AGENDA ITEM

ITEM IV.A
Committee on Professional
Liability Insurance
2007 Year-End Assessment

DATE: April 23, 2008

TO: Members, Board of Governors
Members, Board Committee on Member Oversight

FROM: Wondie Russell & Lisa Coplen, Committee Co-Chairs
Starr Babcock, Senior Executive Member Services

SUBJECT: Committee on Professional Liability Insurance (COPLI) 2007 Year-End Assessment

ATTACHMENT: Attachment 1: Committee on Professional Liability Insurance (COPLI) 2007 Year-End Assessment

EXECUTIVE SUMMARY

The following is the year-end assessment of all activities under the COPLI for the 2007 Committee year.

Board members with questions or concerns may contact Starr Babcock, 415/538-2070 or starr.babcock@calbar.ca.gov

BACKGROUND

The Committee on Professional Liability Insurance is comprised of 15 attorney members with expertise and experience in professional liability insurance and insurance law, in dealing with brokers and insurance carriers and in understanding insurance policies and the business aspects of insurance, particularly group and/or association plans. The committee acts as a counselor and advisor to the Board of Governors. The charge of the committee is as follows:

1. Studies and makes recommendations on loss prevention/competency development, claims handling, underwriting, policy language, policy provisions and pricing to meet the needs of the members of the State Bar. Reviews sales literature and marketing on an ongoing basis
2. Monitors carrier stability and marketplace activity to insure adequate pricing and complete coverage options for the members.

3. Works with the administrator/broker, carrier, General Counsel's office and designated State Bar staff to draft contracts as required and revise existing contracts.
4. Plans and administers competency based risk management educational programs providing free MCLE credit to the members.
5. Provides legal advice to the Board of Governors concerning professional liability insurance law and those aspects of its recommendations.
6. Generate funding for the State Bar's Lawyers Assistance Program.
7. Perform such other functions relevant to the committee's subject area as the Board of Governors may from time to time assign.
8. Make recommendations and assist on request, the Board of Governors for ways and means of increasing non-dues revenue.
9. Explore possible models to provide expanded range of PLI products; mandatory insurance; and a virtual agency model.

COMMITTEE ON PROFESSIONAL LIABILITY INSURANCE (COPLI)
2007 YEAR-END ASSESSMENT

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The following is a summary of Committee activities in 2007 that furthered its charge.

Professional Liability Insurance Program (PLI):

- The committee obtained an actuarial analysis of the PLI program to evaluate program loss ratio and profitability**.**
- A New Admittee product ($675 for 100/300k policy coverage) was approved by the committee and filed with the State Department of Insurance in November 2006. This product was first offered to the New Admittees from the February 2007 bar exam.

Market Review:

- COPLI continued to monitor the market to insure the availability of coverage to all members and adequacy of policy features.

Education:

- COPLI made a number of changes to the Anthony Davis MCLE program regarding course content, structure and length. He revised courses that were offered for a nominal fee (and discounted for members insured in the State Bar Sponsored Professional Liability Insurance Program) in January 2007. The Committee will pursue a new strategy for MCLE course offerings during the 2008 Committee year.
- Committee members conducted two additional malpractice prevention seminars for MCLE credit. These courses focused on the risks associated with e-discovery.
- The committee co-chair provided a short article on e-discovery risks to the section newsletter "Big News" and prepared the Chapter on Insurance for the new edition of the California Young Lawyers Association’s publication, “Opening a Law Office”.