



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

**October 7, 2022
Ashland, Oregon and via Zoom Videoconference**

Board member Steve Hill called the regular meeting of the Board of Directors to order at 9:07 a.m. Present in addition to Mr. Hill were board members Harshi Waters, Valerie Saiki, Akeem Williams, Chris Karlin, Michelle Johansson, and Ali Hilsher (via Zoom). Board members Gina Johnnie and Oren Haker did not attend the meeting. BOG liaisons Matthew McKean and Candace Clarke and OSB President Kamron Graham attended open session. OSB CEO Helen Hirschbiel attended open session via Zoom. In addition, PLF staff members Megan Livermore, Betty Lou Morrow, Madeleine Campbell, Matt Borrillo, Cindy Hill, Hong Dao (via Zoom), Bryan Welch, Tanya Hanson, and Kyra Hazilla (via Zoom) 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)

(A) Approval of Open Session Minutes.

- i. 2022-08-18 Draft Open Session Minutes (BOD)

Approval of Executive Session Minutes in Open Session.

- ii. 2022-08-18 Draft Executive Session Minutes (BOD/Claims)
- iii. 2022-08-18 Draft Special Executive Session Minutes (BOD)
- iv. 2022-09-15 Draft Executive Session Minutes (Standing BOD Meeting)

Ms. Johansson moved, and Ms. Waters seconded that the above open session minutes of August 18, 2022, the executive session minutes of August 18, 2022, and September 15, 2022, and special executive session minutes of August 18, 2022, be approved as written. Motion passed 7-0 (2 absent).

(B) Approve Extension of Harshi Waters’ Board Term:

Ms. Hilsher moved, and Ms. Saiki seconded that the Board approve the extension of Ms. Waters’ BOD term to expire December 31, 2027. Motion passed 6-0 (2 absent; 1 abstention, Ms. Waters).

2. Claims Report – Open Session (Mr. Borrillo)

(A) General Claims Report:

Mr. Borrillo reported.

The Claims Committee met this morning. Claims pertaining to trusts and estates continue to be high. We expect to end the year with approximately 650 claims. Claim numbers are steadily getting back to normal. We eventually expect to see what we saw pre-pandemic (800 to 900 claims per year).

Evaluations continue to be positive.

Staff are back in the office at least two days per week.

The annual claims meeting is scheduled for December 9 (open session), along with the 4th quarter claims committee meeting (executive session). All board members and BOG liaisons are invited to attend the annual claims committee meeting (open session).

3. General Counsel Report (Ms. Campbell)

(A) Follow-up to Joint BOD/BOG Retreat (June – Bend, Oregon):

- i. Professional Liability Coverage Expansion.

The Oregon State Bar Board of Governors Policy and Governance Committee is considering whether there is a need to expand professional liability coverage requirements for Oregon-licensed lawyers. Ms. Campbell referred the Board to the materials on page 13 for a list of the suggestions being considered. Ms. Livermore reported that the PLF is assisting with data gathering to provide a clearer picture of potential gaps in coverage for attorneys in private practice in Oregon.

- ii. OSB “Principal Office” Bylaw and Policy

Ms. Campbell discussed the memo from the OSB Policy and Governance Committee pertaining to “Principal Office” that was presented to the BOG at its September 23, 2022, meeting (materials can be found on page 18). The Committee was requesting bylaw and policy amendments to define and clarify “principal office.” Service on the Board of Governors depends on where the lawyer’s principal office is located.

This will appear on the BOG November Consent Agenda.

- iiia. BOG Memo re Candidate Eligibility Policy

Ms. Campbell referred the Board to the materials on page 22. This memo pertains to proposed amendments to OSB bylaws and policies to include a challenge process as established in ORS 9.042.

This will appear on the BOG November Consent Agenda.

iib. Exhibit A – Candidate Eligibility Review Policy

This exhibit pertains to number iia. above. See page 26 of the materials.

(B) 2023 Primary Coverage Plan Correction – Remove Data Definition under Cyber Exclusion

Ms. Campbell referred the Board to the Memo on page 27 of the materials. The memo pertains to a correction in the 2023 Primary Coverage Plan.

Mr. Williams moved, and Mr. Karlin seconded that correction removing the data definition under the Cyber Exclusion be approved. Motion passed 7-0 (2 absent).

Ms. Livermore said that this was Ms. Campbell's last board meeting and said she would be missed. Ms. Livermore reported that we have hired a new general counsel, PLF staff member Heather Bowman. Ms. Campbell said she has great confidence in Ms. Bowman.

4. Financial Reports (Ms. Morrow)

(A) 2022-July 31 Financial Statements:

Ms. Morrow said that the July financial statements are in the materials.

She reported that as of September 30, the portfolio lost approximately \$13 million. In years past, we have made between 13 and 15% on the portfolio and we are using the accrued surplus to maintain business operation as planned.

Ms. Morrow reported that she has talked to Mr. Karlin and our portfolio consultants and, across the board without exception, the current allocation is still appropriate considering the volatile market.

Assessment revenues are down from 2021 due to the \$300 one-time discount for 2022. The budget also assumed about 37 more full-pay attorneys this year. Looking at the broader statistics, we are down about 3.1% this year vs. December 31 last year.

Claims are down and so is frequency. Severity (cost of individual claims settling) is coming up. The actual cost of claims in 2021 is up over 2020 and we continue to see that in 2022.

We are currently at a \$10 million deficit.

(B) 2021 and 2020-December 31 Draft Audited Financial Statements:

Ms. Morrow said that nothing has changed since the December 31 statements with the exception of the PERS liability, which came down. In the notes in the financial statements, we had to write off a receivable which caused a post-audit adjustment. The auditors were more aggressive this year regarding recognizing uncollectability. We finished the year with a net position of \$30 million vs. \$24 million last year.

Mr. Karlin moved, and Mr. Williams seconded that the 2021 and 2020-December 31 draft audited financial statements be approved. Motion passed 7-0 (2 absent).

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

(A) Practice Management Assistance Program Update:

Ms. Dao reported that the statistics on number of people who accessed the program and presentations can be found in the materials.

Ms. Dao informed the Board that going forward, she will report statistics only three times per year (February, June, and December). Ms. Livermore confirmed that she will, nonetheless, still provide a department report at each meeting.

CLEs. The “retirement” CLE was well received. There is another estate planning CLE coming up and Learning the Ropes will be presented November 8-10.

Shredding Events. DeAnna Shields scheduled shredding events in Burns, John Day, Baker City, La Grande, Milton-Freewater and Bend.

Red Book. The Statutory Time Limitations Handbook (aka The Red Book) is completely updated and available on the website. Hard copies will be sent to lawyers who responded to the survey (approximately 800 to 900 responses). It will also be available on USB thumb drives at Learning the Ropes, the swearing-in ceremony, and other events.

Software update. As mentioned previously, the PMAP is working with a software development company (Praxent) to build out a program to better manage contact with lawyers. The design phase is complete, and it is now going into the development phase.

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

(A) OAAP Report

Ms. Hazilla reported that the OAAP hired Kirsten Blume as a new attorney counselor associate. She is hopeful that the Board will meet her at the next meeting in December. Ms. Blume is an MA candidate.

We are seeing people accessing the OAAP at high levels and people are using the after-hours crisis line fairly regularly.

The OAAP is providing a number of presentations through December.

The 2nd in a series of wellbeing stakeholder workgroups is coming up on October 17. The first one was last month, and it dealt with law practice management.

7. Excess Program (Ms. Livermore)

(A) Excess Program 2023 Renewal: Reinsurance Meetings in London:

Ms. Livermore reported that the reinsurance meetings went very well. After our meetings and negotiations with reinsurers we were able to keep price increases to a minimum, despite a hardening reinsurance market.

Ms. Morrow reported that we received 100% coverage on the two treaties we went to negotiate.

8. Communications Program (Ms. Hanson)

Ms. Hanson gave Kudos to the communications specialist, Emily Massey, for the great job she did during Ms. Hanson's absence while on her sabbatical.

Ms. Hanson returned to the conversation about the Red Book and noted that only 650 people requested hard copies. We try to promote it electronically on our website and the BarBooks platform. The lion's share of thanks goes to the OSB, specifically Linda Kruschke and her team, with regard to the Red Book. It is a lengthy project, and we could not do it without them.

New Excess Program Brochures. Now that we are doing in-person events, we are doing some limited runs of printed brochures.

The new OAAP website has launched. It is a more user-friendly site with new brand elements, logo, etc.

9. CEO Report (Ms. Livermore)

(A) CEO Update:

Ms. Livermore thanked Ms. Campbell with much gratitude for her many years of service to the PLF and for serving as our first general counsel.

Ms. Livermore reported that we are close to the end of the compensation study with Trüpp and the OSB.

Licensed Paralegal Program. Ms. Livermore reported that we expect to have a proposed plan for presentation at the February 2023 board meeting. This will allow the BOG to approve the plan at its April meeting.

Ms. Livermore discussed the NABRICO conference that was held in Denver in September. The PLF is hosting the conference next year. We will begin planning in earnest after the first of the year.

BarBooks. The new platform was launched in June. Total users so far (as of October 6, 2022) was 5,681; total visits since it launched is just over 61,000; average visits per day since September 1 is 515; and the average downloads per day is 127. The top five books are: *Oregon Civil Pleading and Litigation* (54,861 total pageviews;

Family Law in Oregon (44,024 total pageviews); *Administering Oregon Estates* (33,305 total pageviews); *Uniform Criminal Jury Instructions* (24,716 total pageviews); and *Torts* (24,543 total pageviews). - The PLF titles that are most accessed are: *A Guide to Setting Up and Running Your Law Office* (518 views); *A Guide to Setting Up and Using Your Lawyer Trust Account* (126 views); and *Oregon Statutory Time Limitations Handbook* (5,189 views since posting started in mid-August).

(B) 2023 Election of Officers:

The nominees for next year's officers are:

Chair – Oren Haker

Vice-Chair – Steve Hill

Secretary/Treasurer – Chris Karlin

Ms. Saiki moved and Ms. Waters seconded that the above nominees be approved for next year's officers. Motion passed 7-0 (2 absent).

(C) 2023 Committee Preferences:

Ms. Livermore informed the Board that there is a memo in the materials pertaining to next year's committee assignments. Please complete the form and return to Cindy Hill at your earliest convenience.

10. Liaison's Report (Mr. McKean/Ms. Clarke/Ms. Graham/Ms. Hirschbiel)

(A) Alternative Pathways to Licensure – Update:

Ms. Hirschbiel gave a slide presentation discussing the work of the Alternatives to Exam Task Force, the ongoing work of the committee that is developing the alternatives to the Bar Exam proposed by the Task Force, and the reasoning behind the proposed changes. There is a page on the OSB website with additional information.

Ms. Graham gave highlights from the September 23 BOG meeting.

1. The BOG approved the HOD agenda for October 28.
2. HOD resolutions include:
 - a. Fee increase in the amount of \$75.
 - b. Amend Oregon RPC 1.8(e) to allow attorneys representing indigent clients pro bono to gift financial assistance.
 - c. Amend Rules of Procedure relating to reinstatement. BR 8.1 and BR 8.2.
 - d. Adopt proposed goals for statutory functions: (1) added well-being into the statement (Ms. Graham read the revised statement); and (2) added diversity to goal statement (did not have final language in front of her).

Mr. McKean reported that there is a vacancy in the Supreme Court, and they are opening a judicial selection committee to review candidates.

11. Unfinished and New Business

There was no unfinished or new business to discuss.

12. 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.

13. Adjournment

The meeting adjourned at approximately 11:14 a.m.

These minutes were approved by the PLF Board of Directors at its December 9, 2022, board meeting.