessary to ensure both the economic viability of the program and the availability thereof to the broadest range of California attorneys propose such changes in the program structure, etc., as may be necessary or appropriate to accomplish such goals;
8.	Take steps to identify those aspects of the Professional Liability Insurance Program that may generate additional non-dues revenue.
9.	Assist the Office of General Counsel in providing legal advice to the BOG with respect to all of the foregoing items.
10.	Conduct an annual orientation session for new members of the Committee, Board members, State Bar staff, and the Executive Director on all of the above listed aspects of Committee oversight of the State Bar sponsored professional liability program.
11.	Comply with all reporting and planning requirements of the BOG approved Strategic and Operational plans. Comply with the annual work plan requirement for all BOG’ committees.

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| 12. Ensure that all the above listed advisory responsibilities, 1-11, are conducted in consultation with State Bar of California staff designated by the Executive Director. |
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Proposed Activities	
<u>Activity 1</u>	<u>Status/Time Frame:</u>
Perform an annual actuarial review of the professional liability insurance program to evaluate program loss ratio and profitability.	Underwriter's internal actuaries will complete annual analysis by 4 th Q 2008 to be reviewed by the committee.

Performance Indicators
Actuarial Review of Program: Underwriter to complete actuarial analysis by 4 th Q 2008. Committee will review and meet with broker and underwriter to make appropriate recommendations during 1 st Q 2009. Enhancements and/or changes made if necessary, by end of 2 nd Q 2009.

Proposed Activity Budget
Budget for all Committee activities is subsumed within entire Committee budget.

Proposed Activities	
<u>Activity 2</u>	<u>Status/Time Frame:</u>
As directed by the BOG, continue to monitor and comment on rules of professional conduct and financial disclosure affecting State Bar members	Ongoing- As needed

Performance Indicators
As needed, COPLI will continue to monitor, comment and assist in educating the State Bar attorneys on any changes to the rules of professional conduct and financial disclosure affecting State Bar members.

Proposed Activities	
<u>Activity 3</u>	<u>Status/Time Frame:</u>
Monitor the market to ensure the availability of coverage to members and adequacy of policy features.	Ongoing. Completed quarterly.

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Performance Indicators
Monitor the market: Research is done every quarter by our endorsed broker and underwriter and reported to committee. Committee recommends any appropriate changes. If necessary, implementation is made by underwriter.

Proposed Activities	
<u>Activity 4</u>	<u>Status/Time Frame:</u>
Expand the number of MCLE courses &/or legal malpractice prevention seminars sponsored throughout the year. Identify target market best suited for these courses.	Complete 2009 calendar of courses by 4 th Q 2008. Conduct full evaluation of courses and determine which courses will remain on schedule for 2010--by 4 th Q 2009.

Performance Indicators
Expand number of MCLE courses: Complete committee evaluation of 2007/2008 courses/speakers by 3 rd Q 2008. Make decision on number of courses, new target market and set calendar by 4 th Q 2008. Begin implementation of new programs 1 st Q 2009. Begin reevaluation of courses 3 rd Q 2009.

Proposed Activities	
<u>Activity 5</u>	<u>Status/Time Frame:</u>
Annual evaluation of State Bar endorsed Business Office Package.	Begin review of program loss experience and participation trends 1 st Q 2009.

Performance Indicators
Annual evaluation of State Bar endorsed Business Office Package: Begin review of program loss experience and participation trends 1 st Q 2009. Provide recommendation for changes, if necessary, to ensure financial stability and market competitiveness of program during 2 nd Q 2009.

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Proposed Activities	
<u>Activity 6</u>	<u>Status/Time Frame:</u>
Review claims handling procedures. Identify and monitor high-risk areas of practice. Set procedures in place to address the needs of the attorneys affected	Complete analysis of claims by December 2008. Set new procedures in place by 2 nd quarter 2009.

Performance Indicators
Review claims handling procedures. Identify and monitor high-risk areas of practice: Complete analysis of all claims through 3 rd quarter '08 by December 2008. Identify new and/or ongoing high-risk practice areas. The committee will work with underwriter to set new procedures to address the needs of these high-risk area by 1 st quarter 2009. Implement new procedures by 2 nd quarter 2009. Begin to re-evaluate by December 2009 into 2010.

Proposed Activities	
<u>Activity 7</u>	<u>Status/Time Frame:</u>
Explore possibility of expanding Professional Liability Program and increasing market penetration.	Evaluate opportunity to expand Professional Liability Program and implement marketing strategy for all Arch supported product features by 3 rd Q 2009.

Performance Indicators
Finalize comprehensive marketing strategy for all Arch supported value-added features by June 2009. Implement marketing strategy and program/product enhancements by 4 th Q 2009.

Proposed Activities	
<u>Activity 8</u>	<u>Status/Time Frame:</u>
Review and comment on 2008 Member Survey and other related surveys	Review and Comment, where appropriate, on the 2008 member survey results by 2 nd Quarter 2009 and other surveys when appropriate.

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Performance Indicators
Review and comment, where appropriate, on the 2008 member survey results and other related surveys. Identify areas for committee oversight and/or involvement by 1 st Q 2009. Make appropriate recommendations to staff and Board of Governor's 2 nd and 3 rd Q 2009.

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How Activity Addresses State Bar Strategic Plan

The Committee on Professional Liability Insurance particularly furthers the following goals and strategies:

Goal 2. The State Bar provides a wide array of services and benefits to members that meet their professional development, business, and personal needs.

Strategies:

2.1 Communications with Members. Use technology to improve the quality and quantity of methods for receiving information from and providing information to members and member groups.

2.2 Professional Development Services. Seek ways to improve and inform members about professional development, including continuing legal education (MCLE), the Ethics Hotline, Alternative Dispute Resolution, Fee Arbitration and Lawyer Assistance programs.

2.3 Member Benefits. Regularly identify and offer enhanced member benefits that are responsive to member needs, such as health, disability, and errors and omissions insurance.

Obtain and Account for Resources. Effectively advocate for and obtain resources needed to fulfill the State Bar's mission using timely, accurate, and relevant information that demonstrates the cost effectiveness of State Bar services and activities.

Goal: Assist in the implementation of the BOG member-centric branding initiative; including a unified marketing strategy of existing and new insurance programs and products.

How Activity Addresses Sub-entity Charge

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Activity	Furthers Charge by:
1. Perform an annual actuarial review of the professional liability insurance program to evaluate program loss ratio and profitability.	Ensures that the State Bar attorneys continue to access the benefits of a competitive program, as well as supporting the BOG directive on increasing non-dues revenue to the Bar.
2. As directed by BOG, continue to monitor and comment on the rules of professional conduct and financial disclosure affecting State Bar members.	Assists in educating attorneys and furthers the BOG charge of protecting the public.
3. Monitor the market to ensure the availability of coverage to all members and adequacy of policy features.	Increases the access to the insurance market for the State Bar attorneys. Having more attorneys covered also helps to protect the public.
4. Expand the number of MCLE courses sponsored and offered throughout the year. Identify target market best suited for these courses	Assists in educating attorneys on how to avoid malpractice lawsuits. Helps the program's claims experience and increases the awareness of the Liability committee, the endorsed liability program and the State Bar as a whole. Also assists in protecting the public.
5. Annual evaluation of State Bar endorsed Business office Package.	Ensures that the State Bar attorneys continue to access the benefits of a competitive program, as well as supporting the BOG directive on increasing non-dues revenue to the Bar.
6. Review claims handling procedures. Identify and monitor high-risk areas of practice. Set procedures in place to address the needs of the attorneys affected.	Ensures opportunity to offer a financially stable and accessible program to all State Bar attorneys.
7. Increase market penetration for Professional Liability.	Increases the access to the insurance market for the State Bar attorneys. Supports the BOG directive on increasing non-dues revenue to the Bar

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Activity	Further Charge by:
8. Review and Comment on 2008 Member Survey results.	Ensures that the State Bar attorneys continue to access the benefits of competitive insurance program, and is consistent with the 2008 BOG Planning and Marketing Initiative.

Recommended New Strategic Initiatives For Board Consideration
<p>Name of Initiative:</p> <p>Purpose:</p> <p>Responsible Entity:</p> <p>Connection to Strategic Plan:</p> <p>Desired Outcome(s):</p> <p>Fiscal and Staff Implications:</p> <p>Proposed Performance Measures:</p>

<p>Are activities within legislative and judicial restrictions imposed on the State Bar (<i>Keller, Hudson, Brosterhous, etc.</i>)?</p> <p>Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] If no, please explain.</p>

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PROPOSED BUDGET <i>(Combined Proposed Activity Budgets plus Staff Costs)</i>				
Items	2007 Budget	2007 Outlook	2008 Budget	2009 Proposed
Estimated Staff Time Required FTE: Temporary Consultant	FTE: 50% Mgr. Ins. Pgrms. 50% AAll	FTE: 50% Mgr. Ins. Pgrms. 50% AAll	FTE: 50% Mgr. Ins. Pgrms. 50% AAll	FTE: 50% Mgr. Ins. Pgrms. 50% AAll
Travel Staff	\$10,000	\$5,000	\$10,000	\$8,000
Travel Volunteer	\$12,000	\$12,000	\$12,000	\$12,000
Travel Others (e.g. Annual Meeting speakers for MCLE presentations)	\$1,500		\$1,500	\$1,500
Meeting Room Rental	\$8,000	\$4,500	\$6,000	\$6,500
Catering	\$8,000	\$6,000	\$6,000	\$6,500
Postage				
Telephone	\$1,000	\$500	\$750	\$750
Copier Allocation	\$4,000	\$2,000	\$4,000	\$4,000
Stationary Supplies		\$300		\$500
Professional Services	\$6,000	\$3000?	\$3,000	\$3,500
Outside Printing				
Outside Services				
In House Printing				
Miscellaneous	\$400	\$400	\$400	\$400
TOTAL Operating Expense	\$50,900	\$33,700	\$43,650	\$43,650

*The insurance programs are revenue-generating programs. Expenses incurred will have no financial impact on the general fund. The revenues collected assist in funding the expenses incurred to staff, manage, enhance and market the programs.