



**OPEN SESSION MINUTES  
OREGON STATE BAR  
PROFESSIONAL LIABILITY FUND  
BOARD OF DIRECTORS**

**April 14, 2023**

**Tigard, Oregon and via Zoom Videoconference**

Board Chair Steve Hill called the open session meeting of the Board of Directors to order at 9:02 a.m. Present in addition to Mr. Hill were board members Gina Johnnie (via Zoom), Michelle Johansson, Valerie Saiki, Harshi Waters, Chris Karlin, and Alexandra Hilsher. In addition, PLF staff members Megan Livermore, Betty Lou Morrow, Heather Bowman, Matt Borrillo, Emilee Preble, Hong Dao, Tanya Hanson, Kyra Hazilla (via Zoom), John Berge, Monica Logan, Isaac Alley (via Zoom), Pam Stendahl, Maureen DeFrank (via Zoom), and Danae Crook attended all or part of the meeting.

This meeting was noticed and conducted in compliance with the Oregon Public Meetings Law, ORS 192.610, et seq. and a quorum was verified.

**1. Chair Report (Mr. Hill)**

Mr. Hill welcomed and thanked everyone for participating. He is excited about the next board meeting in Pendleton, where he lives. He has been working with Judge Johnson, in coordinating the Tribal Court 101 CLE and is hoping for good attendance.

**(A) Approval of Open Session Minutes**

- i. 2023-02-03 Draft Open Session Minutes (BOD)

**Approval of Executive Session Minutes in Open Session**

- ii. 2023-02-03 Draft Executive Session Minutes (BOD/Claims)
- iii. 2023-03-16 Draft Executive Session Minutes (Standing BOD Meeting)

*Ms. Saiki moved, and Ms. Waters seconded that the above open session minutes of February 3, 2023, and the executive session minutes of February 3, 2023, and March 16, 2023, be approved as written. Motion passed 7-0 (2 absent).*

**(B) Committee Minutes**

- i. November 2022 Finance/Investment Committee Meeting Minutes

There was no discussion and no action required.

**2. General Counsel Report (Ms. Bowman)**

**(A) General Counsel Update**

Ms. Bowman reported on the status of the 2023 Bylaws and Policy Manual updates.

**(B) 2023 Bylaws and Policy Manual Update**

Ms. Bowman referred the board to the materials. Included was a clean and redlined version of the proposed updates to the Bylaws and Policy Manual. Most of the changes are in preparation for Licensed Paralegals (LPs) to become admitted to the Oregon State Bar.

Since the changes to the Bar Act to include Licensed Paralegals are still before the legislature, Ms. Bowman requested a motion to approve the changes, but not implement them unless and until the Oregon State Bar is authorized to commence licensing of LPs program.

*Ms. Hilsher moved, and Ms. Johansson seconded that the Bylaws and Policy Manual revisions will be implemented when the Oregon State Bar is authorized to commence licensing of LPs. Motion passed 7-0 (2 absent).*

**3. Claims Report – Open Session (Mr. Borrillo)**

**(A) General Claims Report**

Mr. Borrillo reported that things are stable in the Claims Department. We anticipate 600-700 claims for the year. We continue to get high reviews on the claim evaluation forms we receive from our Covered Parties. We have a new claims attorney and temporary claims assistant on board and with that have fully staffed our claims team to support current needs.

Mr. Borrillo, Ms. Bowman and various claims attorneys have been meeting with defense counsel members, once to twice per month. The meetings have been beneficial in reconnecting with our defense counsel, discovering areas they cover, and creating a pipeline for the future.

There are two challenges facing the claims department now. The first is social inflation and the upward pressure on settlements. The second is regarding our repair work. There are unrealistic expectations from Covered Parties on what the PLF should be able to accomplish on their behalf. We have been working towards having a better definition of what constitutes a repair and remaining consistent in our responses to Covered Parties' requests for help.

#### **4. Financial Reports (Ms. Morrow)**

Ms. Morrow reported that the auditors will arrive on Monday, April 17<sup>th</sup>; financial statements and working papers have been prepared for them. However, she has not received the PERS data required to complete the annual actuarial adjustment. The Accounting Department is finally fully staffed. We made an internal promotion and hired a new staff person.

##### **(A) 2022-December 31 Financial Statements**

Ms. Morrow referred to the exhibits. At December 31, 2022, the in year deficit was approximately \$14 million. She had estimated a \$12.5 million deficit, but it will be closer to \$13.5 million. The loss to the investment portfolio comprised about \$9 million of that deficit. From a primary claims perspective, frequency was down from budget, but severity increased versus budget. Operations were within budget.

##### **(B) Finance Committee Memo – Actuarial Report Dec 31, 2022**

Ms. Morrow referred the board to the materials related to the actuarial analysis. The board approved all actuarial recommendations at the February 2023 board meeting. The memo is for information purposes only.

##### **(C) 2023-January 31 Financial Statements**

Ms. Morrow reported that it can be meaningless to talk about financial trends with just one month of reporting in the fiscal year. However, January is positive versus budget.

##### **(D) 2023 OSBPLF Net Position Summary Page**

The PLF experienced an increase to net position of \$1.2 million in January of 2023. However, at an aggregate net position of \$20.8 million, the PLF remains short of the \$28 million net position goal. We will continue to review this gap for future action.

#### **5. Practice Management Assistance Program (PMAP) (Ms. Dao)**

##### **(A) PMAP Update**

Ms. Dao reported that the PMAP is currently working on several major projects. The updated Red Book has been published. An email blast was sent to all Oregon attorneys about our PMAP services and there was a spike in attorneys reaching out for support. We will continue to send out these email blasts quarterly to remind the legal community of the services we provide. The PMAP is also working on many CLEs and presentations. Our most recent Avoiding Malpractice CLE had over 400 attendants and received great reviews. The PMAP is working to get shred events scheduled throughout the summer here at the Bar Center and around Oregon. The Swearing In ceremony will take place in Salem next month and the PMAP will be there to provide resources for new admittees. Lastly, Ms. Dao reported that they are almost done getting all of the practice aids updated and that process should be finished by June.

**6. Oregon Attorney Assistance Program (OAAP) (Ms. Hazilla)**

**(A) OAAP Update**

Ms. Hazilla reported that the OAAP is receiving many requests for presentations, particularly those focused on secondary trauma. There was a major increase there, following the pandemic. Many attorneys, judges, law students, and family members are continuing to use our afterhours emergency line. There have been several new groups starting up and they generally fill up instantly from previous waitlists.

**7. Excess Program (Ms. Preble)**

**(A) Excess Program Update**

Ms. Preble referred the board to the materials and the copy of the annual memo to the board of governors summarizing our excess enrollment. This year we had a 94% retention rate, which is the highest it has been in the last four years, with a six percent rate increase for most firms. Our number of new firms has gone up, too. We have already added 82 new lawyers so far this year compared to last year when we had 80 new lawyers for the entire year. This is partly due to Chubb and Hartford leaving the market. Our tail coverage numbers are down. Normally, we have about seventeen firms buying tail coverage and this year we are at eleven.

Ms. Preble reported that our Spring reinsurance meetings will take place next week at the ABA LPL conference. It is too early to tell what impact the economy will have on rate increases required by our reinsurers.

**(B) Administrative Update**

There were no updates at this time.

**8. Communications Program (Ms. Hanson)**

**(A) Communications Department Update**

Ms. Hanson reported on current projects in the Communications Department. She informed the board they assisted with an article about Ms. Livermore and the PLF that was featured in the Spring 2023 issue of the Oregon Women Lawyers' *Advance Sheet* newsletter. They have been collaborating with the Bar on messaging surrounding Well-Being Week in Law and have provided information and resources for the next edition of the *Bulletin*.

**9. CEO Report (Ms. Livermore)**

**(A) CEO Update**

Ms. Livermore reported that she attended the Western States Bar Conference with Helen Hirschbiel. There were many topics around attorney wellness and lawyer attrition, which are a concern for most bar associations. There were presentations regarding "The Sandbox," which is a collective term encompassing innovative legal solutions to better serve clients and those who cannot otherwise access a lawyer

The NABRICO conference planning is coming along well. We will continue to keep the board informed as we have more details.

Ms. Livermore reported on the board of governors February meeting. There was follow-up to the discussion around lawyer mobility and the loophole for malpractice coverage requirement for attorneys who were admitted by exam and do not have their primary office in Oregon. The board of governors would like to fill that gap, even though it is small. They have requested that Bar staff provide suggestions on how they could close that loophole so all attorneys practicing in Oregon would have malpractice coverage.

**11. Unfinished and New Business**

There was no unfinished or new business to discuss.

**13. Executive Session**

Mr. Hill concluded the open session meeting and said they would move into executive session, pursuant to ORS 192.660(2)(f) and (h) to discuss claim matters and other executive session issues. See separate executive session minutes.

**14. Adjournment**

The meeting adjourned at approximately 9:59 a.m.

These minutes were approved by the PLF Board of Directors at its June 9, 2023 board meeting.