

Professional Liability Fund
Meeting of the Board of Directors
February 2, 2024
Tigard, Oregon
Hybrid meeting (in person/Teams videoconference)
Open Session Agenda

[Open Session Teams link below:](#)

Microsoft Teams meeting

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Meeting ID: 220 297 190 201

Passcode: nNcShz

Schedule:

9:00 a.m. Open Session Board Meeting

11:00 a.m. Estimated time for Executive Session Board Meeting – Executive Session begins at the conclusion of Open Session

11:30 a.m. Estimated time for Finance and Investments Committee Meeting – Finance and Investment Committee begins at the conclusion of Executive Session

12:00 p.m. BOD lunch (meeting attendees only)

1. CHAIR REPORT (Mr. Hill–Chair)

Approval of Open Session Minutes (Action Required):

(A)i. 2023-12-01 Draft Open Session Minutes (BOD) Action Exhibit

Approval of Executive Session Minutes in Open Session (Action Required in Open Session)

(A)ii. 2023-12-01 (BOD/Claims) Action N/A

Committee Minutes (*No action required*)

(B)i. 2023-11-28 Finance/Investments Committee Inform Exhibit

(B)ii. 2023-12-01 Annual Joint Claims Committee/Claims Attorney Meeting Inform Exhibit

2. CLAIMS REPORT (Mr. Borrillo)

(A) General Claims Report Inform N/A

(B) Claims Statistics through 12-2023 (by Claim Year) Inform Exhibit

(C) Claims Statistics through 12-2023 (by Year Closed) Inform Exhibit

(D) 2023 Claims Attorney and Defense Counsel Evaluation Memo (through 12-2023) Inform Exhibit

3. FINANCIAL REPORTS (Ms. Morrow)

(A) 2023-December 31 Draft Financial Statements Inform Exhibit

(A)i. Net Position 2024 Inform Exhibit

(B)	2023-December 31 Primary Claims Reserve and Cost of New Claims Memo	Inform	Exhibit
(C)	2023-December 31 Rudd and Wisdom Primary Claims Actuarial Analysis	Inform	Exhibit
(D)	Board Approval of Financial Matters	Action	N/A
	(D)i Adopt values for December 31 Claim Liabilities		
	(D)ii. Adopt values for Average Claim Costs for 2024 Claims	Action	N/A
	(D)iii. Adopt values for Liability for Extended Reporting Coverage (ERC)	Action	N/A
	(D)iv. Adopt values for Liability for Suspense Files	Action	N/A
	(D)v. Adopt values for Liability for Adjusting and Other Expenses	Action	N/A
(E)	PLF Draft RFI for Investment Consultancy Services	Inform	Exhibit
(F)	IT Update	Inform	N/A
4.	PRACTICE MANAGEMENT ASSISTANCE PROGRAM (PMAP) (Ms. Dao)		
(A)	Practice Management Assistance Program	Inform	Exhibit
5.	OREGON ATTORNEY ASSISTANCE PROGRAM (OAAP) (Ms. Hazilla)		
(A)	OAAP Program Update	Inform	N/A
6.	EXCESS PROGRAM AND ADMINISTRATION (Ms. Preble)		
(A)	Excess Program Update	Inform	N/A
(B)	Administration Update	Inform	N/A
7.	COMMUNICATIONS PROGRAM (Ms. Hanson)		
(A)	Communications Department Update	Inform	Exhibit
8.	CEO REPORT (Ms. Livermore)		
(A)	CEO Update	Inform	N/A
(B)	2024 Public board member discussion	Inform	N/A
9.	LIAISON'S REPORT (BOG) (Mr. Rosen/Mr. McKean/Ms. Hirschbiel)		
(A)	BOG Update	Inform	N/A
10.	UNFINISHED AND NEW BUSINESS	N/A	N/A
11.	EXECUTIVE SESSION – See separate agenda. Executive Session Materials Require a Password		
12.	ADJOURNMENT		



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

**December 1, 2023
Hybrid meeting in Tigard, Oregon**

Board Chair Steve Hill called the open session meeting of the Board of Directors to order pursuant to ORS 192.660 (2)(f) and (h) at 9:12 a.m. Present in addition to Mr. Hill were board members Gina Anne Johnnie (via Teams), Valerie Saiki, Chris Karlin, Michelle Johansson, Ali Hilsher, and Harshi Waters. 2024 PLF new board members John Bachofner and Mark Johnson Roberts attended open session. In addition, Lee Ann Donaldson (OSB President), Ankur Doshi (OSB General Counsel), and Cole Bixenman (RVK representative, via Teams) attended all or some of open session. Also present were PLF staff members Megan Livermore, Betty Lou Morrow, Matt Borrillo, Heather Bowman, Emilee Preble, Tanya Hanson, Kyra Hazilla, Cindy Hill, Holli Houston, Kalia Walker, Brad Tompkins, Sarah Troutt, Maureen DeFrank (via Teams), Pam Stendahl, Wendy Margolis, John Berge, Rachel Edwards, Monica Logan, Ann Ledgerwood, Sharnel Mesirow and Jason Ouellette.

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

Mr. Hill announced that Cindy Hill is retiring after 35 years. He then introduced the 2024 PLF new board members, John Bachofner and Mark Johnson Roberts.

1. RVK Report (Mr. Bixenman)

(A) Q32023 RVK Capital Markets Review and October/November 2023 Updates

Cole Bixenman of RVK gave the following report.

- Performance has been slightly positive in 2023 through Q3 but was broadly negative in the third quarter alone. There has been a significant rally in November.
- ROI year to date at September 30 was 3.45% net of fees.
- There is an expectation the Federal Reserve may start to cut interest rates in 2024 which would cause fixed income prices to increase.
- RVK will work with Betty Lou to review the current asset allocation in 2024 to ensure the allocation matches the PLF's stated goals for the portfolio.

According to Mr. Bixenman and the November 30, 2023, statement, the annual rate of return was 1.7% bringing us to 7.7% (we were at 3.5% then dropped to 1.7%).

2. Chair Report (Mr. Hill)

Approval of Open Session Minutes

- (A)i. 2023-10-13 Draft Open Session Minutes (BOD)

Valerie Saiki moved, and Michelle Johansson seconded that the October 13, 2023, Open Session Minutes be approved as written. Motion passed unanimously 7-0 (2 vacancies).

Approval of Executive Session Minutes in Open Session

- (A)ii. 2023-10-13 Executive Session Minutes (BOD/Claims)
(A)iii. 2023-11-09 Executive Session Minutes (Standing BOD Meeting to discuss claims)

Ms. Johnnie moved, and Mr. Karlin seconded that the October 13, 2023, and November 09, 2023, executive session minutes be approved as written. Motion passed unanimously 7-0 (2 vacancies).

(B) Committee Minutes

- i. 2023-08-07 Finance and Investments Committee Minutes

There was no discussion and no action required.

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

(A) General Claims Report

Mr. Borrillo reported that things are going smoothly in claims. We are predicting that we will end the year with roughly 632 claims. Prior to the pandemic, the numbers were 850 to 900 claims annually. Evaluations continue to be positive. The claims attorneys and claims assistants do a fantastic job. We deal with people in crisis and other issues, but they maintain their professionalism.

The defense panel is evolving with people retiring. The claims team continues to work on recruiting new firms and working with current firms on succession planning for our work.

The 2024 Defense Panel Conference will be held in Bend, Oregon, August 22-24.

Mr. Borrillo reported that the Claims Committee met just prior to today's meeting and the discussion involved Artificial Intelligence (AI) and the need to understand the standard of care and how that might change as more attorneys adopt AI technologies. Also discussed were the new LPs that will become Covered Parties when they are licensed and potential challenges posed by their limited scope of work.

The conversation turned to LP licensing matters and solicited a report from Mr. Doshi. He reported that the Oregon State Bar has 9 applications so far and the first licensing exam will be in December. The exam will include 38 questions on rule 11 (scope of practice). The second half of the exam includes another 30 or so questions on professional conduct. There will be different exams for family law applicants and landlord/tenant applicants which, if passed, will result in a specific endorsement to the LP's license. The scope of practice for the LPs will be defined by which endorsement they have – family law or landlord/tenant. Currently, all applications are family law applicants. It is a shorter exam and, as a result, could be a faster rotation than the regular bar exam.

4. Financial Reports (Ms. Morrow)

Ms. Morrow reported that Jason Ouellette, our database administrator and ISI project manager, will periodically attend board meetings to give updates on the project.

Mr. Ouellette reported that a team has been assembled with 12 staff members from claims, accounting, and excess program. We are currently in the phase of answering questions from ISI and collecting documents they can use to begin customizing the software for the PLF. They will be on site February 6-8 to meet with our team.

Ms. Livermore said the expectation for roll-out is currently projected to be 18 months. This could extend to 24 months (end of 2025).

(A) 2023-October 31 Financial Statements

Cole Bixenman from RVK and Ms. Morrow gave the financial report. There are no adjustments from the auditors. She noted that there is an error in the materials (assessments were overstated by \$1 million).

Balance Sheet. There is a \$10 million difference between this year and last due to an offset on accrued lease liability, which is a new accounting requirement. We are further ahead on assessment revenue vs. YTD. Ms. Morrow said we now have a few more than 7,000 covered parties. This is an indication that lower numbers are bottoming out. Typically, in January we see a surge of payment. We are seeing more payments in December this year.

Asset Allocation. About 4 to 5 years ago, we worked with RVK to do some modeling to identify financial goals of the PLF because that asset allocation will define what we expect our return to be. We have held onto that asset allocation, with minimum deviations, for a number of years. The ten-year average rate of return is around 7%. This is not bad for a quasi-government organization. We want to have a sustainable portfolio (enough in reserve funded by the portfolio to pay claims and have an ample net position to weather difficult financial years). Ms. Morrow will work with the Finance & Investments Committee to review our current allocation and will bring any suggested adjustments to the board.

Claims. We budgeted 720 claims but expect to land much lower than that (see Claims report, above). Although the numbers have come down, frequency and severity look like they might be creeping up a bit. Having lower frequency and severity has helped us, though, with the new trend the average cost of new claims could go up by about \$500. Large settlements are picking up again.

The estimate of in-year surplus is around a \$500,000 loss. We budgeted for a \$2 million loss so this is much better than expected. It could change before the end of the year, depending on how our investments do.

We are only off by \$140,000 for return on investment.

Ms. Donaldson asked for an explanation of the difference of cash on the balance sheet. Ms. Morrow explained that the time of year makes a difference and payments of excess claims. This is relatively normal with our balance sheets.

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

(A) PMAP Report: May 2023 through November 2023

Ms. Logan gave the PMAP report. She referred the Board to the charts in the materials and said that the new custom software allows for better tracking of contacts, usage statistics, etc.

From May through November, there were 325 interactions, mostly on office systems topics. Most interactions are by phone (66%); most are in the Portland metro area. A road show is planned for next year outside of Portland to make contact with a broader segment of legal professionals, particularly those in rural areas.

Learning The Ropes. 129 new lawyers registered for the conference; 119 attended. This year, they tried a new way to streamline questions from the audience via texting anonymously. It was very successful and they expect to do this again. Ms. Logan thanked all who attended and spoke at the lunches.

CLE/Presentations. 20 different CLEs/presentations were provided to various organizations and firms. See materials for specific information. The most sought-after topic was disaster planning.

Resource Access. There were 2,000 views of CLEs online, mostly practice management.

Licensed Paralegals. The OSB has asked the PMAP's assistance in developing CLE and educational resources for licensed paralegals (LPs). They will be recording 2 different CLEs for this purpose later in December.

Generative AI. Ms. Dao and Mr. Doshi presented a CLE on the ethical and malpractice considerations for lawyers using generative AI in their practice. In addition, Ms. Dao wrote an article on ChatGPT, with Part I published in the August issue and Part II scheduled for the December issue of our *inBrief* newsletter.

Next week, the PMAs will hold their annual programmatic planning meeting.

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

(A) OAAP Update

Ms. Hazilla reported that everything is running smoothly at the OAAP. See materials for specific information.

Law Schools. The attorney counselors made in person appearances at all three Oregon law schools this fall. This was the first time since the pandemic.

Group Meetings/Events. In-person group meetings have returned as have other annual events. The recent retreat for women and those who identify as non-binary was very well received.

inSight. The last edition of *inSight* is in progress and is expected to be published before the end of December. This publication continues to drive requests for assistance from the OAAP, more so than other avenues of communication.

Year-end statistics will be provided at the February meeting. Qualitatively, people's needs are more intense. We are seeing people accessing who are having higher intensity of traumatic experiences; victims of violent crimes; scary experiences. The OAAP will train on critical incident response.

2024 Planning. A programmatic planning meeting for 2024 is scheduled for January.

7. Excess Program (Ms. Preble)

(A) Excess Program Update

Ms. Preble reported that excess renewals are on track with last year (last year at this time we had 309 applications; this year we have 311). Ms. Hughes is fully up to speed now and the pace of quotes and payments is quicker this year. For firms who want to ensure they get a quote to bind coverage starting January 1, 2024, their deadline for submitting an application is December 8.

(B) Administrative Update

Ms. Preble announced that Cindy Hill and Nancy Brown are retiring. Ms. Brown has been with the PLF for 18 years and Ms. Hill has been with the PLF for 35 years. It is a big loss to lose both Cindy and Nancy. We are actively working to find a new Executive Assistant to fill Cindy's role. A current staff member, Ted Cave, will be taking over Nancy's role.

We are working on tenant improvements to the OAAP space from some landlord money we got when renewing our lease last year. More updates will be reported later.

8. Communications Program (Ms. Hanson)

(A) Communications Department Update

inBrief. Ms. Hanson reported that Ms. Dao's part II of her ChatGPT article will appear in the December *inBrief*, along with our bi-annual legislative alerts, which is drafted in collaboration with the OSB. It includes short summaries of legislative changes. There is also a message from the CFO regarding the assessment returning to \$3,500, explaining the rationale for that decision and including illustrative charts.

inSight. The winter issue is themed around social connection. There is an epidemic of social loneliness.

Website. We are working on getting the website fully updated for incoming LPs, modifying language, and including a page just for LPs. Mr. Bachofner inquired whether non-LPs will also have access to this information on the website (for example, a law firm considering hiring an LP). Ms. Hanson said they will.

Annual Report. We will begin working on the annual report soon and expect it to be complete by next spring.

Publications. Ms. Edwards reported that the Comms and LMAP teams are working on a big overhaul of the PLF handbooks (Gold, Green, Purple, etc.). They are working with a graphic design team to give it a more professional look. We expect it to be done shortly.

9. CEO Report (Ms. Livermore)

(A) CEO Update

Ms. Livermore reported that she attended the BOG retreat in Cannon Beach in November and met the new BOG members. David Rosen has been elected as BOG president for 2024 and Myah Kehoe was elected as president-elect. We are looking forward to continuing our collaboration with the OSB and the BOG on matters affecting Oregon's legal community. This includes work on rural practice initiatives, access to justice and legal professional well-being. She especially appreciates the Bar/BOG's ongoing support of well-being efforts.

Ms. Livermore also reported that at the December BOG meeting, the Board Development Committee and the full BOG approved our new board members for 2024 – Gina Johnnie, Mark Johnson Roberts and John Bachofner.

(A) 2024 Election of Officers (2024)

Ms. Livermore reminded the Board that Oren Haker resigned as a board member in October due to a conflict of interest. Ms. Bowman then discussed the process for removing board member Oren Haker and adding Steve Hill as Chair. There are several steps that need to take place, as follows:

1. The BOD needs to vote to officially remove Oren Haker from the BOD, pursuant to Article 3.3(C);
2. The next step will be a motion to permit additional nominations for the Chair position. Per the bylaws (Article 4.5), the vice chair is the chair-designate and any other candidates are only allowed by board motion;
3. If step 2 passes, a board member can nominate Steve Hill to be the 2024 Chair; and
4. If Steve Hill is nominated as Chair, the Board can then vote on that, pursuant to Article 4.2.

Mr. Bachofner questioned why we have to vote to remove someone if they resigned. Ms. Bowman stated that this is a requirement in our Bylaws. We may need to change this in the future.

1. *Valerie Saiki moved and Chris Karlin seconded the removal of Oren Haker from the PLF Board of Directors. The motion passed 7-0 (2 vacancies).*
2. *Michelle Johansson moved and Valerie Saiki seconded that the Board permit additional nominations for the 2024 Chair. Motion passed 7-0 (2 vacancies).*
3. *Chris Karlin moved and Harshi Waters seconded that the Board nominate Steve Hill as Chair for 2024 and approve the election of Steve Hill as Chair for 2024. Motion passed 6-0 (2 vacancies; 1 abstention [Steve Hill]).*

The board then proceeded to vote on the remaining officer slate - 2024 Vice-Chair/Chair-Designate, Michelle Johansson and Secretary-Treasurer, Chris Karlin.

Ali Hilsher moved and Valerie Saiki seconded that Michelle Johansson be elected as 2024 Vice-Chair and Chair-Designate. Motion passed 6-0 (2 vacancies; 1 abstention [Michelle]).

Steve Hill moved and Harshi Waters seconded that Chris Karlin be elected as 2024 Secretary-Treasurer. Motion passed 6-0 (2 vacancies; 1 abstention [Chris Karlin]).

(C) 2024 Committee Preferences

Ms. Livermore referred the Board to the committee preferences memo in the materials and asked that they be returned to Cindy Hill by December 15.

Ms. Hilsher noted that she was chair of the Excess Program Committee this year, but the committee did not meet. Ms. Johansson said this was the same for the Coverage Committee. Ms. Livermore said that these committees are fairly dormant until there is a need to meet, but asked the board to please let her know if they want to have regular meetings. Mr. Hill mentioned that if there is a need for a committee to meet, they will get a heads up from Ms. Livermore.

(D) 2024 Public Board Member Discussion

Ms. Livermore informed the board that we have two potential public board member candidates – one is a former PLF board member and the other is a Portland-based tech exec. She is also continuing to do outreach to other potential public members – either to fill the current vacancy or to pipeline for future public member vacancies. The board should expect to vote on the new public member in February. We will then present the names to the BOG for their approval at their February meeting.

10. Liaisons' Report (BOG)

(A) BOG Update

Ms. Donaldson gave the BOG report. She said it is nice to attend in person.

Since the last update Ms. Donaldson and Ms. Hirschbiel did a local bar tour around the state from November 6 through 9, 2023. They traveled to Eugene, Roseburg, Medford, Ashland, Grants Pass, Gold Beach, Coquille, Coos Bay, Newport, Tillamook, and McMinnville. It is difficult to get attorneys in rural counties, especially indigent defense and prosecution. They had ideas about other models that may help fill some gaps, including one out of the New Mexico court system that Curry/Coos counties are interested in pursuing. The Bar will partner with law schools to see about setting up this type of program.

The BOG meeting and retreat was held in Cannon Beach. The focus was on mindfulness. Rolph Gates led 2 half-day sessions on mediation.

As previously mentioned, David Rosen (Bend) was elected as the next president (2024). Myah Kehoe (Portland) was elected as president-elect (2024).

Ms. Donaldson is on the Licensure Pathway Development Committee (LPDC). The Supreme Court approved the postgraduate supervised practice pathway and they need to get supervising attorneys. These have to be paid positions.

Mr. Doshi said they are working with getting things set up for LPs and he thanked all PLF staff who have helped them, especially the PMAs for all of their assistance. They are hopeful to have everything out in two to three weeks.

Since the HOD meeting, there have been changes to the Rules of Professional Conduct. The BOG also approved some changes to the LP rules, so the amendments mirror each other. Rules 1.2(d), 1.8(e), and 8.4(a)7.

LRAP (Loan Repayment Assistance Program). Another way the BOG is trying to assist rural practitioners is through the OSB LRAP Committee. This committee approved changes to extend the repayment assistance program. They still have to meet an income threshold but the expanded rules might help capture some new practitioners. There is a small pot of money; they did not want to expand too much. It has been implemented in rural areas, but it will be monitored to see if areas need to be expanded.

Ms. Morrow asked what the funding source is for this program. Mr. Doshi said it is a \$15 annual fee added to the assessment. Ms. Donaldson said the Public Affairs Committee could look into legislative funding. It will not happen next year, but could potentially happen in the future.

Ms. Donaldson said it was a wonderful and challenging year as OSB President.

Ms. Johansson said that Ms. Donaldson has done a great job and she appreciates her service.

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 was adjourned at 11:45 a.m.



Professional Liability Fund

OREGON STATE BAR PROFESSIONAL LIABILITY FUND **Finance/Investment Committee**

Minutes of Meeting
November 28, 2023

The Open Session of the Finance/Investment Committee met at approximately 9:00 am on November 28, 2023 via Zoom video conference.

Finance Committee Members:

Chris Karlin (Chair)
Michelle Johansson
Harshi M. Waters

Staff:

Betty Lou Morrow
Megan Livermore
Cyndi Cruz

Guests:

Mike Williams, Oregon State Bar

Notice of the meeting was given pursuant to ORS 192.640
Material provided electronically prior to the meeting

Agenda:

- October 31, 2023 draft financial statements
- RFP discussion for Investment Advisors

October 31, 2023 draft financial statements

Ms. Morrow referred to and reviewed the October 31, 2023 draft financial statements (materials sent electronically prior to the meeting).

Highlights:

- Ms. Morrow noted that the Primary and Excess balance sheets are out of balance by \$1million due to an unposted Primary assessment journal entry.
- The new claim count is currently annualized at 642, budgeted 730. The new claim frequency has increased in the last quarter of 2023 in comparison to the first 3 quarters.

RFP discussion for Investment Advisors

Ms. Morrow advised the committee that Cole Bixenman from RVK will be attending the Board meeting on Friday, December 1st.

To open the discussion around the committee considering alternative investment consultants, Ms. Morrow reminded the committee that Mark Higgins had been the Account Manager for the PLF's RVK account for at least ten years. The PLF continues to be managed by RVK with Cole Bixenman being the Account Manager. Ms. Morrow asked the committee to consider sending out an RFP for investment consultancy given the length of time RVK has consulted to the PLF with no RFP being sent out during at least the past 10 years. She feels it is not only a good idea to talk to alternative consultants to review their products, but it is also a matter of corporate due diligence.

Ms. Johansson recalls the conversation when Mr. Higgins left and being notified of the new account representative Cole Bixenman. Ms. Johansson asked when the last time an RFP was done. Ms. Morrow stated not during her tenure of 10 years, and she had no idea if/when one was done prior to that. Ms. Johansson asked to whom and how many would be submitted. Ms. Morrow thought a minimum of 3 and a maximum of 5. Ms. Morrow wants to make it clear that there are no red flags with our current rep Cole Bixenman, she believes it is simply time for the PLF to consider alternatives.

Ms. Waters stated she was ok with going forward with getting RFP's. She stated to consider the time it might take and whether or not there would be any additional expenses and to just be sure it's worth it in the long run, but she is in favor of getting RFP's.

Mr. Karlin agreed that it would be good as a public body to complete every 10 years. It may be challenging as not all investment managers provide the same services so comparing them can be a challenge. Mr. Karlin suggested submitting an RFI "Request for Information" before an RFP. An RFI would help educate the PLF around who might be interested in participating in the process, and allow Portfolio Managers to better understand the PLF.

Ms. Morrow and Ms. Livermore will work on putting together an RFI and will present to the Committee at the next Finance/Investment committee meeting in January, before the February 2024 Board meeting.

Minutes approved by Chris Karlin, Michelle Johansson & Harshi Waters.



*** SUMMARY OF CLAIMS COMMITTEE*
ANNUAL MEETING—OPEN SESSION**

**December 1, 2023
Tigard, Oregon**

Pursuant to PLF Policy 4.200(C)(2), the PLF Board of Directors Claims Committee and PLF Claims Attorneys commenced their regularly scheduled annual meeting at the PLF's offices in Tigard, Oregon on Friday, December 1, 2023, at 8:17 a.m.

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

Present at the Board meeting and discussion were Directors Gina Anne Johnnie (via MS Teams), Valerie Saiki, Steve Hill, Harshi Waters, and incoming Director John Bachofner. Also present were PLF Claims Attorneys John Berge, Maureen DeFrank (via MS Teams), Ann Ledgerwood, Sharnel Mesirov, Pam Stendahl, Brad Tompkins, Sarah Troutt, and Wendy Margolis, PLF Director of Claims Matthew Borrillo, PLF Claims Administrative Supervisor Marci Sasik, PLF General Counsel Heather Bowman, and PLF CEO Megan Livermore.

The meeting commenced at 8:17 a.m., and followed the agenda proposed in Matt Borrillo's November 21, 2023, memorandum to the Committee, OSB Board of Governors Liaisons, and PLF Claims Attorneys. Mr. Borrillo first explained the purpose of the annual meeting as prescribed in the PLF policies.

The discussion then generally followed the outline of Mr. Borrillo's November 21 memorandum:

1. Claim File Count. Mr. Borrillo noted there is a changing dynamic in the legal community. Court filings had decreased during the COVID-19 pandemic, but the decrease in total filings per year and the total count has stayed down, even after restrictions were no longer a factor. The PLF has experienced a similar pattern where claims decreased during the COVID-19 pandemic and did not rebound as we thought they would after restrictions were no longer a factor. He also noted we have seen a shift in how plaintiff attorneys handle legal malpractice cases: they are bringing fewer cases but are making high demands on the claims they bring, with an increased frequency of demanding Primary limits from the outset of claims.

Mr. Borrillo further advised that although the claim count has not rebounded, that does not mean that the Claims Department has a lower workload. Claims attorneys are receiving aggressive limits demands with little to no information provided by claimant's counsel and consequently spending an increased amount of time handling these matters. He noted that courts are handling PLF litigation claims strangely, making the claims attorney's job more difficult. He noted a claim where the Supreme Court recently ruled that the PLF was not allowed discovery of records that were germane to the case (relating to attorney fees sought). The department is now faced with trying to strategize how to handle the matter

without the documents needed to properly assess potential damages. Mr. Borrillo further noted that the issues we are seeing with the judiciary are widespread: 50% of current judges have six years or less of experience, which is problematic for the legal profession as a whole. He further noted that another complicated factor creating additional work to manage claims is that many people do not understand the complexity of legal malpractice cases; they believe that if you prove malpractice, the case is won, but fail to realize that the underlying case and damages resulting from it have to be proven as well.

There was further discussion about the Supreme Court ruling denying the PLF discovery of documents. The discussion centered on what could be done to address the resulting difficulty in managing the claim and litigation, and it was discussed that perhaps the only way to deal with it might be to file a motion in limine arguing claimant's counsel cannot use privilege as a sword and a shield.

2. Licensed Paralegals. Mr. Borrillo advised that, at last count, 10 people have applied to become licensed paralegals. He noted there was nothing the Claims Department had to do to adjust to these eventual new covered parties, but the department will have to react to claims when they arise. He noted that one of the complicated factors of having licensed paralegals as covered parties is that the PLF will have covered parties that will be in and out of coverage because of the limits of what licensed paralegals are allowed to do. Mr. Borrillo raised that the Claims Department will have to deal with situations where it is possible that in the midst of a domestic relations case, a licensed paralegal will move from what they are allowed to do to something they do not have authorization to do under their limited license. The PLF has simplified the issue a little by providing the same coverage for licensed paralegals as we do for attorneys in private practice, therefore keeping the coverage of licensed paralegals within the same fund. He noted that allocations between different coverage plans will be an added issue the department will have to deal with.

3. Artificial Intelligence (AI). Mr. Borrillo noted that, with the assistance of AI, one attorney can theoretically do the work of ten. A problem arises, however, is an attorney puts confidential or privileged information into an open source AI program, potentially violating privilege. John Bachofner raised the issue of an attorney violating the standard of care for attorneys by relying on AI. Mr. Borrillo noted that these complicated issues of AI will be a massive burden on claims attorneys.

In response to Mr. Bachofner's concern, it was noted that at a recent ABA/LPP conference the focus was more on violating the standard of care if an attorney does not learn or utilize AI. The true question with regard to standard of care may be whether an attorney has used AI responsibly, which leads to a slippery slope of who defines what responsible use of AI is. Because it is unclear how AI may come up in the legal malpractice in the future, the PLF is not making any changes to the coverage plan for now. For now, the claims attorneys will have to deal with AI issues without a coverage shield.

4. Lawyers in a Dual Role. Mr. Borrillo stated that one example of an attorney in a dual role is the lawyer who is a Personal Representative or trustee for an estate, and also acts as a lawyer for the estate. The issue comes up where a covered party makes a mistake and then is both the claimant and the covered party in any resulting claim. Another dual role that the Claims Department sees is a lawyer who does estate work and as part of the estate prepares estate taxes, and then has people that were involved in the estate come back to him/her asking him/her to prepare taxes in the future (an activity which is excluded if the only thing an attorney is doing is preparing taxes for a client).

5. Public Defender Crisis in Oregon. Mr. Borrillo stated this was still an issue. He noted there have been some efforts to conscript lawyers that do not practice criminal law to represent criminal defendants. It is not really a PLF issue but it can become a PLF issue if these conscripted attorneys handle criminal matters and commit legal malpractice because they do not have a criminal law background or experience. Internally, the Claims Department has made a policy that if it has any claims that come in that relate to the public defender crisis, there will be one claims attorney (Matt Borrillo) to review and track the issues involved.

6. Review of Claims Handling Issues Discussed at 2022 Joint Annual Meeting. There is a perception that the PLF is in the business of repairing files, though that is not how we handle matters. It continues to be a problem because the Claims Department has people in the legal community simply demand we step in to handle legal matters as a “repair,” not understanding that is not how repairs are undertaken or that whether a repair is attempted is solely at the PLF’s discretion.

The meeting concluded at 8:58 a.m.

MAB/ms

PLF CLAIMS STATISTICS—BY CLAIM YEAR

CLAIM YEAR	2014	2015	2016	2017	2018	2019	2020	2021	2022¹	2023²
% of Files Closed	99.89%	100.00%	99.40%	99.03%	99.30%	96.52%	95.63%	91.15%	74.17%	30.21%
No indemnity/claims expense (1)	24.73%	23.30%	24.58%	24.91%	22.46%	25.35%	21.16%	24.79%	22.08%	30.00%
Only indemnity paid (2)	13.41%	11.90%	14.39%	12.70%	14.62%	11.63%	14.31%	10.89%	14.44%	15.26%
Only claims expense paid (3)	45.71%	47.09%	45.08%	43.96%	47.13%	45.12%	45.21%	51.42%	54.78%	47.89%
Indemnity and claims expense paid (4)	16.15%	17.72%	15.95%	18.44%	15.79%	17.91%	19.33%	12.90%	8.70%	6.84%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No indemnity (1 + 3)	70.44%	70.38%	69.66%	68.86%	69.59%	70.47%	66.36%	76.21%	76.86%	77.89%
No claims expense (1 + 2)	38.13%	35.19%	38.97%	37.61%	37.08%	36.98%	35.46%	35.68%	36.52%	45.26%

Rev. 01/23/2024

¹ 20% or more of claims opened in the year 2022 are still open.

² 20% or more of claims opened in the year 2023 are still open.

PLF CLAIMS STATISTICS—BY YEAR CLOSED

YEAR CLOSED	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Files Closed	872	898	849	776	813	894	799	638	721	603
No indemnity/claims expense (1)	24.77%	22.27%	25.44%	22.68%	24.97%	23.04%	24.16%	19.91%	20.67%	22.22%
Only indemnity paid (2)	12.39%	13.14%	13.66%	12.50%	14.88%	12.19%	13.64%	10.82%	9.57%	10.95%
Only claims expense paid (3)	44.15%	46.88%	44.52%	46.65%	42.80%	45.86%	43.05%	52.19%	53.26%	53.07%
Indemnity and claims expense paid (4)	18.69%	17.71%	16.37%	18.17%	17.34%	18.90%	19.15%	17.08%	16.50%	13.76%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
No indemnity (1 + 3)	68.92%	69.15%	69.96%	69.33%	67.77%	68.90%	67.21%	72.10%	73.93%	75.29%
No claims expense (1 + 2)	37.16%	35.41%	39.10%	35.18%	39.85%	35.23%	37.80%	30.72%	30.24%	33.17%



MEMORANDUM

DATE: January 25, 2024
TO: PLF Board of Directors
FROM: Matthew A. Borrillo
RE: 2023 Claims Attorney and Defense Counsel Evaluations (through December 2023)

Since the early 1990s, we have sent our Covered Parties evaluation forms at the closure of their claim files for them to complete and return to us. Because the PLF is a mandatory program for Covered Parties and they have no choice but to buy their professional liability coverage from the PLF, we believe it is important to give them an opportunity to express their opinion about how their claims were handled.

We have consistently received high marks from our Covered Parties. We question them in three major categories about how the claim was handled: 1) overall handling; 2) handling by PLF Claims Attorney; and 3) representation by defense or repair counsel.

The PLF Claims Department closed 606 claims in 2023 and received 136 evaluations (22.44% of claims closed) from the Covered Parties. The results of the 2023 evaluations are as follows:

PLF OVERALL:

Total Responses	Very Satisfied	% of Responses	Satisfied	% of Responses	Not Satisfied	% of Responses
136	126	92.65%	10	1.35%	-	-

PLF CLAIMS ATTORNEY:

Total Responses	Very Satisfied	% of Responses	Satisfied	% of Responses	Not Satisfied	% of Responses
136	127	93.38%	9	6.62%	-	-

DEFENSE COUNSEL:

Total Responses	Very Satisfied	% of Responses	Satisfied	% of Responses	Not Satisfied	% of Responses
82	73	89.02%	9	10.98%	-	-

We are pleased with both the level of response and the degree of satisfaction expressed by our Covered Parties. The evaluations reflected 100% of those responding were very satisfied/satisfied with the overall handling of their claim, 100% were very satisfied/satisfied with the performance of their PLF Claims Attorneys, and 100% were very satisfied/satisfied with the performance of their defense or repair counsel. The PLF Claims Attorneys work hard at providing our Covered Parties with the good service they deserve and should feel proud of this accomplishment.

Because the Covered Party evaluations we receive are confidential, copies are not provided to the Board. We wanted to however, pass on some of the comments our Covered Parties made on their evaluations through December 2023 so the Board is aware of the impact the PLF and the Claims Department has on our Covered Parties and the legal profession in Oregon (see Attachment 1). Also attached for your information and reference are the following: a sample of the evaluation form sent to each Covered Party upon closure of the file (Attachment 2); and the January 13, 2023, memo summarizing the 2022 Claims Attorney and Defense Counsel Evaluations (Attachment 3).

MAB/ms
Att.

c: Megan I. Livermore (w/att.)
Heather Davis-Warren (w/att.)
Claims Attorneys (w/att.)
Tanya Hanson (w/o att.)

COVERED PARTY EVALUATION COMMENTS (through 12-2023)

<p>Berge, John A.</p>	<p>John Berge was a delight to work with.</p>
	<p>John was very helpful. He quickly grasped the issue and was willing to assist in resolving it.</p>
	<p>We had no issues and appreciated being informed throughout the process.</p>
	<p>John Berge provided outstanding service and kept me informed every step of the way.</p>
	<p>I was so pleasantly surprised how much support I received from the PLF. Mr. Berge was excellent to work with on a legal basis. More valuable to me, though, was his assistance in dealing with the emotional aspect of me having my first claim in 30 years of practice. John eased my mind and helped me keep this matter in proper perspective.</p>
<p>DeFrank, Maureen A.</p>	<p>Maureen was highly competent and provided excellent guidance. She always treated me with kindness which I appreciated as the process was unpleasant.</p>
	<p>The individuals I worked with made what was one of the most stressful experiences of my career much less awful. I was grateful for their support and assistance on both a personal and professional level.</p>
	<p>I could not possibly have had a better team at the PLF. I was kept in the loop throughout and it was a very positive experience given the circumstances. This was a preventative claim and to my surprise I was heard and offered assistance immediately upon calling, and received consistent and professional respect, empathy, and kindness.</p>
	<p>Ms. DeFrank was quick to offer a suggestion for responding to the situation, which turned out to be both useful and assisted me in finding a better solution to the problem. She took time to speak with me frankly, directly, but compassionately and with concern for both my client and I. In the end, the matter resolved well.</p>
	<p>Mr. Carson worked incredibly hard - he was responsive, available, proactive, professional, and generally kind and helpful. The staff I communicated with at the PLF were also very responsive and provided meaningful assistance to me.</p>
<p>Houston, Holli K.</p>	<p>I was pleased the PLF got involved even though I didn't believe I made any error and our briefing established and the Court confirmed the action I had taken was correct.</p>
	<p>PLF handling was excellent as always.</p>
	<p>Holli did a great job (as did Xin Xu) and I couldn't be happier with the service provided during what was otherwise a stressful ordeal.</p>
	<p>As with every interaction I have with Holli, I felt I was in good hands and value the support she provides. My time practicing is relatively short and in a niche-market, so when the need for outside defense counsel arises I value Holli's input and recommendation and in this instance I believe Mr. Mitchell was quite helpful in achieving a positive result.</p>
	<p>Holli was very willing to act quickly to control damage and satisfy the client.</p>

Hoven, Amy M.	Very compassionate and respectful during a stressful time.
	Amy and Ann were great to work with. Thank you so much.
	Amy and Ann are terrific. Thanks so much for the assistance.
	I cannot sing Nathan Steele's praises enough. Thank you for assigning him and fighting this claim.
	Matter has been closed as abandoned by client; however, I believe the settlement offer extended by the PLF was reasonable under the circumstances.
Ledgerwood, Ann M.	Mr. Steele's representation was vital. I will recommend his services to any other attorney in need of PLF representation.
Margolis, Wendy M.	Everyone who assisted me and my client in this matter was exceptional. My sincere thanks to all who helped process this matter to completion. Many thanks to all.
	PLF counsel assisted even at times when I wasn't able to be helpful.
	Thanks for excellent services.
	PLF and repair counsel helped me in an ethics situation where another person was inquiring about the status of a past client and her Will. Repair counsel represented me and helped make sure I provided the requested information in a way that did not violate my ethical obligations to past clients.
Mesirow, Sharnel K.	I really enjoy working with Sharnel. She is super responsive.
	Very good work by Ms. Mesirow. She was prompt and put together a great letter to the claimant.
Stendahl, Pam J.	Pamela was prompt, professional and grasped a messy situation with clarity and keen insights.
	Very helpful.
	I thought my claims attorney did a very thorough analysis of the claim and gave me plenty of input to make sure she understood the claim and that her proposal for resolution was reasonable. In all respects, she did an excellent job.
	I really appreciate the staff. It is always hard in these situations. It is embarrassing to go through and can make oneself feel defeated. I did not feel judged and I felt really supported. I feel the whole claim made against me was really wrong, but I have nothing but good things to say about the PLF. I am very thankful of the services.
Tompkins, Brad M.	I was extremely pleased and am grateful for Graham's responsiveness and help with this matter. He explained the process to me and kept me informed.
	Thank you for your approach to resolution in this matter.
	All were very helpful and I am grateful for the assistance.
	Brad did an excellent job.
	I appreciated being kept informed at every stage of the case.

Troutt, Sarah R.	I felt protected and well represented.
	Sarah was fantastic. She kept me fully and regularly informed and was proactive and assertive in her handling of the case from the beginning. She is a credit to the PLF.
	I really like Sarah.
	Matter was dismissed by the court but I appreciated Sarah Troutt's clear explanation of the firm's options and counsel in determining the best course of action.
	Sarah was excellent and I very much appreciated her counsel.
	Sarah Troutt is wonderful to work with. She is responsive, practical, thorough, and smart.



CONFIDENTIAL EVALUATION FORM

Our claims experience indicates that many of our covered parties have ideas, feedback, and information which assist us in preventing future losses. We request your cooperation in answering the following questions. If the space provided is inadequate for your comments, please feel free to attach additional pages. All information will remain confidential.

Covered Party: _____ Bar No.: _____
Claimant(s): _____ PLF Claim No.: _____
PLF Claims Staff Attorney: _____
Assigned Defense Counsel: _____

I. PLF CLAIMS STAFF:

- I. (a) How satisfied were you overall with the handling and disposition of the above referenced matter?
I. (b) How satisfied were you overall with the services provided by the PLF staff attorney?
I. (c) Were you kept fully informed by the PLF staff attorney?
I. (d) If this matter was settled, did you find the settlement reasonable?
I. (e) Other comments or suggestions:

II. DEFENSE OR REPAIR COUNSEL: (Complete this section only if outside defense or repair counsel was assigned to this matter.)

- II. (a) How satisfied were you overall with the services of the assigned defense or repair counsel?
II. (b) Were you kept fully informed at all stages?
II. (c) Did you find the fees charged reasonable?

III. LOSS PREVENTION/GENERAL:

III. (a) What do you feel prompted this legal malpractice claim/repair?

III. (b) What advice would you pass on to others who face similar situations?

III. (c) Using the benefit of hindsight, what would you have done differently?

I would like free and confidential office systems assistance. Please have a PLF Practice Management Advisor contact me. If you would like to call for an appointment, call 503-639-6911 or 1-800-452-1639.

The Oregon Attorney Assistance Program (OAAP) provides free and confidential assistance with alcohol and chemical dependency, career satisfaction, stress management, procrastination, and gambling addiction. If you would like more information, contact one of our OAAP Attorney Counselors at (503) 226-1057:

Kyra Hazilla, ext. 13
Doug Querin, ext. 12
Bryan R. Welch, ext. 19

Number of lawyers in your firm at the time the alleged error occurred: _____

Areas of law in which you practiced at the time the alleged error occurred (by percentage):

Business	_____	Real Estate	_____
Criminal	_____	Workers Comp.	_____
Domestic Relations	_____	Other (specify):	_____
Estate & Probate	_____		_____
PI Plaintiff	_____		_____
		TOTAL:	_____

Estimated number of hours you spent on this claim: _____

Thank you for providing us with this feedback. **PLEASE RETURN WITHIN 10 DAYS TO:**

Via email to: evals@osbplf.org
Via mail to:
Attn: Nancy
Professional Liability Fund
PO Box 231600
Tigard, OR 97281-1600



MEMORANDUM

DATE: January 13, 2023
TO: PLF Board of Directors
FROM: Matthew A. Borrillo
RE: 2022 Claims Attorney and Defense Counsel Evaluations

Since the early 1990s, we have sent our Covered Parties evaluation forms at the closure of their claim files for them to complete and return to us. Because the PLF is a mandatory program for Covered Parties and they have no choice but to buy their professional liability coverage from the PLF, we believe it is important to give them an opportunity to express their opinion about how their claims were handled.

We have consistently received high marks from our Covered Parties. We question them in three major categories about how the claim was handled: 1) overall handling; 2) handling by PLF Claims Attorney; and 3) representation by defense or repair counsel.

The PLF Claims Department closed 742 claims in 2022 and received 123 evaluations (16.58% of claims closed) from the Covered Parties. The results of the 2022 evaluations are as follows:

PLF OVERALL:

Total Responses	Very Satisfied	% of Responses	Satisfied	% of Responses	Not Satisfied	% of Responses
123	115	93.5%	8	6.5%	-	-

PLF CLAIMS ATTORNEY:

Total Responses	Very Satisfied	% of Responses	Satisfied	% of Responses	Not Satisfied	% of Responses
123	117	95.1%	6	4.9%	-	-

DEFENSE COUNSEL:

Total Responses	Very Satisfied	% of Responses	Satisfied	% of Responses	Not Satisfied	% of Responses
64	61	95.3%	3	4.7%	-	-

We are pleased with both the level of response and the degree of satisfaction expressed by our Covered Parties. The evaluations reflected 100% of those responding were very satisfied/satisfied with the overall handling of their claim, 100% were very satisfied/satisfied with the performance of their PLF Claims Attorneys, and 100% were very satisfied/satisfied with the performance of their defense or repair counsel. The PLF Claims Attorneys work hard at providing our Covered Parties with the good service they deserve and should feel proud of this accomplishment.

For your information and reference, attached the following: 1) a sample of the evaluation form sent to each Covered Party upon closure of the file (Attachment 1); and 2) January 20, 2022, memo summarizing the 2021 Claims Attorney and Defense Counsel Evaluations (Attachment 2).

MAB/ms
Att.

c: Megan I. Livermore (w/att.)
Cindy Hill (w/att.)
Claims Attorneys (w/att.)
Tanya Hanson (w/o att.)

**Oregon State Bar
Professional Liability Fund
Financial Statements
12/31/2023**

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**Oregon State Bar
Professional Liability Fund
Combined Primary and Excess Programs
Statement of Net Position
12/31/2023**

ASSETS

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Cash	\$11,098,188.96	\$2,679,758.66
Investments at Fair Value	66,048,974.78	61,599,687.19
Assessment Installment Receivable	16,183.00	0.00
Due from Reinsurers	1,383,942.29	181,303.71
Other Current Assets	1,759,654.56	1,373,242.68
Net Fixed Assets	10,670,194.33	10,747,533.42
Claim Receivables	182,957.42	176,303.57
PERS Deferred Outflow of Resources	2,084,409.94	2,084,409.94
TOTAL ASSETS	<u>\$93,244,505.28</u>	<u>\$78,842,239.17</u>

LIABILITIES AND FUND POSITION

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Liabilities:		
Accounts Payable and Other Current Liabilities	\$195,623.11	\$451,002.56
Due to Reinsurers	\$19,140.08	\$12,971.55
Accrued Lease Liability	10,483,671.00	10,483,671.00
Deposits - Assessments	13,119,792.00	11,010,721.00
PERS Pension Liability	6,953,700.44	6,953,700.44
Liability for Compensated Absences	517,327.06	517,327.06
Liability for Indemnity	12,000,000.00	12,600,000.00
Liability for Claim Expense	11,201,157.86	8,900,000.00
Liability for Future ERC Claims	3,300,000.00	3,600,000.00
Liability for Suspense Files	1,400,000.00	1,500,000.00
Liability for Future Claims Administration (AOE)	3,500,000.00	3,100,000.00
Excess Ceding Commission Allocated for Rest of Year	(241.00)	0.00
Primary Assessment Allocated for Rest of Year	<u>7,207,082.00</u>	<u>0.00</u>
Total Liabilities	<u>\$69,897,252.55</u>	<u>\$59,129,393.61</u>
Change in Net Position:		
Retained Earnings (Deficit) Beginning of the Year	\$19,712,845.56	\$32,421,983.69
Year to Date Net Income (Loss)	<u>3,634,407.17</u>	<u>(12,709,138.13)</u>
Net Position	<u>\$23,347,252.73</u>	<u>\$19,712,845.56</u>
TOTAL LIABILITIES AND FUND POSITION	<u>\$93,244,505.28</u>	<u>\$78,842,239.17</u>

**Oregon State Bar
Professional Liability Fund
Primary Program
Statement of Revenues, Expenses, and Changes in Net Position
13 Months Ended 12/31/2023**

	YEAR TO DATE <u>ACTUAL</u>	YEAR TO DATE <u>BUDGET</u>	<u>VARIANCE</u>	YEAR TO DATE <u>LAST YEAR</u>	<u>ANNUAL BUDGET</u>
REVENUE					
Assessments	\$21,674,264.00	\$21,202,500.00	(\$471,764.00)	\$19,905,369.00	\$21,202,500.00
Installment Service Charge	263,691.00	245,000.00	(18,691.00)	238,081.00	245,000.00
Other Income	95,430.76	100,000.00	4,569.24	167,954.75	100,000.00
Investment Return	6,249,666.66	1,407,356.00	(4,842,310.66)	(9,578,381.13)	1,407,356.00
TOTAL REVENUE	<u>\$28,283,052.42</u>	<u>\$22,954,856.00</u>	<u>(\$5,328,196.42)</u>	<u>\$10,733,023.62</u>	<u>\$22,954,856.00</u>
EXPENSE					
Provision For Claims:					
New Claims at Average Cost	\$14,748,000.00			\$14,310,000.00	
Actuarial Adjustment to Reserves	1,072,486.78			137,309.31	
Net Changes in AOE Liability	400,000.00			500,000.00	
Net Changes in ERC Liability	(300,000.00)			400,000.00	
Net Changes in Suspense File Liab.	(100,000.00)			0.00	
Coverage Opinions	14,829.50			14,119.73	
General Expense	12,847.99			42,642.20	
Less Recoveries & Contributions	(10,990.02)			(3,251.96)	
Budget for Claims Expense		<u>\$17,060,000.00</u>			<u>\$17,060,000.00</u>
Total Provision For Claims	<u>\$15,837,174.25</u>	<u>\$17,060,000.00</u>	<u>\$1,222,825.75</u>	<u>\$15,400,819.28</u>	<u>\$17,060,000.00</u>
Expense from Operations:					
Administrative Team	\$2,853,718.35	\$3,819,031.00	\$965,312.65	\$1,507,076.85	\$3,819,031.00
Fiscal and IT Teams	1,858,288.34	1,867,311.00	9,022.66	1,994,353.28	1,867,311.00
Risk Management	1,856,194.31	2,182,925.00	326,730.69	1,718,831.88	2,182,925.00
Claims Team	3,287,916.10	3,563,790.00	275,873.90	3,244,320.89	3,563,790.00
Allocated to Excess Program	(1,005,417.96)	(1,005,419.00)	(1.04)	(881,843.04)	(1,005,419.00)
Total Expense from Operations	<u>\$8,850,699.14</u>	<u>\$10,427,638.00</u>	<u>\$1,576,938.86</u>	<u>\$7,582,739.86</u>	<u>\$10,427,638.00</u>
Depreciation and Amortization	\$175,617.40	\$193,000.00	\$17,382.60	\$167,759.78	\$193,000.00
Allocated Depreciation	(26,000.04)	(26,000.00)	0.04	(21,999.96)	(26,000.00)
TOTAL EXPENSE	<u>\$24,837,490.75</u>	<u>\$27,654,638.00</u>	<u>\$2,817,147.25</u>	<u>\$23,129,318.96</u>	<u>\$27,654,638.00</u>
NET POSITION - INCOME (LOSS)	<u>\$3,408,326.36</u>	<u>(\$4,956,782.00)</u>	<u>(\$8,365,108.36)</u>	<u>(\$12,396,295.34)</u>	<u>(\$4,956,782.00)</u>

**Oregon State Bar
Professional Liability Fund
Primary Program
Statement of Revenues, Expenses, and Changes in Net Position
12 Months Ended 12/30/2023**

	YEAR TO DATE <u>ACTUAL</u>	YEAR TO DATE <u>BUDGET</u>	<u>VARIANCE</u>	YEAR TO DATE <u>LAST YEAR</u>	<u>ANNUAL BUDGET</u>
REVENUE					
Assessments	\$21,674,264.00	\$21,202,500.00	(\$471,764.00)	\$19,905,369.00	\$21,202,500.00
Installment Service Charge	263,691.00	245,000.00	(18,691.00)	238,081.00	245,000.00
Other Income	95,430.76	100,000.00	4,569.24	167,954.75	100,000.00
Investment Return	6,249,666.66	1,407,356.00	(4,842,310.66)	(9,578,381.13)	1,407,356.00
TOTAL REVENUE	<u>\$28,283,052.42</u>	<u>\$22,954,856.00</u>	<u>(\$5,328,196.42)</u>	<u>\$10,733,023.62</u>	<u>\$22,954,856.00</u>
EXPENSE					
Provision For Claims:					
New Claims at Average Cost	\$14,748,000.00			\$14,310,000.00	
Actuarial Adjustment to Reserves	1,072,486.78			137,109.31	
Net Changes in AOE Liability	400,000.00			500,000.00	
Net Changes in ERC Liability	(300,000.00)			400,000.00	
Net Changes in Suspense File Liab.	(100,000.00)			0.00	
Coverage Opinions	14,829.50			14,119.73	
General Expense	12,847.99			42,642.20	
Less Recoveries & Contributions	(10,990.02)			(3,251.96)	
Budget for Claims Expense		<u>\$17,060,000.00</u>			<u>\$17,060,000.00</u>
Total Provision For Claims	<u>\$15,837,174.25</u>	<u>\$17,060,000.00</u>	<u>\$1,222,825.75</u>	<u>\$15,400,619.28</u>	<u>\$17,060,000.00</u>
Expense from Operations:					
Administrative Team	\$2,853,718.35	\$3,819,031.00	\$965,312.65	\$1,507,076.85	\$3,819,031.00
Fiscal and IT Teams	1,858,288.34	1,867,311.00	9,022.66	1,994,353.28	1,867,311.00
PMAP Team	847,112.08	935,556.00	88,443.92	841,094.39	935,556.00
OAAP Team	1,009,082.23	1,222,369.00	213,286.77	877,737.49	1,222,369.00
Claims Team	3,287,916.10	3,563,790.00	275,873.90	3,244,320.89	3,563,790.00
Allocated to Excess Program	(1,005,417.96)	(1,005,419.00)	(1.04)	(881,843.04)	(1,005,419.00)
Total Expense from Operations	<u>\$8,850,699.14</u>	<u>\$10,402,638.00</u>	<u>\$1,551,938.86</u>	<u>\$7,582,739.86</u>	<u>\$10,402,638.00</u>
Depreciation and Amortization	\$175,617.40	\$193,000.00	\$17,382.60	\$167,759.78	\$193,000.00
Allocated Depreciation	(26,000.04)	(26,000.00)	0.04	(21,999.96)	(26,000.00)
TOTAL EXPENSE	<u>\$24,837,490.75</u>	<u>\$27,629,638.00</u>	<u>\$2,792,147.25</u>	<u>\$23,129,118.96</u>	<u>\$27,629,638.00</u>
NET POSITION - INCOME (LOSS)	<u>\$3,408,326.36</u>	<u>(\$4,956,782.00)</u>	<u>(\$8,365,108.36)</u>	<u>(\$12,396,095.34)</u>	<u>(\$4,956,782.00)</u>

**Oregon State Bar
Professional Liability Fund
Primary Program
Statement of Operating Expense
13 Months Ended 12/31/2023**

<u>EXPENSE:</u>	<u>CURRENT</u> <u>MONTH</u>	<u>YEAR</u> <u>TO DATE</u> <u>ACTUAL</u>	<u>YEAR</u> <u>TO DATE</u> <u>BUDGET</u>	<u>VARIANCE</u>	<u>YEAR</u> <u>TO DATE</u> <u>LAST YEAR</u>	<u>ANNUAL</u> <u>BUDGET</u>
Salaries	\$0.00	\$5,331,504.23	\$5,528,664.00	\$197,159.77	\$5,142,572.65	\$5,528,664.00
Benefits and Payroll Taxes	0.00	2,239,990.29	3,372,422.00	1,132,431.71	716,134.14	3,372,422.00
Investment Services	0.00	45,863.29	58,850.00	12,986.71	57,766.10	58,850.00
Legal Services	0.00	18,145.82	35,000.00	16,854.18	35,053.55	35,000.00
Financial Audit Services	0.00	31,000.00	27,820.00	(3,180.00)	28,000.00	27,820.00
Actuarial Services	0.00	36,785.81	28,890.00	(7,895.81)	32,012.50	28,890.00
Claims Audit Services	0.00	0.00	6,000.00	6,000.00	0.00	6,000.00
Communications	0.00	115,128.41	160,000.00	44,871.59	65,003.69	160,000.00
Information Services	0.00	110,670.59	80,000.00	(30,670.59)	156,215.91	80,000.00
Other Professional Services	0.00	211,639.86	105,350.00	(106,289.86)	195,827.32	105,350.00
Staff Travel	0.00	6,266.96	12,500.00	6,233.04	6,866.24	12,500.00
Board Travel	0.00	38,284.42	67,500.00	29,215.58	56,807.32	67,500.00
NABRICO	0.00	(1,675.42)	61,000.00	62,675.42	11,602.51	61,000.00
Training	0.00	82,541.92	150,500.00	67,958.08	74,982.28	150,500.00
Rent	0.00	629,423.24	662,300.00	32,876.76	635,571.51	662,300.00
Printing and Supplies	0.00	80,927.41	116,500.00	35,572.59	126,417.65	116,500.00
Postage and Delivery	0.00	7,687.12	8,000.00	312.88	5,830.73	8,000.00
Equipment Rent & Maintenance	0.00	36,635.87	47,500.00	10,864.13	46,004.88	47,500.00
Telephone	0.00	50,858.05	52,000.00	1,141.95	45,585.42	52,000.00
PMAP & OAAP Programs(less Sal & Ben	0.00	317,884.52	395,761.00	77,876.48	323,296.14	395,761.00
Defense Panel Training	0.00	0.00	0.00	0.00	82,364.53	0.00
Bar Books Grant	0.00	125,000.00	125,000.00	0.00	125,000.00	125,000.00
Insurance	0.00	10,384.79	43,450.00	33,065.21	45,654.44	43,450.00
Library	0.00	32,352.35	37,500.00	5,147.65	35,573.54	37,500.00
Subscriptions, Memberships & C/C Charç	0.00	330,982.48	250,550.00	(80,432.48)	414,439.85	250,550.00
Allocated to Excess Program	<u>0.00</u>	<u>(1,005,417.96)</u>	<u>(1,005,419.00)</u>	<u>(1.04)</u>	<u>(881,843.04)</u>	<u>(1,005,419.00)</u>
TOTAL EXPENSE	<u>\$0.00</u>	<u>\$8,882,864.05</u>	<u>\$10,427,638.00</u>	<u>\$1,544,773.95</u>	<u>\$7,582,739.86</u>	<u>\$10,427,638.00</u>

**Oregon State Bar
Professional Liability Fund
Excess Program
Statement of Revenue, Expenses, and Changes in Net Position
13 Months Ended 12/31/2023**

	YEAR TO DATE <u>ACTUAL</u>	YEAR TO DATE <u>BUDGET</u>	<u>VARIANCE</u>	YEAR TO DATE <u>LAST YEAR</u>	<u>ANNUAL BUDGET</u>
<u>REVENUE</u>					
Ceding Commission	\$1,034,861.88	\$1,095,000.00	\$60,138.12	\$966,492.87	\$1,095,000.00
Prior Year Adj. (Net of Reins.)	0.00	0.00	0.00	9.00	0.00
Installment Service Charge	54,633.00	55,000.00	367.00	47,505.00	55,000.00
Investment Return	<u>198,612.19</u>	<u>175,000.00</u>	<u>(23,612.19)</u>	<u>(355,842.02)</u>	<u>175,000.00</u>
TOTAL REVENUE	<u>\$1,288,107.07</u>	<u>\$1,325,000.00</u>	<u>\$36,892.93</u>	<u>\$658,164.85</u>	<u>\$1,325,000.00</u>
<u>EXPENSE</u>					
Operating Expenses (See Page 6)	\$1,097,754.22	\$1,024,074.00	(\$73,680.22)	\$949,007.68	\$1,024,074.00
Allocated Depreciation	<u>\$26,000.04</u>	<u>\$26,000.00</u>	<u>(\$0.04)</u>	<u>\$21,999.96</u>	<u>\$26,000.00</u>
NET POSITION - INCOME (LOSS)	<u>\$164,352.81</u>	<u>\$274,926.00</u>	<u>\$110,573.19</u>	<u>(\$312,842.79)</u>	<u>\$274,926.00</u>

**Oregon State Bar
Professional Liability Fund
Excess Program
Statement of Operating Expense
13 Months Ended 12/31/2023**

	CURRENT MONTH	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE	YEAR TO DATE LAST YEAR	ANNUAL BUDGET
<u>EXPENSE:</u>						
Salaries	\$0.00	\$522,283.20	\$503,070.00	(\$19,213.20)	\$406,767.96	\$503,070.00
Benefits and Payroll Taxes	0.00	230,134.80	212,304.00	(17,830.80)	170,575.08	212,304.00
Investment Services	0.00	1,752.26	2,500.00	747.74	1,846.50	2,500.00
Office Expense	0.00	0.00	0.00	0.00	0.00	0.00
Allocation of Primary Overhead	0.00	252,999.96	253,000.00	0.04	304,500.00	253,000.00
Reinsurance Placement & Travel	0.00	26,647.41	15,000.00	(11,647.41)	37,452.70	15,000.00
Training	0.00	4,483.00	6,000.00	1,517.00	1,279.70	6,000.00
Printing and Mailing	0.00	5,101.64	1,200.00	(3,901.64)	573.98	1,200.00
Program Promotion	0.00	19,526.09	15,000.00	(4,526.09)	16,927.00	15,000.00
Other Professional Services	0.00	34,258.71	4,000.00	(30,258.71)	9,084.76	4,000.00
Software Development	<u>0.00</u>	<u>567.15</u>	<u>12,000.00</u>	<u>11,432.85</u>	<u>0.00</u>	<u>12,000.00</u>
TOTAL EXPENSE	<u>\$0.00</u>	<u>\$1,097,754.22</u>	<u>\$1,024,074.00</u>	<u>(\$73,680.22)</u>	<u>\$949,007.68</u>	<u>\$1,024,074.00</u>

**Oregon State Bar
Professional Liability Fund
Combined Investment Schedule
13 Months Ended 12/31/2023**

	CURRENT MONTH <u>THIS YEAR</u>	YEAR TO DATE <u>THIS YEAR</u>	CURRENT MONTH <u>LAST YEAR</u>	YEAR TO DATE <u>LAST YEAR</u>
Dividends and Interest:				
Short Term Bond Fund	\$0.00	\$156,581.94	\$0.00	\$56,592.43
Intermediate Term Bond Funds	0.00	865,599.79	0.00	787,958.08
Bank Loans	0.00	0.00	0.00	0.00
Domestic Common Stock Funds	0.00	285,610.02	0.00	291,517.25
International Equity Fund	0.00	278,742.72	0.00	282,180.62
Real Estate	0.00	213,014.46	0.00	209,899.76
Hedge Fund of Funds	0.00	0.00	0.00	0.00
Real Return Strategy	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Dividends and Interest	<u>\$0.00</u>	<u>\$1,799,548.93</u>	<u>\$0.00</u>	<u>\$1,628,148.14</u>
Gain (Loss) in Fair Value:				
Short Term Bond Fund	\$0.00	(\$23,811.48)	\$0.00	(\$306,390.46)
Intermediate Term Bond Funds	0.00	458,033.37	0.00	(4,106,273.10)
Bank Loans	0.00	0.00	0.00	0.00
Domestic Common Stock Funds	0.00	3,916,097.02	0.00	(4,772,327.38)
International Equity Fund	0.00	1,647,623.76	0.00	(2,599,196.10)
Real Estate	0.00	(1,349,212.57)	0.00	221,815.75
Hedge Fund of Funds	0.00	0.00	0.00	0.00
Real Return Strategy	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Gain (Loss) in Fair Value	<u>\$0.00</u>	<u>\$4,648,730.10</u>	<u>\$0.00</u>	<u>(\$11,562,371.29)</u>
TOTAL RETURN	<u>\$0.00</u>	<u>\$6,448,279.03</u>	<u>\$0.00</u>	<u>(\$9,934,223.15)</u>
Portions Allocated to Excess Program:				
Dividends and Interest	\$0.00	\$55,710.50	\$0.00	\$55,452.22
Gain (Loss) in Fair Value	<u>0.00</u>	<u>142,901.87</u>	<u>0.00</u>	<u>(411,294.24)</u>
TOTAL ALLOCATED TO EXCESS PROGRAM	<u>\$0.00</u>	<u>\$198,612.37</u>	<u>\$0.00</u>	<u>(\$355,842.02)</u>

**Oregon State Bar
Professional Liability Fund
Excess Program
Balance Sheet
12/31/2023**

ASSETS

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Cash	\$413,238.71	\$334,557.30
Due from One Inc	\$503,135.00	\$291,126.00
Assessment Installment Receivable	16,183.00	0.00
Due from Reinsurers and Beazeley	1,383,942.29	181,303.71
Other Assets	2,000.00	700.00
Investments at Fair Value	<u>2,600,799.92</u>	<u>3,401,464.87</u>
TOTAL ASSETS	<u>\$4,919,298.92</u>	<u>\$4,209,151.88</u>

LIABILITIES AND FUND EQUITY

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Liabilities:		
Accounts Payable & Refunds Payable	\$1,739.25	\$460.51
Due to Primary Fund	\$2,195.43	\$0.00
Due to Reinsurers	19,140.08	12,971.55
Deposits of Next Year's Assessment	2,723,766.00	2,248,968.00
Ceding Commission Allocated for Remainder of Year	<u>(241.00)</u>	<u>0.00</u>
Total Liabilities	<u>\$2,746,599.76</u>	<u>\$2,262,400.06</u>
Net Position		
Net Position (Deficit) Beginning of Year	\$1,946,751.82	\$2,259,594.61
Year to Date Net Income (Loss)	<u>226,080.81</u>	<u>(312,842.79)</u>
Total Net Position	<u>\$2,172,832.63</u>	<u>\$1,946,751.82</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$4,919,432.39</u>	<u>\$4,209,151.88</u>

**Oregon State Bar
Professional Liability Fund
Primary Program
Balance Sheet
12/31/2023**

ASSETS

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Cash	\$10,684,950.25	\$2,345,201.36
Investments at Fair Value	63,448,174.86	58,198,222.32
Due From Excess Fund	2,195.43	0.00
Other Current Assets	1,252,324.13	1,081,416.68
Net Fixed Assets	10,670,194.33	10,747,533.42
Claim Receivables	182,957.42	176,303.57
PERS Deferred Outflow of Resources	2,084,409.94	2,084,409.94
TOTAL ASSETS	<u>\$88,325,206.36</u>	<u>\$74,633,087.29</u>

LIABILITIES AND FUND EQUITY

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Liabilities:		
Accounts Payable and Other Current Liabilities	\$191,688.43	\$450,542.05
Accrued Lease Liability	10,483,671.00	10,483,671.00
Deposits - Assessments	10,396,026.00	8,761,753.00
PERS Pension Liability	6,953,700.44	6,953,700.44
Liability for Compensated Absences	517,327.06	517,327.06
Liability for Indemnity	12,000,000.00	12,600,000.00
Liability for Claim Expense	11,201,157.86	8,900,000.00
Liability for Future ERC Claims	3,300,000.00	3,600,000.00
Liability for Suspense Files	1,400,000.00	1,500,000.00
Liability for Future Claims Administration (ULAE)	3,500,000.00	3,100,000.00
Assessment and Installment Service Charge Allocated for Remainder of Year	<u>7,207,082.00</u>	<u>0.00</u>
Total Liabilities	<u>\$67,150,652.79</u>	<u>\$56,866,993.55</u>
Net Position		
Net Position (Deficit) Beginning of the Year	\$17,766,093.74	\$30,162,389.08
Year to Date Net Income (Loss)	<u>3,408,326.36</u>	<u>(12,396,295.34)</u>
Total Net Position	<u>\$21,174,420.10</u>	<u>\$17,766,093.74</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$88,325,072.89</u>	<u>\$74,633,087.29</u>

NET POSITION GOALS

1. To mitigate increases to the Primary assessment.
2. To ensure the PLF has sufficient resources to protect itself against consecutive years of adverse claims development; increasing claims frequency and severity; negative investment returns; declining number of covered parties; and increased operating costs.
3. To ensure the PLF has adequate resources to protect the continuity of operations.
4. To ensure the PLF has adequate resources to litigate appropriate cases.
5. To ensure the PLF has adequate resources to fund infrastructure capital projects.
6. To ensure sufficient liquid investments to ensure timely settlement of claims.
7. To grow the Excess program remains financially viable and has growth opportunities.
8. To ensure the PLF has appropriate surplus to fund ESG initiatives.

FINANCIAL EXPOSURE

1. Claims Costs - Confidence Level/New Claims/Adverse Development of Claims.
2. Operational contingencies.
3. Investment portfolio volatility.
4. Capital and infrastructure projects.
5. Bad faith claims.

CLAIMS COSTS - Confidence Level/New Claims/Adverse Development of Claims

Confidence Level: using the June 30, 2023 actuarially identified confidence levels:

70% confidence = \$7.5 million

80% confidence = \$10.6 million

90% confidence = \$13.9 million

➤ **Recommendation: 90% confidence = \$13,900,000 allocation.**

Frequency/Severity of New Claims: the cost of new claims has both increased and decreased over the past five years. We are anticipating an increase to both the frequency and severity of new claims in the near term. We are now four years into a significantly lower frequency than pre-covid. We would like at least five years at the depressed frequency levels before we can say with any level of confidence that going forward we believe the frequency will trend closer to 8.5 – 9.0% rather than the 11.5 to 12% that was previously forecast. We are recommending a reserve number representative of 50 claims. We will value those claims at the 2024 budgeted amount of \$23,500. To note, there are 700 primary claims budgeted for the 2024 fiscal year.

➤ **Recommendation: 50 claims per year x \$23,500 per claim = \$1,175,000 allocation.**

OPERATIONAL CONTINGENCIES

The PLF has historically budgeted a contingency line (2.5 – 3% of budgeted expenses) to cover unforeseen operating expenses. That budget line has been eliminated and replaced with the use of prior year surplus funds. In order to make that practice sustainable the PLF must continue to allocate a portion of the net position to operating contingencies. In recent history we have used the same CPI we use to determine COLA increases for staff. To that end we are recommending the PLF allocate 4.0% of 2024 budgeted operating costs to offset unforeseen operating costs.

➤ **Recommendation: allocate \$496,000 for operational contingencies.**

Primary: $\$11.3\text{M} \times 4.0\% = \$452,000$ allocation

Excess: $\$1.1\text{M} \times 4.0\% = \$44,000$ allocation

INVESTMENT PORTFOLIO VOLATILITY

- In addition to the erosion of net position, negative investment returns can also create exposure to an inability to pay claims and cede premium to reinsurers on a timely basis. Not too mention restrict cash flow to pay staff and vendors.
- The PLF materially relies on investments to fund operations. Therefore, we are recommending an allocation of 20% of the current portfolio value of \$66.0 million as an appropriate allocation. This equates to approximately \$13.2 million.



Recommendation: \$13,200,000 allocation to offset negative investment returns.

CAPITAL INFRASTRUCTURE

- The PLF has a three and five-year cycle for IT equipment. The plans are updated annually.
- We have updated all office desktops and servers within the past three years at an approximate cost of \$260,000. We have also equipped staff with secure work from home electronics. We anticipate having to replace the desktops and some of the servers within the next five years.
- Other capital items are photocopiers, furniture, security systems, and office renovations.
- The PLF will begin implementation in 2024 of a core function software conversion at an approximate cost of \$2 million.
- We are recommending a \$2,300,000 allocation to ensure adequate funds for purchase of un/planned capital items.



Recommendation: \$2,300,000 capital purchase allocation.

BAD FAITH CLAIMS

- Bad faith claims are typically asserted by the insured Covered Party when the PLF was given an opportunity to settle a case within policy limits, declined that opportunity, and then a verdict is rendered against the Covered Party for an amount in excess of the limits. The Covered Party can recover the excess verdict, emotional distress and punitive damages.
- No E&O coverage. Reinsurance agreements provide coverage for losses arising out of any “extra contractual obligations” (e.g. an excess verdict); there are costs to relying on this.
- The Oregon Tort Claims Act limits damages that can be awarded against a government entity. Two issues:
 1. Does OTCA apply to the PLF?
 2. If so, is the PLF “State Government” or “Local Public Body”?ORS 174.108(3) states the Oregon State Bar is not state government.
- Thus, if the OTCA applies to the PLF, subject to “local public body” limit. The current limit \$691,200; No punitive damages.
 - **Recommendation: \$1,000,000 for Bad Faith Litigation**

SUMMARY

The following summarizes the recommendations contained in this document:

Claims Costs-Confidence Level/New Claims/Adverse Development of Claims	\$15,075,000
Operational Contingencies	\$496,000
Negative investment returns	\$13,200,000
Capital Infrastructure	\$2,300,000
Bad faith claims	\$1,000,000
RECOMMENDED NET POSITION	\$32,071,000

February 2, 2024

To: PLF Finance/Investment Committee (Chris Karlin, Chair; Harshi M. Waters, Michelle Johansson); PLF Board of Directors; BOG Liaisons; OSB CEO

From: Betty Lou Morrow, Chief Financial Officer

Re: December 31, 2023 Rudd & Wisdom Actuarial Review of PLF Primary Program Claim Liabilities and Cost of New Claims

I. Recommended Actions

The PLF has received the attached report from our actuaries, Rudd & Wisdom, reviewing December 31, 2023 PLF Primary Program claim liabilities.

We agree with the indicated estimates made by the actuaries. Accordingly, we recommend the PLF Board of Directors approve the following actions:

1. With a 50% confidence level, adopt the following **liabilities for primary claims** as of December 31, 2023.

Indemnity Liabilities	\$12.0 million
Expense Liabilities	\$ 8.7 million
Total Liabilities	<u>\$20.7 million</u>

2. Adopt an average **cost of new claims** of \$23,000 (\$12,500 indemnity and \$10,500 expense) for the first six months of 2023.

3. Adopt **AOE, ERC, and Suspense** as of December 31, 2023 liabilities as follows.

AOE Liability – increase by \$500,000 to \$3.5 million.

ERC Liability – decrease by \$300,000 to \$3.3 million

Suspense Liability – decrease by \$100,000 to \$1.4

million

II. Effect of Adopting these Figures**CLAIMS LIABILITIES**

The PLF commissions an actuarial review of claim liability estimates every six months because of the variation in PLF claim severity and frequency from year to year. Frequency is the number of claims per covered attorney. Severity is the cost of a claim in dollars. Indemnity severity is the average amount paid to claimants. Expense severity is the average amount paid for defense and other costs of settling claims. For financial statements prepared between actuarial reviews, claim liabilities are increased for each new claim at an adopted average cost amount. For the first six months of 2024 we are recommending the average cost of new claims remains stable at \$23,000. Simultaneously, actual claim costs and settlements incurred are posted. The net sum of these two processes creates the financial statement balance indicated in the chart below.

The financial statement effect of adopting the recommended estimated claim liabilities is an increase to claim costs for 2023 of **\$1,416,641**. With the changes in liabilities for AOE and ERC, the net effect remains at an increase to the cost of claims of \$1,416.641 and a decrease to net position in the same amount.

CLAIMS LIABILITIES RESERVES AT DECEMBER 31, 2023			
	Financial Statement	Actuarial/PLF Estimates	Difference
	12/31/2023	12/31/2023	
Indemnity	\$11,667,219	\$12,000,000	(\$332,781)
Expense	\$7,616,140	\$8,700,000	(\$1,083,860)
Sub Total	\$19,283,359	\$20,700,000	(\$1,416,641)
ERC	\$3,600,000	\$3,300,000	\$300,000
AOE	\$3,100,000	\$3,500,000	(\$400,000)
Suspense	\$1,500,000	\$1,400,000	\$100,000
Change to			
Net Position	\$27,483,359	\$28,900,000	(\$1,416,641)

Cost of New Claims

The actuaries recommend a total average claim cost of \$23,000 for new claims opened during the first half of 2024. This figure represents no change to the amount assigned at June 30, 2023 for the final six months of 2023.

COST OF NEW CLAIMS JAN 1 TO DEC 31, 2023			
	6/30/2023	12/30/2023	Difference
Average Indemnity	\$12,500	\$12,500	\$0
Average Expense	\$10,500	\$10,500	\$0
Total	\$22,500	\$23,500	\$0

AOE, ERC, and SUSPENSE Liability

By definition, ERC is ***Extended Reporting Coverage***. This coverage ensures an attorney has coverage upon ceasing practice for potential claims incurred while still practicing. Coverage is limited to the remainder of the annual primary limit in the covered party's final year of practice. AOE is ***Adjusting and Other Expenses***. This is the liability that represents the potential costs incurred by PLF should the PLF cease operations but still have open claims to defend. ***Suspense Liability*** represents potential future costs of claims on open claims that currently have no monetary demands made or paid against them.

The PLF CFO, not the actuaries, calculates these three liabilities using a consistent method dating back to the 1990s.

III. Confidence Levels and Net Position

The current net position goal allocates \$13.9 million to ensure the PLF has an adequate confidence level to cover the total incurred on settled claims. This allocation allows the confidence level to increase from 50% to approximately 87%. A 50% confidence level indicates a 50% probability the recommended reserves will be adequate. The PLF has opted to increase the confidence level to approximately 87%. The actuaries estimate that a 90% level of confidence will require a \$14.4 million net position allocation. Therefore the \$13.9 million the PLF has currently allocated brings the confidence level to the aforementioned 87%.

IV. Conclusion

In conclusion, the detail below provides further background around the movement of the claims liabilities from the prior period reporting to December 31, 2023.

1. New claims for the first six months of 2024 will be valued at \$23,000. While developed severities for 2019 through 2023 have equaled or exceeded \$22,000 for three of the five years. Claim severities have been volatile over that period. It would therefore seem reasonable to assume claim costs for the first six months of 2024 will be \$23,000. Claims frequency is anticipated to continue to be lower than pre 2020 values for at least the first six months of 2024.
2. For claims reported in 2023, claim frequency was 8.39% (629 claims) which is much lower than the actuarial assumption of 11.50%, or 791 claims. The average developed severity for indemnity is higher than expected while the average severity for expense is lower than expected. The average severity for this tranche of claims is now valued at \$22,600 per claim.
3. Claims frequency for claims reported in 2022 was 8.93% (635 claims) which is much lower than the 12.0% (830 claims) assumption made in the 2021 analysis. The average developed severity for indemnity is higher than expected at \$12,295. The average severity for expense has decreased over the last 12 months. It is now \$9,703 after showing at \$11,420 and \$10,697 in the past two studies. The average severity for this tranche of claims is valued at \$22,500.
4. For claims reported prior to 2022, development over the past six months has been greater than expected for indemnity and slightly less than expected for expense.

Mitchell L. Bilbe, F.S.A.
Evan L. Dial, F.S.A.
Philip S. Dial, F.S.A.
Charles V. Faerber, F.S.A., A.C.A.S.
Mark R. Fenlaw, F.S.A.
Brandon L. Fuller, F.S.A.
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Raymond W. Tilotta
Ronald W. Tobleman, F.S.A.
David G. Wilkes, F.S.A.

January 24, 2024

Ms. Betty Lou Morrow
Oregon State Bar Professional
Liability Fund
Post Office Box 231600
Tigard, Oregon 97281-1600

Re: Determination of Reserve for
Unpaid Indemnity and Unpaid
Expense as of December 31, 2023

Dear Betty Lou:

At your request, we have performed an actuarial analysis of PLF claims experience from inception through December 31, 2023, to determine the liability for unpaid indemnity and unpaid expense on claims reported as of December 31, 2023. Based on this analysis, we estimate the reserve for unpaid indemnity to be in a range of \$10.6 million to \$13.1 million, with \$12.0 million as the indicated reserve. Similarly, we estimate the reserve for unpaid expense to be between \$7.7 million and \$9.8 million, with an indicated reserve of \$8.7 million. These values are approximately \$1.83 million lower in the aggregate than the values at June 30, 2023. This report will summarize our analysis.

Methodology

We have used an incurred claim development methodology to determine separately the reserves for unpaid indemnity and unpaid expense on claims reported as of December 31, 2023. Our analysis has been based on claims data provided by the PLF staff. Briefly, we apply the incurred claim development methodology to determine the amount by which ultimate incurred claims are expected to differ from the case incurred estimates (including actual payments on closed claims) established by the PLF staff as of December 31, 2023. Analyzing the actual periodic changes (measured at

semiannual intervals) in the case incurred estimates for each PLF claim allows this determination to be made. The purpose of this approach is to adjust for any pattern of over or under-reserving by the PLF staff that may have appeared in the experience data. This method relies on the key assumption that future development patterns will be similar to those experienced in the past. This methodology is the same as that which was used in developing our reserve estimates for previous valuations.

After selecting loss development factors for both indemnity and expense, we applied the factors to the claims individually and limited the development of any given claim to the maximum payable by the PLF. The maximum amount payable by the PLF for indemnity is \$300,000. The maximum amount payable by the PLF in total for a claim increased from \$325,000 to \$350,000 in 2005. The maximum amount payable by the PLF in total for a claim increased from \$350,000 to \$375,000 at the beginning of 2022. Applying factors that develop claims beyond the Fund's retention limit artificially adds to the volatility of the claim experience.

As of December 31, 2023, there are 175 claims at or near the Primary Fund's claim limit. There are only 11 such claims in the Fund's history prior to 1999. In 19 of the 25 years between 1999 and 2023 there have been five or more claims at said limit. The highest number of these claims in a given year is 13. That occurred in 2019. There are 10 years with eight or more claims. As economic values and attorneys' fees increase over time, it will become more common for claims to reach the PLF's maximum claim amount. The \$300,000 limit on indemnity has been in place since 1987 and the \$350,000 limit was established in 2005. The increase in the expense limit in 2022 has increased the overall limit to \$375,000.

Analysis

Loss Development Factors

An important characteristic of attorneys' professional liability claims is volatility. It is difficult to predict both the frequency and ultimate severity of these claims. By frequency, we mean the average number of claims per insured attorney. Severity is the average cost of a claim in dollars. As in prior studies, we have made a key assumption that future development patterns will be similar to those experienced in the past. For each actuarial study, we select new development factors for both indemnity and expense

portions of the claims to take advantage of the new information available in the updated claim data. As part of our analysis, we test these new factors and compare them to the factors used in the previous valuation. To test and compare these two sets of factors we apply them to the case incurred amounts from previous valuations to measure how well the factors have predicted the claim development, which has actually occurred. We have used this analysis in all of our previous studies and have described the process in all of our previous reports.

The analysis performed for this study reveals that both the prior and current development factors predict recent claim experience fairly well. For the past six months, the claim development for indemnity claims has been higher than expected. The claim development for expense claims has been slightly higher than expected.

If we had continued to use the June 30, 2023 factors, then our estimate of ultimate incurred claims and the corresponding liability would have been approximately \$304,000 lower for indemnity and \$56,000 lower for expense. The December 31, 2022 factors produce results that would have been approximately \$216,000 lower for indemnity and \$153,000 lower for expense.

Exhibits 4A (indemnity) and 4B (expense) display the comparison analysis for claim development between June 31, 2023 and December 31, 2023. Similarly, Exhibits 5A and 5B present the analysis for claim development between December 31, 2022 and December 31, 2023. As mentioned earlier, we have applied the development factors selected for this valuation to determine the ultimate incurred amounts for both indemnity and expense portions of incurred claims. The application of these development factors to case incurred claims is presented in Exhibits 3A and 3B for indemnity and expense, respectively.

Projection of Average Severities

As we have mentioned in previous reports, the application of unadjusted development factors to case incurred estimates for recent reporting periods often produces projections of claim severity which are inconsistent with those of previous periods and indicated trends. The volatility from period to period in the case estimates of these recently reported claims makes it difficult to project their ultimate incurred value using only development factors. Therefore, we have used average severities from periods that we believe to

be reasonably credible and professional judgment to project the average severity of the claims reported in 2022 and 2023.

We have performed regression analyses over several time periods for both indemnity and expense. For the indemnity portion of the claims, the regression analysis indicates that there has been a small trend (0.76%) on average severities since 1991. Since 2011, the trend has been a more moderate 3.72%. As demonstrated above, it is important to note that the selection of the beginning and ending points in the regression analysis has a significant effect on our conclusions about trend. The projected average severities selected for this valuation were chosen using a combination of a trended average severity, the developed claim experience, and professional judgment. The selected trend is influenced by the regression analysis. The trends on the expense portion of claims display somewhat different patterns to those of the indemnity portion. Since 1991, the regression analysis indicates a moderately positive trend (2.26%) for the expense portion of the claims. Since 2011, the trend has been negative at -0.75%.

Exhibits 2A and 2B present the regression analysis on average severity for indemnity and expense, respectively. Our approach for claims, which were reported in the current claim year (2023), has been to apply an average severity with some consideration given to the estimates produced by the development factors.

The developed average severities for the indemnity portion of claims reported in 2000 and 2009 are higher than that of the years following that period. This is due primarily to the presence of 12 claims in 2000, 10 claims in 2008, and 11 claims in 2009 which reached the PLF's retained limit. In a typical year, the PLF incurs three to six claims that reach the retained limit.

The claims reported in 2004 demonstrate the volatility that these professional liability claims can exhibit. At the end of 2004 it appeared that there would be eight claims that would reach the \$325,000 retention limit. Six of those claims have developed less than we expected. Consequently, it appears now that there are only two retention limit claims for 2004. The severity for the indemnity portion of 2004 claims varied in a \$1,300 range for the first three years before settling at its present level (\$8,971). The severity for the expense portion of 2004 claims has varied in a \$2,600 range for the first three years before settling at its present level (\$8,290).

Claim volatility in early durations is due to the limited amount of information available. The PLF claim staff have little or no information about claims when

they are first reported. As information does become available, case reserves are revised and claims are litigated or settled. Thus, it is common to find reported claim values that are under-valued at their first report and over-valued at the next duration. The reverse can also happen. Volatile reporting and development patterns for new claims are the main reason that development factors are not reliable for estimating the value of new claims.

For the current valuation, claims reported in 2022 are valued using a weighted average of the results obtained from the development factors and the average severity. The claims reported in 2023 are valued based on a projected average severity. The table below summarizes the approach:

Year Claims Reported	Weights Applied at June 30, 2023		Weights Applied at December 31, 2023	
	Development Factor Results	Average Severity Results	Development Factor Results	Average Severity Results
2021	75%	25%	100%	0%
2022	25	75	50	50
2023	0	100	0	100

Claims Reported Prior to 2022

For claims reported prior to 2022, development during the last six months has been greater than expected for indemnity and less than expected for expense. The development over the past 12 months has been greater than expected for indemnity and slightly less than expected for expense. Exhibit 6 displays a comparison of our estimates of ultimate incurred claims to the corresponding estimates at December 31, 2022 and June 30, 2023. Our estimate of the ultimate incurred liability for the indemnity portion of claims is approximately \$289,000 more than we had projected for incurred indemnity at June 30, 2023 and approximately \$275,000 more than we had projected at December 31, 2022. Our estimate of the ultimate incurred liability for the expense portion of these claims is approximately \$221,000 less than we had projected at June 30, 2023 and approximately \$29,000 less than we had projected at December 31, 2022.

Claims Reported in 2022

During 2022, 635 claims were reported. Those claims represent an 8.93% claim frequency, which is much lower than recent experience and much less than our 12.00% assumption in the assessment analysis performed in 2021. As mentioned earlier, the reduced claim frequency is probably due to the continued reduced activity resulting from the COVID-19 pandemic. The average developed severity for indemnity is higher than expected at \$12,295. The average severity for expense has decreased over the last 12 months. It now sits at \$9,703 after showing at \$11,420 and \$10,697 in the past two studies. It should be noted that both severities are lower than they were at June 30, 2023 and December 31, 2022.

For claims reported in 2022, our current estimate reflects a 50% emphasis on the results produced by the development factors and a 50% emphasis on the results based on projected average severity. Our analysis of 2022 claims indicates that the developed average severities for indemnity and expense, taken together, are somewhat higher than we expected. Our selected severities are an attempt to reflect both the experience to date and the expected severities from our professional judgment. For 2022 claims, we have selected an \$12,600 severity for indemnity and an \$9,900 severity for expense.

Using the assumptions from the 2021 assessment study, we estimated that 2022 would produce 830 claims (12.00% x 6,917 attorneys) with an average severity of \$21,000 per claim. As mentioned above, the PLF has actually incurred 635 claims, which we have valued at \$22,249 each [50% x (\$12,295 + \$9,703) + 50% x (\$12,600 + \$9,900)]. Thus, the present estimate of claims (\$14.13 million = 635 claims x \$22,249) is approximately \$3,300,000 less than the expected incurred claims (\$17.43 million = 830 claims x \$21,000).

Claims Reported in 2023

During 2023, 629 claims were reported. Those claims represent an 8.39% claim frequency, which is much lower than recent experience and less than our 11.50% assumption in the assessment analysis performed in 2022. The average developed severity for indemnity is higher than expected at \$12,453. The average severity for expense is lower than expected at \$8,849.

For claims reported in 2023, we are relying strictly on projected average severities for both indemnity and expense. This is consistent with our

treatment of newly reported claims in past studies. Our analysis of 2023 claims indicates that the developed average severities for indemnity and expense, taken together, are lower than we expected based on the June 30, 2023 reserve analysis and higher than we expected based on the 2022 rate analysis. New claims are difficult to accurately assess both on a case basis and on an ultimate basis. Our selected severities are an attempt to reflect both the experience to date and the expected severities from the trended severities in Exhibit 2C. For 2023 claims, we have selected a \$12,800 severity for indemnity and an \$9,800 severity for expense.

Using the assumptions from the 2022 assessment study, we estimated that 2023 would produce 791 claims (11.50% x 6,880 attorneys) with an average severity of \$21,500 per claim. As mentioned above, the PLF has actually incurred 629 claims, which we have valued at \$22,600 each. Thus, the present estimate of claims (\$14.22 million = 629 claims x \$22,600) is approximately \$2.79 million less than the expected incurred claims (\$17.01 million = 791 claims x \$21,500).

Claims To Be Reported in the First Half of 2024

The assessment study for 2024 claims assumes a \$21,500 severity for claims reported in 2024. That rate analysis also had a frequency assumption of 11.50%, which is higher than we have seen for seven of the past nine years. So, standing alone, claim severities for 2023 are likely to be higher than the \$21,500 used in the rate analysis. The developed severities for 2019 through 2023 claims have equaled or exceeded \$22,000 for three of the five years. Claim severities have not been stable over the past five years. Based on these considerations, it seems reasonable to assume that claim costs will be close to \$23,000 for the first half of 2024. For that reason, we believe that you should value claims at \$23,000 each for the first half of 2024. We suggest that claims incurred in the first half of 2024 should be allocated as follows:

2023 Claims	Selected Severity	
	Indemnity	Expense
Reported in First Half of Year	\$12,500	\$10,500

Results

A summary of the analysis and a calculation of the indicated point estimate

of the reserves are presented in Exhibit 1. We have also developed low and high estimates using methodology similar to that described above and based on somewhat less or more conservative judgment in our selection of development factors. Our ranges of estimates for the December 31, 2023 indemnity and expense reserves are displayed below. As indicated in past reports, these ranges are intended to encompass a realistic degree of variation. However, they are not intended to include all possible values.

	<i>Financial Statement Reserve Estimates as of December 31, 2023 (in Thousands)</i>		
	<i>Low</i>	<i>Indicated</i>	<i>High</i>
<i>Indemnity</i>	\$10,600	\$12,000	\$13,100
<i>Expense</i>	7,700	8,700	9,800
<i>Total</i>	\$18,300	\$20,700	\$22,900

To summarize the determination of the reserve estimates:

1. Supplements to the PLF case incurred estimates were developed using a traditional incurred claim development methodology. This analysis is presented in Exhibits 3A and 3B.
2. Adjusted supplements were determined based on an historical analysis of average claims severity as presented in Exhibits 2A through 2C.
3. The adjusted ultimate incurred amounts determined by adding the adjusted supplements to the case incurred estimates were then reduced by payments on open and closed claims to produce the financial statement reserve estimates for unpaid claims as of December 31, 2023.

It should be noted that these estimates do not include provisions for adjusting and other expenses (AOE) or reserves for suspense files and extended reporting coverage. It is our understanding that you will make a provision for these items. We generally find that a provision of 10-15% of the claim reserve is adequate for AOE.

The PLF should maintain an appropriate level of retained earnings or surplus to protect against experience fluctuations and unexpected increases in liability. Attorneys professional liability is a volatile line of coverage and is susceptible to sudden and significant changes. The PLF Primary Fund's

experience demonstrates this volatility very well. In December 1999, the Primary Program had retained earnings in excess of \$9 million. The program incurred adverse claim and investment experience resulting in an overall deficit of approximately \$7 million in 2006. The Fund's claim and investment results in 2007 propelled it to positive retained earnings of approximately \$1.3 million. Investment losses of \$7.1 million in 2008 left the Fund with a \$4.9 million deficit at yearend. During the 2023, the Primary Fund has \$3.41 million of net income. The primary source of the gain appears to be due to investment performance, as the Primary Fund has incurred investment gains of \$6.25 million. The Primary Fund has an overall net position of \$21.17 million.

In the environment of an insurance company writing only this line of business in a single state, a minimum surplus level equal to at least one-third of written premium would be required. For the PLF this would be approximately \$8 million, and a higher amount of surplus would be considered prudent. The PLF is, however, a different type of entity with a significantly different regulatory environment. The Fund's past experience provides a good example of the value of surplus. We have seen adverse experience from both claims and investments eliminate a \$9 million surplus in a short time. We recommend that the PLF establish a goal for the Primary Program to accumulate and maintain a surplus of at least \$13 million to \$15 million to absorb adverse claim experience. Please note that this recommendation is based on historical claim experience. The risk inherent in the PLF's investment portfolio is not reflected here. That investment risk has played a major role in the PLF's financial results in the past. We note that the PLF raised the Primary Program assessment (premium) by \$400 for 2005, \$200 for 2007, and \$300 for 2011. They reduced the assessment for 2019 by \$200. The purpose of these increases was to improve the financial position of the Primary Program. The 2024 assessment rate for the Primary Program is \$3,500 per attorney. For the 2022 policy year, the assessment rate was temporarily decreased to \$3,000 per attorney. The assessment rate returned to \$3,300 per attorney for the 2023 policy year. The Primary Program has produced profits in 11 of the past 15 years. The losses in the other years were significant. It lost \$6.2 million in 2008 and \$2.44 million in 2011. 2022 was the most recent year to produce a loss, and it is the largest loss of that period with surplus decreasing more than \$12 million.

The determination of an appropriate level of surplus requires knowledge of the coverage being written, familiarity with the risk involved, and an understanding of the consequences associated with adverse results. An

approach that can help quantify desired surplus levels under a variety of situations involves the use of statistical confidence levels. The first step in this approach is the determination of the mean and standard deviation of the age-to-ultimate development factors derived from the PLF's incurred claim data. Using these parameters and assuming that the development factors will approximately follow a Normal Distribution over time, we can determine aggregate incurred claim amounts at various probability or confidence levels.

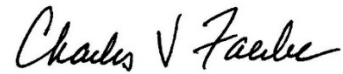
In Exhibit 8, we have displayed the work done to determine desired surplus amounts at various confidence levels based on the PLF's historical claim experience. Please note that the indicated reserves are expected to be adequate approximately 50% of the time. A confidence level of 70% requires approximately \$7.2 million of surplus, and 80% confidence indicates that the Fund should hold \$10.3 million of surplus. A 90% confidence level requires \$14.4 million of surplus. The corresponding confidence level values at June 30, 2023 were slightly higher than these values. This further demonstrates the potential volatility of this insurance. We have said in the past that we believe a 70% confidence level is adequate. However, given the characteristics of the Fund and its exposures, we would not recommend a surplus goal that is less than \$13 million. At December 31, 2023, the Primary Fund has approximately \$21.17 million of surplus. Thus, we consider the program to be well funded if claim experience is the only consideration. We have not reflected the impact of operational expenses and investment risks and expenses in our analysis.

If we are going to rely on this method, then we must assume that the Fund's claims can be modeled or approximated by a statistical distribution with these parameters. If we determine that \$14.4 million is the appropriate amount of surplus at a 90% confidence level, then we believe that there is a 90% probability that the claim reserves on the Fund's balance sheet plus \$14.9 million will be sufficient to cover the Fund's liability for unpaid claims. The volatility of the Fund's claim experience, however, highlights a fundamental weakness in the confidence level approach. The various confidence level values have decreased in 14 of the past 20 years and have increased in six of those years. This demonstrates that there is enough statistical variation in the data to make modeling the PLF's claims a difficult proposition. The confidence level methodology provides a disciplined approach to estimating an appropriate surplus goal. However, the approach is not precise, and it does not address the issue of asset values or other risk characteristics that the Primary Fund faces. The Fund's assets have played a significant role in the Fund's overall financial results over the past 15 years.

Ms. Betty Lou Morrow
Page 11
January 24, 2024

We have once again enjoyed working with you. We look forward to any comments or questions you have regarding this report.

Sincerely,

A handwritten signature in black ink that reads "Charles V. Faerber". The signature is written in a cursive style with a large, prominent "C" and "F".

Charles V. Faerber, F.S.A., A.C.A.S

CVF: ms

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Exhibit 1

Oregon State Bar Professional Liability Fund

Summary of Incurred Claims at 12/31/23 Using Development Factors from 12/31/23

<i>Incurred Indemnity</i>				
<u><i>Period</i></u>	<u><i>Case Incurred</i></u>	<u><i>Supplement</i></u>	<u><i>Ultimate Incurred</i></u>	<u><i>Adjusted Ultimate Incurred¹</i></u>
Pre-1988	33,762	0	33,762	33,762
1988	4,096	0	4,096	4,096
1989	5,146	0	5,146	5,146
1990	5,701	0	5,701	5,701
1991	5,653	0	5,653	5,653
1992	6,280	0	6,280	6,280
1993	5,937	0	5,937	5,937
1994	5,809	0	5,809	5,809
1995	6,986	0	6,986	6,986
1996	5,576	0	5,576	5,576
1997	7,000	0	7,000	7,000
1998	5,639	0	5,639	5,639
1999	8,705	0	8,705	8,705
2000	12,252	0	12,252	12,252
2001	6,496	0	6,496	6,496
2002	7,530	0	7,530	7,530
2003	9,065	0	9,065	9,065
2004	8,280	0	8,280	8,280
2005	8,532	0	8,532	8,532
2006	7,222	0	7,222	7,222
2007	6,296	0	6,296	6,296
2008	10,720	0	10,720	10,720
2009	9,862	0	9,862	9,862
2010	8,926	0	8,926	8,926
2011	7,894	0	7,894	7,894
2012	7,659	0	7,659	7,659
2013	8,132	0	8,132	8,132
2014	7,815	0	7,815	7,815
2015	8,185	0	8,185	8,185
2016	7,612	-1	7,612	7,612
2017	9,261	53	9,314	9,314
2018	8,509	156	8,665	8,665
2019	11,640	201	11,841	11,841
2020	9,171	295	9,466	9,466
2021	5,842	674	6,516	6,516
2022	6,163	1,644	7,807	7,904
2023	4,223	3,610	7,833	8,051
	<u>\$ 303,577</u>	<u>\$ 6,632</u>	<u>\$ 310,209</u>	<u>\$ 310,524</u>
		<i>Less Case Incurred:</i>		<u>-303,577</u>
		<i>Adjusted Supplement:</i>		<u>\$ 6,947</u>

Exhibit 1
Oregon State Bar Professional Liability Fund

Summary of Incurred Claims at 12/31/23 Using Development Factors from 12/31/23

<i>Incurred Expenses</i>				
<i>Period</i>	<i>Case Incurred</i>	<i>Supplement</i>	<i>Ultimate Incurred</i>	<i>Adjusted Ultimate Incurred¹</i>
Pre-1988	16,022	0	16,022	16,022
1988	2,335	0	2,335	2,335
1989	2,376	0	2,376	2,376
1990	3,366	0	3,366	3,366
1991	3,836	0	3,836	3,836
1992	4,087	0	4,087	4,087
1993	4,111	0	4,111	4,111
1994	4,057	0	4,057	4,057
1995	4,031	0	4,031	4,031
1996	3,514	0	3,514	3,514
1997	3,528	0	3,528	3,528
1998	4,792	0	4,792	4,792
1999	5,015	0	5,015	5,015
2000	6,575	0	6,575	6,575
2001	5,107	0	5,107	5,107
2002	6,518	0	6,518	6,518
2003	6,951	0	6,951	6,951
2004	7,651	0	7,651	7,651
2005	7,761	0	7,761	7,761
2006	7,144	0	7,144	7,144
2007	5,939	0	5,939	5,939
2008	9,567	0	9,567	9,567
2009	11,617	0	11,617	11,617
2010	8,551	0	8,551	8,551
2011	9,188	0	9,188	9,188
2012	8,738	0	8,738	8,738
2013	9,673	0	9,673	9,673
2014	8,039	0	8,039	8,039
2015	8,581	3	8,584	8,584
2016	8,777	20	8,798	8,798
2017	7,550	47	7,597	7,597
2018	8,821	87	8,909	8,909
2019	8,056	170	8,226	8,226
2020	6,601	180	6,781	6,781
2021	5,420	271	5,691	5,691
2022	5,579	582	6,161	6,224
2023	4,199	1,367	5,566	6,164
	<u>\$ 243,674</u>	<u>\$ 2,729</u>	<u>\$ 246,403</u>	<u>\$ 247,064</u>
		<i>Less Case Incurred:</i>		<u>-243,674</u>
		<i>Adjusted Supplement:</i>		<u>\$ 3,390</u>

Exhibit 1
Oregon State Bar Professional Liability Fund

Summary of Incurred Claims at 12/31/23 Using Development Factors from 12/31/23

	<i>Incurred Totals</i>		
	<i>Indemnity</i>	<i>Expense</i>	<i>Total</i>
<i>Ultimate Incurred Claims</i>	\$ 310,524	\$ 247,064	\$ 557,588
<i>Claims Paid through 12/31/23</i>	-298,501	-238,361	-536,862
<i>Reserve</i>	\$ 12,023	\$ 8,703	\$ 20,726

- (1) Adjusted ultimate incurred claims through 12/31/21 based on development factors from the 12/31/23 valuation.
Adjusted ultimate incurred indemnity amounts for 2022 are based on a weighted average of the developed amount (50%) and an average claim size of \$12,600 (50%).
Adjusted ultimate incurred expense amounts for 2022 are based on a weighted average of the developed amount (50%) and an average claim size of \$10,900 (50%).
Adjusted ultimate incurred indemnity for 2023 are based on an average claim size of \$ 12,500.
Adjusted ultimate incurred expenses for 2023 are based on an average claim size of \$ 10,300.

Exhibit 2A

Oregon State Bar Professional Liability Fund

Analysis of 12/31/22 Incurred Indemnity Using Development Factors from 12/31/22 Analysis

<i>Lag Period</i>	<i>Incurred Losses</i>	<i>No. of Claims</i>	<i>Semi-Annual Avg Size</i>	<i>Annual Avg Size</i>	<i>Period Ending</i>	<i>No. of Claims</i>	<i>Avg Size</i>	<i>x</i>	<i>ln(Size)</i> <i>y</i>	<i>x^2</i>	<i>xy</i>	<i>exp(y')</i>
12/78	234	76	3.079		12/09							
6/79	200	101	1.981		12/10							
12/79	523	123	4.252	3.228	12/11	914	8.636	1	2.1560	1	2.1560	8.395
6/80	527	128	4.119		12/12	895	8.558	2	2.1468	4	4.2936	8.707
12/80	718	156	4.603	4.385	12/13	883	9.210	3	2.2203	9	6.6608	9.031
6/81	964	210	4.591		12/14	911	8.578	4	2.1492	16	8.5969	9.367
12/81	1,235	175	7.057	5.712	12/15	807	10.142	5	2.3167	25	11.5834	9.715
6/82	1,788	211	8.472		12/16	839	9.072	6	2.2052	36	13.2313	10.076
12/82	1,645	199	8.265	8.372	12/17	827	11.263	7	2.4215	49	16.9506	10.451
6/83	2,871	266	10.791		12/18	861	10.064	8	2.3090	64	18.4717	10.840
12/83	2,291	214	10.704	10.752	12/19	891	13.289	9	2.5870	81	23.2827	11.243
6/84	2,877	244	11.789		12/20	687	13.779	10	2.6232	100	26.2315	11.661
12/84	1,930	212	9.106	10.542	12/21	655	9.948	11	2.2973	121	25.2706	12.094
6/85	3,192	294	10.857		12/22	635	12.295	12	2.5092	144	30.1098	12.544
12/85	2,705	275	9.836	10.364				78	27.9413	650	186.839	
6/86	2,992	239	12.520									
12/86	3,111	235	13.240	12.877			a= 2.0911		b= 0.0365			
6/87	2,518	243	10.361									
12/87	1,442	222	6.495	8.516				Trend =		3.72%		
6/88	2,362	224	10.543									
12/88	1,734	192	9.031	9.845								
6/89	2,908	286	10.166									
12/89	2,238	219	10.220	10.190								
6/90	3,119	293	10.646									
12/90	2,582	276	9.354	10.020								
6/91	3,353	330	10.160									
12/91	2,301	305	7.543	8.903								
6/92	4,380	353	12.409									
12/92	1,900	287	6.620	9.813								
6/93	3,388	348	9.735									
12/93	2,550	352	7.243	8.482								
6/94	3,017	344	8.770									
12/94	2,792	337	8.285	8.530								
6/95	3,894	422	9.227									
12/95	3,092	403	7.673	8.468								
6/96	3,327	369	9.017									
12/96	2,249	352	6.389	7.734								
6/97	4,296	368	11.674									
12/97	2,703	401	6.742	9.102								
6/98	2,838	399	7.114									
12/98	2,801	362	7.737	7.410								
6/99	4,277	414	10.331									
12/99	4,428	416	10.645	10.488								
6/00	4,836	394	12.275									
12/00	7,416	404	18.355	15.353								
6/01	3,859	388	9.947									

Exhibit 2A

Oregon State Bar Professional Liability Fund

Analysis of 12/31/22 Incurred Indemnity Using Development Factors from 12/31/22 Analysis

<i>Lag Period</i>	<i>Incurred Losses</i>	<i>No. of Claims</i>	<i>Semi-Annual Avg Size</i>	<i>Annual Avg Size</i>	<i>Period Ending</i>	<i>No. of Claims</i>	<i>Avg Size</i>	<i>x</i>	<i>ln(Size)</i>	<i>y</i>	<i>x^2</i>	<i>xy</i>	<i>exp(y')</i>
12/01	2,636	387	6.812	8.382									
6/02	4,418	419	10.545		4,418	3,112	=	7,530					
12/02	3,112	397	7.838	9.228									
6/03	4,368	379	11.525		4,368	4,697	=	9,065					
12/03	4,697	436	10.773	11.123									
6/04	4,485	472	9.502		4,485	3,795	=	8,280					
12/04	3,795	451	8.415	8.971									
6/05	4,606	448	10.280		4,606	3,926	=	8,532					
12/05	3,926	394	9.965	10.133									
6/06	3,579	413	8.667		3,579	3,642	=	7,222					
12/06	3,642	367	9.924	9.258									
6/07	3,137	397	7.901		3,137	3,160	=	6,296					
12/07	3,160	384	8.228	8.062									
6/08	4,993	462	10.808		4,993	5,727	=	10,720					
12/08	5,727	438	13.075	11.911									
6/09	5,415	463	11.696		5,415	4,447	=	9,862					
12/09	4,447	510	8.719	10.135									
6/10	4,554	469	9.710		4,554	4,372	=	8,926					
12/10	4,372	469	9.321	9.516									
6/11	3,354	480	6.987		3,354	4,540	=	7,894					
12/11	4,540	434	10.461	8.636									
6/12	4,114	478	8.607		4,114	3,545	=	7,659					
12/12	3,545	417	8.501	8.558									
6/13	4,412	460	9.591		4,412	3,720	=	8,132					
12/13	3,720	423	8.795	9.210									
6/14	4,358	437	9.972		4,358	3,457	=	7,815					
12/14	3,457	474	7.293	8.578									
6/15	4,339	421	10.306		4,339	3,846	=	8,185					
12/15	3,846	386	9.963	10.142									
6/16	4,134	454	9.107		4,134	3,477	=	7,612					
12/16	3,477	385	9.031	9.072									
6/17	4,191	432	9.702		4,191	5,123	=	9,314					
12/17	5,123	395	12.970	11.263									
6/18	3,152	421	7.486		3,152	5,514	=	8,665					
12/18	5,514	440	12.531	10.064									
6/19	6,917	456	15.169		6,917	4,924	=	11,841					
12/19	4,924	435	11.319	13.289									
6/20	6,095	359	16.979		6,095	3,371	=	9,466					
12/20	3,371	328	10.277	13.779									
6/21	2,747	357	7.696		2,747	3,768	=	6,516					
12/21	3,768	298	12.645	9.948									
6/22	3,848	326	11.804		(5 x 7,807) + (.5 x 635 Claims x 12.600) = 7,904								
12/22	3,959	309	12.812	12.295									
6/23	4,365	328	13.309		629 Claims x 12.800 = 8,051								
12/23	3,467	301	11.520	12.453									
	310,209	31,650											

Exhibit 2B

Oregon State Bar Professional Liability Fund

Analysis of 12/31/23 Incurred Expenses Using Development Factors from 12/31/23 Analysis

<i>Lag Period</i>	<i>Incurred Expenses</i>	<i>No. of Claims</i>	<i>Semi-Annual Avg Size</i>	<i>Annual Avg Size</i>	<i>Period Ending</i>	<i>No. of Claims</i>	<i>Avg Size</i>	<i>x</i>	<i>ln(Size)</i> <i>y</i>	<i>x^2</i>	<i>xy</i>	<i>exp(y')</i>
12/78	250	76	3.294		12/09							
6/79	186	101	1.846		12/10							
12/79	412	123	3.350	2.672	12/11	914	10.053	1	2.3078	1	2.3078	10.202
6/80	367	128	2.869		12/12	895	9.764	2	2.2787	4	4.5573	10.126
12/80	487	156	3.120	3.006	12/13	883	10.955	3	2.3938	9	7.1814	10.049
6/81	634	210	3.021		12/14	911	8.824	4	2.1775	16	8.7100	9.974
12/81	479	175	2.738	2.892	12/15	807	10.637	5	2.3644	25	11.8219	9.899
6/82	975	211	4.619		12/16	839	10.486	6	2.3500	36	14.1001	9.825
12/82	817	199	4.107	4.370	12/17	827	9.186	7	2.2177	49	15.5239	9.751
6/83	1,507	266	5.667		12/18	861	10.347	8	2.3367	64	18.6934	9.677
12/83	1,004	214	4.690	5.231	12/19	891	9.232	9	2.2227	81	20.0046	9.605
6/84	1,377	244	5.642		12/20	687	9.871	10	2.2896	100	22.8959	9.533
12/84	993	212	4.683	5.196	12/21	655	8.689	11	2.1621	121	23.7830	9.461
6/85	1,502	294	5.111		12/22	635	9.703	12	2.2724	144	27.2688	9.390
12/85	958	275	3.482	4.324				78	27.3734	650	176.848	
6/86	1,221	239	5.107									
12/86	968	235	4.117	4.616			a= 2.3302		b= -0.0075			
6/87	1,328	243	5.466									
12/87	557	222	2.509	4.055					Trend =		-0.75%	
6/88	1,248	224	5.573									
12/88	1,087	192	5.660	5.613								
6/89	1,384	286	4.838									
12/89	993	219	4.533	4.706								
6/90	1,890	293	6.451									
12/90	1,476	276	5.348	5.916								
6/91	2,256	330	6.837									
12/91	1,579	305	5.178	6.040								
6/92	2,875	353	8.144									
12/92	1,212	287	4.222	6.385								
6/93	2,004	348	5.759									
12/93	2,107	352	5.986	5.873								
6/94	2,276	344	6.616									
12/94	1,781	337	5.285	5.957								
6/95	1,931	422	4.576									
12/95	2,099	403	5.210	4.886								
6/96	1,736	369	4.704									
12/96	1,778	352	5.051	4.873								
6/97	1,835	368	4.987									
12/97	1,693	401	4.221	4.587								
6/98	2,279	399	5.712									
12/98	2,513	362	6.942	6.297								
6/99	2,411	414	5.824									
12/99	2,603	416	6.258	6.042								
6/00	2,971	394	7.540									
12/00	3,604	404	8.921	8.239								
6/01	2,903	388	7.483									

Exhibit 2B

Oregon State Bar Professional Liability Fund

Analysis of 12/31/23 Incurred Expenses Using Development Factors from 12/31/23 Analysis

<i>Lag Period</i>	<i>Incurred Expenses</i>	<i>No. of Claims</i>	<i>Semi-Annual Avg Size</i>	<i>Annual Avg Size</i>	<i>Period Ending</i>	<i>No. of Claims</i>	<i>Avg Size</i>	<i>x</i>	<i>ln(Size)</i>	<i>y</i>	<i>x^2</i>	<i>xy</i>	<i>exp(y')</i>
12/01	2,204	387	5.695	6.590									
6/02	3,203	419	7.644		3,203								
12/02	3,315	397	8.351	7.988									
6/03	4,158	379	10.971		4,158								
12/03	2,793	436	6.406	8.529									
6/04	3,455	472	7.320		3,455								
12/04	4,196	451	9.304	8.290									
6/05	4,596	448	10.259		4,596								
12/05	3,165	394	8.034	9.218									
6/06	3,520	413	8.522		3,520								
12/06	3,625	367	9.876	9.159									
6/07	2,943	397	7.414		2,943								
12/07	2,996	384	7.802	7.605									
6/08	4,908	462	10.624		4,908								
12/08	4,659	438	10.637	10.630									
6/09	6,658	463	14.380		6,658								
12/09	4,959	510	9.723	11.939									
6/10	4,480	469	9.552		4,480								
12/10	4,071	469	8.680	9.116									
6/11	4,843	480	10.090		4,843								
12/11	4,345	434	10.011	10.053									
6/12	5,136	478	10.745		5,136								
12/12	3,603	417	8.639	9.764									
6/13	4,558	460	9.908		4,558								
12/13	5,116	423	12.094	10.955									
6/14	3,920	437	8.971		3,920								
12/14	4,119	474	8.689	8.824									
6/15	3,785	421	8.991		3,785								
12/15	4,799	386	12.433	10.637									
6/16	6,266	454	13.802		6,266								
12/16	2,531	385	6.575	10.486									
6/17	3,912	432	9.057		3,912								
12/17	3,684	395	9.328	9.186									
6/18	3,883	421	9.224		3,883								
12/18	5,025	440	11.421	10.347									
6/19	4,192	456	9.193		4,192								
12/19	4,034	435	9.273	9.232									
6/20	4,034	359	11.238		4,034								
12/20	2,747	328	8.375	9.871									
6/21	3,028	357	8.483		3,028								
12/21	2,663	298	8.937	8.689									
6/22	3,651	326	11.199		(5 x 6,161) + (.5 x 635 Claims x 9.900) = 6,224								
12/22	2,510	309	8.124	9.703									
6/23	2,661	328	8.113		629 Claims x 9.800 = 6,164								
12/23	2,905	301	9.651	8.849									
Totals	246,403	31,650											

Exhibit 2C

Oregon State Bar Professional Liability Fund

Trended Average Severity for Indemnity Reserve Calculations

<i>Year Ending</i>	<i>Average Annual Severity</i>	<i>Trend @ 3% to 12/31/2022</i>	<i>Trended Average Severity</i>	<i>Trend @ 3% to 12/31/2023</i>	<i>Trended Average Severity</i>
12/31/2006	9,258	1.6047	14,857	1.6528	15,303
12/31/2007	8,062	1.5580	12,560	1.6047	12,937
12/31/2008	11,911	1.5126	18,017	1.5580	18,557
12/31/2009	10,135	1.4685	14,884	1.5126	15,331
12/31/2010	9,516	1.4258	13,567	1.4685	13,974
12/31/2011	8,636	1.3842	11,955	1.4258	12,314
12/31/2012	8,558	1.3439	11,501	1.3842	11,846
12/31/2013	9,210	1.3048	12,017	1.3439	12,377
12/31/2014	8,578	1.2668	10,867	1.3048	11,193
12/31/2015	10,142	1.2299	12,473	1.2668	12,848
12/31/2016	9,072	1.1941	10,833	1.2299	11,158
12/31/2017	11,263	1.1593	13,057	1.1941	13,449
12/31/2018	10,064	1.1255	11,327	1.1593	11,667
12/31/2019	13,289	1.0927	14,522	1.1255	14,957
12/31/2020	13,779	1.0609	14,618	1.0927	15,057
12/31/2021	9,948	1.0300	10,246	1.0609	10,553
<i>10-year Average Severity</i>			12,146		12,510
<i>5-year Average Severity</i>			12,754		13,137

Trended Average Severity for Expense Reserve Calculations

<i>Year Ending</i>	<i>Average Annual Severity</i>	<i>Trend @ 3% to 12/31/2022</i>	<i>Trended Average Severity</i>	<i>Trend @ 3% to 12/31/2023</i>	<i>Trended Average Severity</i>
12/31/2006	9,159	1.5580	14,270	1.6528	15,139
12/31/2007	7,605	1.5126	11,503	1.6047	12,204
12/31/2008	10,630	1.4685	15,611	1.5580	16,561
12/31/2009	11,939	1.4258	17,022	1.5126	18,059
12/31/2010	9,116	1.3842	12,619	1.4685	13,387
12/31/2011	10,053	1.3439	13,510	1.4258	14,333
12/31/2012	9,764	1.3048	12,739	1.3842	13,515
12/31/2013	10,955	1.2668	13,878	1.3439	14,723
12/31/2014	8,824	1.2299	10,853	1.3048	11,514
12/31/2015	10,637	1.1941	12,702	1.2668	13,475
12/31/2016	10,486	1.1593	12,156	1.2299	12,896
12/31/2017	9,186	1.1255	10,339	1.1941	10,969
12/31/2018	10,347	1.0927	11,306	1.1593	11,995
12/31/2019	9,232	1.0609	9,795	1.1255	10,391
12/31/2020	9,871	1.0300	10,167	1.0927	10,786
12/31/2021	8,689	1.0000	8,689	1.0609	9,218
<i>10-year Average Severity</i>			11,262		11,948
<i>5-year Average Severity</i>			10,059		10,672

Exhibit 3A
Oregon State Bar Professional Liability Fund
Incurred Indemnity
Estimate of Amounts Reportable After 12/31/23

<i>Date Incurred</i>	<i>Development Factors</i>																								
	<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>15</i>	<i>16</i>	<i>17</i>	<i>18</i>	<i>19</i>	<i>20</i>	<i>21</i>	<i>22</i>	<i>23</i>	
6/01	1.000	2.743	1.231	1.240	1.089	1.023	1.026	0.989	0.996	1.005	1.000	1.000	1.000	1.000	1.000	0.994	1.000	1.000	1.000	1.000	1.000	1.007	0.998	1.000	1.000
12/01	1.000	1.821	1.167	1.020	1.042	1.008	1.041	0.998	0.990	1.010	1.010	1.000	1.000	1.050	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/02	1.000	2.642	1.244	1.223	1.033	1.012	1.043	1.005	0.999	1.005	1.006	1.010	1.000	1.000	1.000	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/02	1.000	1.366	1.243	1.183	1.056	0.921	0.995	1.007	1.015	1.008	0.991	1.000	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001
6/03	1.000	2.161	1.308	1.003	1.181	1.124	1.041	1.032	1.022	1.008	1.018	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/03	1.000	1.821	1.612	0.969	1.044	1.049	0.997	0.965	1.003	1.007	1.013	0.983	1.025	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/04	1.000	1.368	1.124	1.103	1.076	1.072	0.980	1.025	1.000	0.966	1.001	1.022	1.000	1.000	1.000	1.000	1.000	1.017	1.000	1.001	1.000	1.000	1.000	1.000	0.999
12/04	1.000	1.283	1.362	1.045	1.194	1.069	1.018	1.000	1.014	0.997	0.996	0.985	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/05	1.000	1.400	1.589	1.129	1.134	1.004	0.993	1.007	1.018	1.070	0.983	1.000	1.000	1.000	1.000	1.017	1.019	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000
12/05	1.000	1.530	1.249	1.194	1.143	0.952	1.023	1.012	1.018	1.032	1.000	1.000	1.000	1.000	1.000	1.026	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/06	1.000	1.594	1.194	1.017	1.271	0.982	0.962	0.999	1.020	1.000	0.989	0.997	1.000	1.000	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/06	1.000	1.921	1.316	1.077	1.156	0.948	1.100	1.073	0.988	0.972	1.000	0.993	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/07	1.000	1.742	1.260	1.069	1.005	0.994	1.023	0.990	1.018	1.006	1.040	1.000	1.000	1.001	1.002	1.000	1.000	0.970	1.000	1.000	1.000	1.000	1.000	1.000	0.984
12/07	1.000	1.415	1.308	1.072	1.029	1.061	1.016	1.058	1.014	1.000	1.017	1.019	1.000	1.021	0.995	1.005	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/08	1.000	2.281	1.162	1.178	1.042	0.970	0.987	0.984	0.985	1.000	1.002	1.000	0.995	1.010	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/08	1.000	1.933	1.206	1.154	1.109	1.006	1.026	0.981	1.028	1.000	1.000	1.000	1.001	1.011	1.010	1.000	1.000	1.000	1.002	0.999	1.000	1.000	1.000	1.000	1.000
6/09	1.000	1.637	1.292	1.251	1.302	0.981	1.007	1.044	0.994	0.988	1.000	1.000	1.054	0.975	1.016	1.001	1.011	0.989	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/09	1.000	1.702	1.199	1.063	1.114	1.025	0.972	0.973	0.981	0.997	0.998	1.017	0.998	1.007	1.018	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/10	1.000	1.493	1.675	1.145	1.032	1.015	0.994	1.000	1.028	1.041	1.026	0.995	0.979	1.000	0.989	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/10	1.000	2.807	1.181	0.972	1.121	1.045	1.101	1.027	1.000	1.013	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/11	1.000	1.610	1.249	1.103	1.150	0.986	0.982	0.986	1.026	0.994	0.977	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/11	1.000	1.463	1.680	1.057	1.026	1.081	0.973	0.988	1.000	0.989	1.000	1.000	1.013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/12	1.000	1.918	1.489	1.006	1.102	1.035	1.013	1.026	0.962	1.000	0.991	1.015	0.972	1.000	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/12	1.000	2.271	1.437	1.400	1.070	1.005	0.986	0.986	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/13	1.000	1.420	1.242	1.299	1.111	1.012	1.037	1.012	1.002	1.000	1.006	0.994	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/13	1.000	1.755	1.216	1.149	1.087	1.022	1.075	0.949	1.007	1.005	1.000	1.024	0.989	1.000	1.000	0.998	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/14	1.000	2.032	1.714	1.133	1.138	1.067	1.003	1.006	0.969	0.999	1.000	1.036	1.020	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/14	1.000	1.947	1.068	1.096	1.124	1.179	0.999	1.006	1.032	0.979	1.007	1.000	0.993	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/15	1.000	1.355	1.373	1.090	0.991	0.994	1.053	1.024	1.010	1.012	1.015	0.989	1.000	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/15	1.000	1.363	1.266	1.185	1.016	1.010	1.003	1.004	1.020	1.000	1.000	1.000	0.987	1.040	0.994	0.994	0.999								
6/16	1.000	1.671	1.502	1.187	1.066	1.016	1.092	0.983	0.993	1.001	1.000	1.032	1.057	1.000	0.988	1.000									
12/16	1.000	2.187	1.168	1.127	1.148	0.997	0.980	0.998	1.017	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/17	1.000	1.776	1.249	1.265	1.040	1.173	1.071	0.999	0.977	0.981	1.000	1.002	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/17	1.000	2.596	1.222	1.060	1.136	1.038	1.015	1.014	1.002	0.993	0.987	1.000	1.005												
6/18	1.000	1.953	1.037	1.356	1.063	1.089	1.087	1.016	0.996	0.997	1.000	0.986													
12/18	1.000	1.841	1.364	1.097	1.027	0.994	1.047	1.040	0.962	0.991	1.000														
6/19	1.000	2.224	1.414	1.040	1.102	1.144	1.045	1.028	0.995	1.000															
12/19	1.000	1.584	1.326	1.327	1.132	1.055	1.024	0.997	1.086																
6/20	1.000	1.551	1.212	1.072	1.146	1.080	1.073	1.073																	
12/20	1.000	1.635	1.221	1.023	1.022	1.028	0.982																		
6/21	1.000	1.425	1.056	0.977	1.136	0.973																			
12/21	1.000	1.379	1.514	1.110	1.134																				
6/22	1.000	1.557	1.197	0.969																					
12/22	1.000	1.370	1.322																						
6/23	1.000	1.674																							
12/23	1.000																								

Exhibit 3A
Oregon State Bar Professional Liability Fund
Incurred Indemnity
Estimate of Amounts Reportable After 12/31/23

Method	Development Factors																							Projected		
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	IBNR	Total
Aggregate	1.000	1.606	1.246	1.109	1.077	1.026	1.018	1.007	1.005	1.003	1.003	1.001	1.003	1.002	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	4,305	189,366
Average	1.000	1.625	1.242	1.116	1.075	1.020	1.019	1.005	1.005	1.002	1.004	0.998	1.002	1.001	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.002	4,086	189,147
Truncated	1.000	1.620	1.241	1.115	1.073	1.021	1.018	1.005	1.006	1.003	1.002	1.000	1.002	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	3,870	188,931
Inverted	1.000	1.534	1.217	1.102	1.068	1.016	1.016	1.002	1.002	1.001	1.003	0.996	1.002	1.000	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.002	3,307	188,368
Trunc L8	1.000	1.522	1.282	1.053	1.099	1.047	1.046	1.016	0.996	0.997	1.000	0.998	1.003	1.007	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	3,887	188,948
Last 8	1.000	1.522	1.283	1.077	1.095	1.050	1.043	1.021	1.003	0.995	1.000	1.001	1.008	1.011	0.998	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	4,616	189,677
Agg Last 8	1.000	1.525	1.279	1.074	1.093	1.055	1.043	1.024	1.001	0.995	1.000	1.001	1.008	1.010	0.998	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	4,607	189,668
Last 7	1.000	1.513	1.264	1.074	1.100	1.052	1.039	1.024	1.005	0.995	0.998	1.001	1.006	1.012	0.997	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	4,507	189,568
Trunc L6	1.000	1.499	1.238	1.046	1.126	1.039	1.047	1.025	0.992	0.995	1.000	1.001	1.001	1.011	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	3,994	189,055
Last 6	1.000	1.507	1.254	1.080	1.112	1.046	1.043	1.028	1.003	0.994	0.998	1.003	1.008	1.014	0.997	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	4,819	189,880
Agg Last 6	1.000	1.512	1.241	1.078	1.112	1.055	1.044	1.030	1.001	0.994	0.997	1.004	1.008	1.013	0.997	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	4,818	189,879
Last 5	1.000	1.481	1.262	1.030	1.114	1.056	1.034	1.031	1.008	0.992	0.997	1.004	1.010	1.017	0.996	0.999	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000	4,896	189,957
Last 4	1.000	1.495	1.272	1.020	1.109	1.034	1.031	1.035	1.009	0.995	0.997	0.997	1.015	1.019	0.995	0.998	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	4,848	189,909
Agg Last 4	1.000	1.503	1.256	1.019	1.110	1.043	1.037	1.036	1.006	0.996	0.996	0.998	1.015	1.018	0.995	0.998	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	4,793	189,854
Wtd Avg	1.000	1.557	1.301	1.014	1.120	1.006	1.017	1.043	1.039	0.997	0.998	0.993	1.004	1.013	0.996	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	4,776	189,837
Geometric	1.000	1.578	1.229	1.109	1.071	1.018	1.017	1.004	1.003	1.002	1.004	0.997	1.002	1.000	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.002	3,695	188,756
Ratios Used	1.000	1.507	1.254	1.077	1.112	1.046	1.043	1.028	1.003	1.000	1.000	1.003	1.008	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	5,286	190,347
6/30/2023	1.000	1.486	1.254	1.092	1.094	1.065	1.048	1.016	1.000	1.000	1.000	1.004	1.006	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	4,983	190,044
12/31/2022	1.000	1.529	1.268	1.119	1.101	1.067	1.048	1.016	1.000	1.000	1.000	1.005	1.006	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	5,071	190,132
6/30/2022	1.000	1.549	1.266	1.139	1.101	1.063	1.044	1.009	1.002	1.000	1.003	1.008	1.006	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	5,318	190,379
		10	10	6	10	10	10	10	6	0	0	10	6	9	0	0	0	0	0	0	0	0	0	0		
Cum Factors		12/23	6/23	12/22	6/22	12/21	6/21	12/20	6/20	12/19	6/19	12/18	6/18	12/17	6/17	12/16	6/16	12/15	6/15	12/14	6/14	12/13	6/13	12/12		
Selected		2.602	1.727	1.377	1.279	1.150	1.100	1.054	1.026	1.022	1.022	1.022	1.019	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
6/30/2023		2.578	1.735	1.383	1.267	1.158	1.087	1.037	1.021	1.021	1.021	1.021	1.017	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
12/31/2022		2.757	1.803	1.422	1.270	1.154	1.082	1.033	1.016	1.016	1.016	1.016	1.012	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
6/30/2022		2.822	1.822	1.440	1.264	1.148	1.079	1.034	1.025	1.023	1.023	1.020	1.012	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Between Trunc Last 8 and Agg Last 4:																										
Median Value:		1.509	1.263	1.064	1.110	1.049	1.043	1.026	1.003	0.995	0.998	1.001	1.008	1.013	0.997	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000		
High Value:		1.525	1.283	1.080	1.126	1.056	1.047	1.036	1.009	0.997	1.000	1.004	1.015	1.019	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Low Value:		1.481	1.238	1.019	1.093	1.034	1.031	1.016	0.992	0.992	0.996	0.997	1.001	1.007	0.995	0.998	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000		

Exhibit 3B
Oregon State Bar Professional Liability Fund
Incurred Expense
Estimate of Amounts Reportable After 12/31/23

<i>Date Incurred</i>	<i>Development Factors</i>																							
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
6/01	1.000	1.207	1.040	1.036	1.061	1.023	1.013	0.991	1.015	0.994	1.005	1.011	1.015	1.000	1.030	1.021	1.000	1.000	1.000	0.994	1.007	0.995	1.003	0.999
12/01	1.000	1.315	1.020	1.092	1.025	1.011	0.966	0.994	1.016	1.019	1.001	0.990	0.997	1.014	1.000	1.000	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/02	1.000	1.487	0.962	1.037	1.104	1.021	0.992	1.004	1.029	1.014	1.001	1.000	1.000	1.001	1.003	1.000	1.001	0.999	1.000	1.000	1.000	1.000	1.000	1.000
12/02	1.000	1.101	1.112	1.064	1.049	1.043	1.037	1.000	1.018	1.027	0.994	0.999	1.002	1.005	0.998	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/03	1.000	1.388	1.158	1.169	1.114	1.106	0.997	1.005	1.019	1.002	0.998	0.995	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/03	1.000	1.273	0.995	1.072	1.028	1.033	0.988	0.998	1.063	0.980	1.027	0.994	1.016	1.000	0.996	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/04	1.000	1.270	1.191	1.032	1.091	1.038	1.078	1.008	0.991	0.990	0.999	0.996	0.990	1.000	1.001	0.999	1.000	1.006	0.998	1.000	1.000	1.000	1.000	0.997
12/04	1.000	1.657	1.331	1.211	1.057	1.020	1.009	1.006	1.005	1.027	1.005	0.987	0.997	0.999	1.002	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/05	1.000	1.408	1.169	1.099	1.076	1.074	1.012	0.994	0.997	1.006	1.002	1.002	1.005	1.006	1.017	1.005	1.002	1.000	1.000	1.006	1.006	1.027	1.000	1.000
12/05	1.000	1.428	1.031	1.059	1.149	1.111	1.019	0.986	0.989	1.002	1.000	1.001	0.999	0.997	1.000	1.014	1.000	0.997	1.000	1.000	1.000	1.000	1.000	1.000
6/06	1.000	1.236	1.013	1.134	1.112	1.033	1.020	1.010	1.008	1.009	1.005	0.999	1.004	0.998	1.000	0.999	1.001	1.000	0.999	1.000	1.000	1.000	1.000	1.000
12/06	1.000	1.492	1.093	1.095	1.052	1.017	1.110	1.097	0.994	1.030	0.993	0.993	1.000	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/07	1.000	1.234	1.029	0.979	1.061	1.030	1.005	1.029	0.998	1.018	1.012	0.998	1.013	1.014	1.018	1.003	1.000	1.018	1.000	1.000	1.016	1.000	1.014	1.006
12/07	1.000	1.158	1.032	1.019	1.098	1.060	1.048	1.060	1.007	1.014	1.005	1.022	0.999	1.008	1.007	0.995	1.003	0.994	1.000	1.000	1.000	1.000	1.000	1.000
6/08	1.000	1.201	1.195	1.081	1.113	1.064	1.045	1.005	0.999	0.998	1.002	1.023	1.000	0.999	1.000	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/08	1.000	1.287	1.038	1.033	1.095	1.080	1.081	1.026	1.004	0.999	1.006	0.999	1.008	1.000	1.014	1.007	1.014	1.011	1.005	1.000	1.000	1.000	1.000	1.000
6/09	1.000	1.414	1.117	1.185	1.143	1.114	1.056	1.009	1.012	1.031	0.997	1.071	0.975	1.018	1.023	0.998	0.995	0.999	1.000	1.000	1.000	1.000	1.000	1.000
12/09	1.000	1.472	1.010	1.058	1.023	1.109	1.054	1.039	1.045	1.010	0.997	1.002	1.024	1.020	0.987	1.003	1.000	1.000	1.000	1.000	1.000	1.000	0.994	0.999
6/10	1.000	1.294	1.137	1.091	1.075	1.032	0.996	0.999	1.027	1.024	1.034	1.001	1.006	0.997	0.995	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/10	1.000	1.328	1.115	1.060	0.991	1.069	0.994	1.014	1.000	0.999	1.019	1.000	0.993	1.000	0.999	1.001	0.999	1.000	1.000	1.000	0.988	1.000	1.000	1.000
6/11	1.000	1.676	1.115	1.034	1.055	1.046	1.067	1.008	0.997	1.006	0.989	1.012	0.999	1.002	1.001	1.000	1.002	1.000	1.000	0.999	1.000	0.998	1.000	1.000
12/11	1.000	1.533	1.282	1.102	1.073	1.003	1.013	1.053	0.999	1.001	0.992	0.996	0.999	1.000	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.006
6/12	1.000	1.402	1.223	1.079	0.967	1.001	1.015	1.006	1.006	1.001	1.019	1.005	1.009	1.009	0.996	1.000	1.000	1.000	1.000	1.000	1.000	0.999	1.000	1.000
12/12	1.000	1.405	1.100	1.094	1.048	1.003	1.005	0.994	1.011	1.000	0.999	0.996	0.999	0.996	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/13	1.000	1.365	1.240	1.030	1.062	1.033	1.032	0.993	1.002	0.999	0.995	0.997	1.000	1.000	1.000	1.001	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000
12/13	1.000	1.205	1.092	1.089	1.097	1.118	1.025	1.025	0.984	1.016	1.017	1.015	1.007	1.016	1.000	1.004	1.009	1.003	0.997	0.999	1.000			
6/14	1.000	1.417	1.083	1.065	1.077	1.058	0.991	0.988	0.997	0.995	1.004	1.016	0.976	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12/14	1.000	1.585	1.015	1.070	1.028	1.039	1.009	1.001	1.012	0.994	1.000	0.998	1.000	0.997	1.000	1.000	1.000	1.000	1.001	1.000				
6/15	1.000	1.303	1.165	1.019	0.975	1.023	0.999	1.022	1.012	1.023	0.998	1.018	1.012	1.000	1.000	0.998	1.000	1.000						
12/15	1.000	1.299	1.087	1.154	1.104	1.067	1.012	1.014	1.010	0.995	1.007	1.000	0.996	1.002	1.005	1.005	1.001							
6/16	1.000	1.417	1.151	1.171	1.075	1.006	1.036	0.999	0.999	1.005	1.003	1.003	1.013	1.000	1.002	1.000								
12/16	1.000	1.202	1.122	1.024	1.017	0.983	0.997	1.012	0.998	1.008	1.029	0.998	1.008	1.029	0.998	1.004	1.022	1.006						
6/17	1.000	1.288	1.382	1.017	1.051	1.024	1.012	0.989	0.991	0.995	1.018	0.998	0.993	0.999										
12/17	1.000	1.543	1.147	1.053	1.099	0.969	0.997	0.991	0.998	1.000	1.002	0.997	1.000											
6/18	1.000	1.329	1.249	1.024	1.018	0.987	1.023	0.995	1.008	1.009	1.028	1.002												
12/18	1.000	1.566	1.077	1.093	1.069	1.018	1.018	1.015	1.010	1.011	0.996													
6/19	1.000	1.374	1.046	1.054	0.967	1.061	1.004	0.983	0.988	1.001														
12/19	1.000	1.433	1.070	1.147	1.012	0.988	1.024	0.992	1.006															
6/20	1.000	1.269	1.085	1.193	1.057	0.988	1.015	1.023																
12/20	1.000	1.346	1.002	1.051	1.022	1.012	0.993																	
6/21	1.000	1.212	1.019	1.007	1.012	1.045																		
12/21	1.000	1.170	1.082	1.115	1.011																			
6/22	1.000	1.283	1.033	1.006																				
12/22	1.000	1.045	0.988																					
6/23	1.000	1.069																						
12/23	1.000																							

Exhibit 3B
Oregon State Bar Professional Liability Fund
Incurred Expense
Estimate of Amounts Reportable After 12/31/23

<i>Method</i>	<i>Development Factors</i>																							<i>Projected</i>				
	<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>15</i>	<i>16</i>	<i>17</i>	<i>18</i>	<i>19</i>	<i>20</i>	<i>21</i>	<i>22</i>	<i>23</i>	<i>IBNR</i>	<i>Total</i>		
Aggregate	1.000	1.340	1.117	1.087	1.063	1.037	1.021	1.010	1.007	1.007	1.006	1.004	1.002	1.003	1.003	1.000	1.001	1.001	1.000	1.000	1.000	1.001	1.000	1.001	3,718	179,850		
Average	1.000	1.372	1.170	1.112	1.081	1.040	1.026	1.016	1.009	1.008	1.007	1.003	1.004	1.003	1.003	0.999	1.001	1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.001	4,611	180,743	
Truncated	1.000	1.357	1.157	1.110	1.080	1.040	1.026	1.015	1.009	1.007	1.007	1.003	1.004	1.002	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.001	4,274	180,406	
Inverted	1.000	1.329	1.145	1.104	1.077	1.037	1.025	1.015	1.008	1.008	1.007	1.003	1.004	1.002	1.002	0.999	1.001	1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.001	4,228	180,360	
Trunc L8	1.000	1.225	1.042	1.078	1.022	1.006	1.012	0.999	1.000	1.003	1.010	1.000	1.001	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1,756	177,888	
Last 8	1.000	1.228	1.041	1.083	1.021	1.009	1.011	1.000	1.000	1.003	1.010	1.002	0.999	1.004	1.002	1.001	1.001	1.001	1.000	1.000	0.998	1.000	0.999	1.001	1.001	1,846	177,978	
Agg Last 8	1.000	1.231	1.042	1.083	1.022	1.008	1.012	1.000	1.000	1.003	1.008	1.002	1.000	1.004	1.001	1.001	1.001	1.001	0.999	1.000	0.999	1.000	0.999	1.001	1.001	1,793	177,925	
Last 7	1.000	1.199	1.040	1.082	1.022	1.014	1.011	0.998	1.000	1.004	1.012	1.002	1.002	1.003	1.002	1.001	1.001	1.001	0.999	1.000	0.998	1.000	0.999	1.001	1.001	1,971	178,103	
Trunc L6	1.000	1.183	1.034	1.080	1.014	1.016	1.015	0.998	1.001	1.004	1.013	0.999	1.003	1.000	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1,882	178,014	
Last 6	1.000	1.187	1.035	1.087	1.014	1.019	1.013	1.000	1.000	1.004	1.013	1.000	1.003	1.003	1.002	1.001	1.002	1.001	0.999	1.000	1.000	0.999	1.000	1.001	1.001	2,209	178,341	
Agg Last 6	1.000	1.189	1.035	1.087	1.012	1.018	1.014	1.000	1.000	1.004	1.010	1.000	1.003	1.002	1.002	1.001	1.002	1.001	0.999	1.000	1.000	0.999	1.000	1.001	1.001	2,118	178,250	
Last 5	1.000	1.156	1.025	1.075	1.023	1.019	1.011	1.002	1.002	1.003	1.015	1.000	1.001	1.005	1.002	1.001	1.002	1.001	0.999	1.000	1.000	0.999	1.000	1.001	1.001	2,231	178,363	
Last 4	1.000	1.142	1.031	1.045	1.025	1.008	1.009	1.003	1.003	1.005	1.011	0.999	1.002	1.006	1.003	1.001	1.000	1.001	0.999	1.000	1.000	1.000	1.000	1.000	1.002	2,057	178,189	
Agg Last 4	1.000	1.149	1.030	1.039	1.028	1.005	1.010	1.003	1.003	1.005	1.010	0.999	1.004	1.003	1.003	1.001	1.000	1.001	0.999	1.000	1.000	1.000	1.000	1.001	1.001	1,963	178,095	
Wtd Avg	1.000	1.094	1.015	1.040	1.014	1.026	1.004	1.008	1.001	1.005	1.007	1.000	0.999	1.006	1.004	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.002	1,844	177,976	
Geometric	1.000	1.349	1.156	1.108	1.079	1.039	1.025	1.015	1.009	1.008	1.007	1.003	1.004	1.003	1.003	0.999	1.001	1.001	1.000	1.001	1.000	1.000	1.001	1.001	1.001	4,409	180,541	
Ratios Used	1.000	1.199	1.035	1.082	1.022	1.016	1.013	1.000	1.003	1.004	1.012	1.002	1.003	1.003	1.002	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	2,384	178,516	
6/30/2023	1.000	1.229	1.050	1.095	1.024	1.009	1.017	1.000	1.000	1.005	1.012	1.002	1.003	1.003	1.001	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	2,519	178,651	
12/31/2022	1.000	1.285	1.079	1.100	1.024	1.005	1.014	1.000	1.003	1.004	1.008	1.004	1.003	1.001	1.001	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	2,472	178,604	
6/30/2022	1.000	1.301	1.078	1.094	1.037	1.008	1.009	1.000	1.001	1.004	1.009	1.005	1.004	1.001	1.000	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	2,511	178,643	
		8	10	8	8	9	10	0	13	9	8	8	10	10	10	12	10	10	0	0	0	0	0	0	0			
Cum Factors	12/23	6/23	12/22	6/22	12/21	6/21	12/20	6/20	12/19	6/19	12/18	6/18	12/17	6/17	12/16	6/16	12/15	6/15	12/14	6/14	12/13	6/13	12/12					
Selected	1.458	1.216	1.175	1.086	1.063	1.047	1.033	1.033	1.030	1.026	1.014	1.011	1.008	1.005	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
6/30/2023	1.531	1.246	1.187	1.084	1.059	1.050	1.032	1.032	1.032	1.026	1.014	1.011	1.009	1.005	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
12/31/2022	1.636	1.273	1.180	1.073	1.047	1.042	1.027	1.027	1.024	1.020	1.012	1.007	1.004	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
6/30/2022	1.660	1.277	1.184	1.082	1.044	1.035	1.027	1.027	1.026	1.022	1.012	1.007	1.003	1.003	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
Between Trunc Last 8 and Agg Last 4:																												
Median Value:	1.188	1.035	1.081	1.022	1.011	1.011	1.000	1.000	1.004	1.011	1.000	1.002	1.003	1.002	1.001	1.001	1.001	0.999	1.000	1.000	1.000	1.000	1.000	1.001	1.001			
High Value:	1.231	1.042	1.087	1.028	1.019	1.015	1.003	1.003	1.005	1.015	1.002	1.004	1.006	1.003	1.001	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.002	1.002		
Low Value:	1.142	1.025	1.039	1.012	1.005	1.009	0.998	1.000	1.003	1.008	0.999	0.999	1.000	1.001	1.001	1.000	1.000	0.999	1.000	0.998	0.999	0.999	1.000	1.000	1.000	1.000		

Exhibit 4A

Oregon State Bar Professional Liability Fund

*Analysis of Actual vs. Expected Case Incurred Indemnity @ 6-30-23
Development Factors from 6-30-23 Applied to Case Incurred Indemnity @ 12-31-22*

<i>6-mo Ending @ 12-31-22</i>	<i>Retained Case Incurred Indemnity @ 12-31-22</i>	<i>6-30-23 Development Factors Applied</i>		<i>Expected Retained Case Inc Indemnity @ 6-30-23</i>	<i>Actual Retained Case Inc Indemnity @ 6-30-23</i>	<i>(Act - Exp) Dollar Difference</i>	<i>(Act - Exp) Percent Difference</i>
		<i>@ 12-31-22</i>	<i>@ 6-30-23</i>				
06/00	4,836	1.000	1.000	4,836	4,836	0	0.00%
12/00	7,416	1.000	1.000	7,416	7,416	0	0.00%
06/01	3,860	1.000	1.000	3,860	3,860	0	0.00%
12/01	2,636	1.000	1.000	2,636	2,636	0	0.00%
06/02	4,418	1.000	1.000	4,418	4,418	0	0.00%
12/02	3,112	1.000	1.000	3,112	3,112	0	0.00%
06/03	4,368	1.000	1.000	4,368	4,368	0	0.00%
12/03	4,697	1.000	1.000	4,697	4,697	0	0.00%
06/04	4,485	1.000	1.000	4,485	4,485	0	0.00%
12/04	3,795	1.000	1.000	3,795	3,795	0	0.00%
06/05	4,606	1.000	1.000	4,606	4,606	0	0.00%
12/05	3,926	1.000	1.000	3,926	3,926	0	0.00%
06/06	3,579	1.000	1.000	3,579	3,579	0	0.00%
12/06	3,642	1.000	1.000	3,642	3,642	0	0.00%
06/07	3,137	1.000	1.000	3,137	3,137	0	0.00%
12/07	3,160	1.000	1.000	3,160	3,160	0	0.00%
06/08	4,993	1.000	1.000	4,993	4,993	0	0.00%
12/08	5,727	1.000	1.000	5,727	5,727	0	0.00%
06/09	5,415	1.000	1.000	5,415	5,415	0	0.00%
12/09	4,450	1.000	1.000	4,450	4,450	0	0.00%
06/10	4,554	1.000	1.000	4,554	4,554	0	0.00%
12/10	4,372	1.000	1.000	4,372	4,372	0	0.00%
06/11	3,354	1.000	1.000	3,354	3,354	0	0.00%
12/11	4,540	1.000	1.000	4,540	4,540	0	0.00%
06/12	4,114	1.000	1.000	4,114	4,114	0	0.00%
12/12	3,545	1.000	1.000	3,545	3,545	0	0.00%
06/13	4,412	1.000	1.000	4,412	4,412	0	0.00%
12/13	3,724	1.000	1.000	3,724	3,724	0	0.00%
06/14	4,358	1.000	1.000	4,358	4,358	0	0.00%
12/14	3,476	1.000	1.000	3,476	3,476	0	0.00%
06/15	4,339	1.000	1.000	4,339	4,339	0	0.00%
12/15	3,849	1.000	1.000	3,849	3,846	-3	-0.08%
06/16	4,135	1.000	1.000	4,135	4,135	0	0.00%
12/16	3,477	1.000	1.000	3,477	3,477	0	0.00%
06/17	4,191	1.011	1.000	4,238	4,191	-47	-1.12%
12/17	5,045	1.019	1.011	5,083	5,070	-13	-0.26%
06/18	3,144	1.022	1.019	3,155	3,099	-56	-1.81%
12/18	5,410	1.022	1.022	5,410	5,410	0	0.00%
06/19	6,816	1.022	1.022	6,816	6,818	2	0.03%
12/19	4,443	1.026	1.022	4,457	4,823	366	7.59%
06/20	5,553	1.054	1.026	5,709	5,960	251	4.21%
12/20	3,271	1.100	1.054	3,411	3,211	-200	-6.23%
06/21	2,584	1.150	1.100	2,702	2,514	-188	-7.48%
12/21	<u>2,936</u>	1.279	1.150	<u>3,265</u>	<u>3,328</u>	<u>63</u>	<u>1.89%</u>
	185,900			186,753	186,928	175	0.09%
06/22	3,220	1.377	1.279	3,468	3,121	-347	-11.12%
12/22	2,301	1.727	1.377	2,885	3,042	157	5.16%
06/23	1,689	2.602	1.727	2,545	2,828	283	10.01%
12/23			2.602				
	Grand Total			<u>195,651</u>	<u>195,919</u>	<u>268</u>	<u>0.14%</u>

Exhibit 4B

Oregon State Bar Professional Liability Fund

*Analysis of Actual vs. Expected Case Incurred Indemnity @ 6-30-23
Development Factors from 6-30-23 Applied to Case Incurred Expense @ 12-31-21*

<i>6-mo Ending @ 12-31-21</i>	<i>Retained Case Incurred Expense @ 12-31-21</i>	<i>6-30-23 Development Factors</i>		<i>Expected Retained Case Inc Expense @ 6-30-23</i>	<i>Actual Retained Case Inc Expense @ 6-30-23</i>	<i>(Act - Exp) Dollar Difference</i>	<i>(Act - Exp) Percent Difference</i>
		<i>Applied @ 12-31-21</i>	<i>Applied @ 6-30-23</i>				
06/00	2,971	1.000	1.000	2,971	2,971	0	0.00%
12/00	3,604	1.000	1.000	3,604	3,604	0	0.00%
06/01	2,903	1.000	1.000	2,903	2,903	0	0.00%
12/01	2,204	1.000	1.000	2,204	2,204	0	0.00%
06/02	3,203	1.000	1.000	3,203	3,203	0	0.00%
12/02	3,315	1.000	1.000	3,315	3,315	0	0.00%
06/03	4,158	1.000	1.000	4,158	4,158	0	0.00%
12/03	2,793	1.000	1.000	2,793	2,793	0	0.00%
06/04	3,455	1.000	1.000	3,455	3,455	0	0.00%
12/04	4,196	1.000	1.000	4,196	4,196	0	0.00%
06/05	4,596	1.000	1.000	4,596	4,596	0	0.00%
12/05	3,165	1.000	1.000	3,165	3,165	0	0.00%
06/06	3,520	1.000	1.000	3,520	3,520	0	0.00%
12/06	3,625	1.000	1.000	3,625	3,625	0	0.00%
06/07	2,943	1.000	1.000	2,943	2,943	0	0.00%
12/07	2,996	1.000	1.000	2,996	2,996	0	0.00%
06/08	4,908	1.000	1.000	4,908	4,908	0	0.00%
12/08	4,691	1.000	1.000	4,691	4,691	0	0.00%
06/09	6,658	1.000	1.000	6,658	6,658	0	0.00%
12/09	5,018	1.000	1.000	5,018	5,018	0	0.00%
06/10	4,480	1.000	1.000	4,480	4,480	0	0.00%
12/10	4,071	1.000	1.000	4,071	4,071	0	0.00%
06/11	4,843	1.000	1.000	4,843	4,843	0	0.00%
12/11	4,345	1.000	1.000	4,345	4,345	0	0.00%
06/12	5,136	1.000	1.000	5,136	5,136	0	0.00%
12/12	3,603	1.000	1.000	3,603	3,603	0	0.00%
06/13	4,558	1.000	1.000	4,558	4,558	0	0.00%
12/13	5,121	1.000	1.000	5,121	5,121	0	0.00%
06/14	3,920	1.000	1.000	3,920	3,920	0	0.00%
12/14	4,123	1.000	1.000	4,123	4,123	0	0.00%
06/15	3,784	1.001	1.000	3,787	3,785	-2	-0.05%
12/15	4,793	1.002	1.001	4,801	4,796	-5	-0.10%
06/16	6,254	1.003	1.002	6,258	6,254	-4	-0.06%
12/16	2,510	1.005	1.003	2,515	2,524	9	0.36%
06/17	3,896	1.008	1.005	3,909	3,892	-17	-0.44%
12/17	3,658	1.011	1.008	3,669	3,657	-12	-0.33%
06/18	3,845	1.014	1.011	3,854	3,852	-2	-0.05%
12/18	4,991	1.026	1.014	5,051	4,969	-82	-1.65%
06/19	4,104	1.030	1.026	4,122	4,107	-15	-0.37%
12/19	3,927	1.033	1.030	3,939	3,949	10	0.25%
06/20	3,883	1.033	1.033	3,883	3,929	46	1.17%
12/20	2,692	1.047	1.033	2,727	2,672	-55	-2.06%
06/21	2,792	1.063	1.047	2,836	2,909	73	2.51%
12/21	<u>2,484</u>	1.086	1.063	<u>2,537</u>	<u>2,512</u>	<u>-25</u>	<u>-1.00%</u>
	172,735			173,010	172,929	-81	-0.05%
06/22	3,424	1.175	1.086	3,705	3,420	-285	-8.33%
12/22	2,286	1.216	1.175	2,366	2,159	-207	-9.59%
06/23	2,088	1.458	1.216	2,504	2,207	-297	-13.46%
12/23			1.458				
	Grand Total			<u>181,585</u>	<u>180,715</u>	<u>-870</u>	<u>-0.48%</u>

Exhibit 5A

Oregon State Bar Professional Liability Fund

*Analysis of Actual vs. Expected Case Incurred Indemnity @ 6-30-23
Development Factors from 6-30-23 Applied to Case Incurred Indemnity @ 12-31-22*

<i>6-mo Ending @ 12-31-22</i>	<i>Retained Case Incurred Indemnity @ 12-31-22</i>	<i>6-30-23 Development Factors Applied</i>		<i>Expected Retained Case Inc Indemnity @ 6-30-23</i>	<i>Actual Retained Case Inc Indemnity @ 6-30-23</i>	<i>(Act - Exp) Dollar Difference</i>	<i>(Act - Exp) Percent Difference</i>
		<i>@ 12-31-22</i>	<i>@ 6-30-23</i>				
06/00	4,836	1.000	1.000	4,836	4,836	0	0.00%
12/00	7,416	1.000	1.000	7,416	7,416	0	0.00%
06/01	3,860	1.000	1.000	3,860	3,860	0	0.00%
12/01	2,636	1.000	1.000	2,636	2,636	0	0.00%
06/02	4,418	1.000	1.000	4,418	4,418	0	0.00%
12/02	3,112	1.000	1.000	3,112	3,112	0	0.00%
06/03	4,368	1.000	1.000	4,368	4,368	0	0.00%
12/03	4,697	1.000	1.000	4,697	4,697	0	0.00%
06/04	4,485	1.000	1.000	4,485	4,485	0	0.00%
12/04	3,795	1.000	1.000	3,795	3,795	0	0.00%
06/05	4,606	1.000	1.000	4,606	4,606	0	0.00%
12/05	3,926	1.000	1.000	3,926	3,926	0	0.00%
06/06	3,579	1.000	1.000	3,579	3,579	0	0.00%
12/06	3,642	1.000	1.000	3,642	3,642	0	0.00%
06/07	3,137	1.000	1.000	3,137	3,137	0	0.00%
12/07	3,160	1.000	1.000	3,160	3,160	0	0.00%
06/08	4,993	1.000	1.000	4,993	4,993	0	0.00%
12/08	5,727	1.000	1.000	5,727	5,727	0	0.00%
06/09	5,415	1.000	1.000	5,415	5,415	0	0.00%
12/09	4,450	1.000	1.000	4,450	4,450	0	0.00%
06/10	4,554	1.000	1.000	4,554	4,554	0	0.00%
12/10	4,372	1.000	1.000	4,372	4,372	0	0.00%
06/11	3,354	1.000	1.000	3,354	3,354	0	0.00%
12/11	4,540	1.000	1.000	4,540	4,540	0	0.00%
06/12	4,114	1.000	1.000	4,114	4,114	0	0.00%
12/12	3,545	1.000	1.000	3,545	3,545	0	0.00%
06/13	4,412	1.000	1.000	4,412	4,412	0	0.00%
12/13	3,724	1.000	1.000	3,724	3,724	0	0.00%
06/14	4,358	1.000	1.000	4,358	4,358	0	0.00%
12/14	3,476	1.000	1.000	3,476	3,476	0	0.00%
06/15	4,339	1.000	1.000	4,339	4,339	0	0.00%
12/15	3,874	1.000	1.000	3,874	3,846	-28	-0.73%
06/16	4,185	1.000	1.000	4,185	4,135	-50	-1.21%
12/16	3,352	1.011	1.000	3,389	3,477	88	2.53%
06/17	4,196	1.019	1.000	4,275	4,191	-84	-2.00%
12/17	5,045	1.022	1.011	5,100	5,070	-30	-0.59%
06/18	3,144	1.022	1.019	3,155	3,099	-56	-1.81%
12/18	5,460	1.022	1.022	5,460	5,410	-50	-0.92%
06/19	6,851	1.026	1.022	6,873	6,818	-55	-0.81%
12/19	4,456	1.054	1.022	4,596	4,823	227	4.71%
06/20	5,173	1.100	1.026	5,547	5,960	413	6.93%
12/20	3,182	1.150	1.054	3,470	3,211	-259	-8.07%
06/21	2,275	1.279	1.100	2,646	2,514	-132	-5.25%
12/21	<u>2,644</u>	1.377	1.150	<u>3,167</u>	<u>3,328</u>	<u>161</u>	<u>4.84%</u>
	184,883			186,783	186,928	145	0.08%
06/22	2,690	1.727	1.279	3,633	3,121	-512	-16.40%
12/22	1,680	2.602	1.377	3,174	3,042	-132	-4.34%
06/23			1.727				
12/23			2.602				
	Grand Total			<u>193,590</u>	<u>193,091</u>	<u>-499</u>	<u>-0.26%</u>

Exhibit 5B

Oregon State Bar Professional Liability Fund

*Analysis of Actual vs. Expected Case Incurred Indemnity @ 6-30-23
Development Factors from 6-30-23 Applied to Case Incurred Expense @ 12-31-21*

<i>6-mo Ending @ 12-31-21</i>	<i>Retained Case Incurred Expense @ 12-31-21</i>	<i>6-30-23 Development Factors</i>		<i>Expected Retained Case Inc Expense @ 6-30-23</i>	<i>Actual Retained Case Inc Expense @ 6-30-23</i>	<i>(Act - Exp) Dollar Difference</i>	<i>(Act - Exp) Percent Difference</i>
		<i>Applied @ 12-31-21</i>	<i>Applied @ 6-30-23</i>				
06/00	2,971	1.000	1.000	2,971	2,971	0	0.00%
12/00	3,604	1.000	1.000	3,604	3,604	0	0.00%
06/01	2,903	1.000	1.000	2,903	2,903	0	0.00%
12/01	2,204	1.000	1.000	2,204	2,204	0	0.00%
06/02	3,203	1.000	1.000	3,203	3,203	0	0.00%
12/02	3,315	1.000	1.000	3,315	3,315	0	0.00%
06/03	4,158	1.000	1.000	4,158	4,158	0	0.00%
12/03	2,793	1.000	1.000	2,793	2,793	0	0.00%
06/04	3,455	1.000	1.000	3,455	3,455	0	0.00%
12/04	4,196	1.000	1.000	4,196	4,196	0	0.00%
06/05	4,596	1.000	1.000	4,596	4,596	0	0.00%
12/05	3,165	1.000	1.000	3,165	3,165	0	0.00%
06/06	3,520	1.000	1.000	3,520	3,520	0	0.00%
12/06	3,625	1.000	1.000	3,625	3,625	0	0.00%
06/07	2,943	1.000	1.000	2,943	2,943	0	0.00%
12/07	2,996	1.000	1.000	2,996	2,996	0	0.00%
06/08	4,908	1.000	1.000	4,908	4,908	0	0.00%
12/08	4,691	1.000	1.000	4,691	4,691	0	0.00%
06/09	6,658	1.000	1.000	6,658	6,658	0	0.00%
12/09	5,018	1.000	1.000	5,018	5,018	0	0.00%
06/10	4,480	1.000	1.000	4,480	4,480	0	0.00%
12/10	4,071	1.000	1.000	4,071	4,071	0	0.00%
06/11	4,841	1.000	1.000	4,841	4,843	2	0.04%
12/11	4,320	1.000	1.000	4,320	4,345	25	0.58%
06/12	5,136	1.000	1.000	5,136	5,136	0	0.00%
12/12	3,603	1.000	1.000	3,603	3,603	0	0.00%
06/13	4,558	1.000	1.000	4,558	4,558	0	0.00%
12/13	5,124	1.000	1.000	5,124	5,121	-3	-0.06%
06/14	3,920	1.000	1.000	3,920	3,920	0	0.00%
12/14	4,118	1.001	1.000	4,121	4,123	2	0.05%
06/15	3,784	1.002	1.000	3,793	3,785	-8	-0.21%
12/15	4,768	1.003	1.001	4,779	4,796	17	0.35%
06/16	6,244	1.005	1.002	6,261	6,254	-7	-0.11%
12/16	2,457	1.008	1.003	2,470	2,524	54	2.14%
06/17	3,923	1.011	1.005	3,947	3,892	-55	-1.41%
12/17	3,669	1.014	1.008	3,688	3,657	-31	-0.85%
06/18	3,740	1.026	1.011	3,794	3,852	58	1.51%
12/18	4,937	1.030	1.014	5,018	4,969	-49	-0.99%
06/19	4,155	1.033	1.026	4,186	4,107	-79	-1.92%
12/19	3,960	1.033	1.030	3,972	3,949	-23	-0.58%
06/20	3,781	1.047	1.033	3,830	3,929	99	2.52%
12/20	2,660	1.063	1.033	2,737	2,672	-65	-2.43%
06/21	2,751	1.086	1.047	2,855	2,909	54	1.86%
12/21	<u>2,227</u>	1.175	1.063	<u>2,461</u>	<u>2,512</u>	<u>51</u>	<u>2.03%</u>
	172,149			172,887	172,929	42	0.02%
06/22	3,290	1.216	1.086	3,684	3,420	-264	-7.72%
12/22	2,090	1.458	1.175	2,593	2,159	-434	-20.10%
06/23			1.216				
12/23			1.458				
	Grand Total			<u>179,164</u>	<u>178,508</u>	<u>-656</u>	<u>-0.37%</u>

Exhibit 6

**Oregon State Bar Professional Liability Fund
Analysis of Change in Ultimate Incurred Claims**

Comparison of Incurred Claims Between 12/31/22 and 12/31/23

	<i>Unadjusted</i>			<i>Adjusted</i>		
	12/31/2022	12/31/2023	Diff	12/31/2022	12/31/2023	Diff
Pre-1988	49,785	49,785	0	49,785	49,785	0
1988	6,411	6,431	20	6,411	6,431	20
1989	7,522	7,522	0	7,522	7,522	0
1990	9,067	9,067	0	9,067	9,067	0
1991	9,489	9,489	0	9,489	9,489	0
1992	10,367	10,367	0	10,367	10,367	0
1993	10,048	10,048	0	10,048	10,048	0
1994	9,866	9,866	0	9,866	9,866	0
1995	11,017	11,017	0	11,017	11,017	0
1996	9,090	9,090	0	9,090	9,090	0
1997	10,527	10,527	0	10,527	10,527	0
1998	10,431	10,431	0	10,431	10,431	0
1999	13,720	13,720	0	13,720	13,720	0
2000	18,827	18,827	0	18,827	18,827	0
2001	11,603	11,603	0	11,603	11,603	0
2002	14,048	14,048	0	14,048	14,048	0
2003	16,016	16,016	0	16,016	16,016	0
2004	15,932	15,932	0	15,932	15,932	0
2005	16,293	16,293	0	16,293	16,293	0
2006	14,366	14,366	0	14,366	14,366	0
2007	12,236	12,236	0	12,236	12,236	0
2008	20,287	20,287	0	20,287	20,287	0
2009	21,478	21,478	0	21,478	21,478	0
2010	17,476	17,476	0	17,476	17,476	0
2011	17,055	17,082	27	17,055	17,082	27
2012	16,404	16,397	-6	16,397	16,397	0
2013	17,822	17,806	-17	17,808	17,806	-2
2014	15,858	15,854	-4	15,851	15,854	3
2015	16,763	16,769	5	16,780	16,769	-11
2016	16,276	16,409	133	16,288	16,409	121
2017	17,074	16,911	-162	17,027	16,911	-116
2018	17,514	17,574	60	17,565	17,574	9
2019	19,775	20,067	292	19,788	20,067	279
2020	15,895	16,248	353	15,840	16,248	408
2021	12,213	12,207	-6	12,699	12,207	-492
2022	12,549	13,968	1,419	15,240	14,128	-1,112
2023		<u>13,399</u>	<u>13,399</u>		<u>14,215</u>	<u>14,215</u>
Totals	541,098	556,612	15,513	544,239	557,588	13,349

Exhibit 6

**Oregon State Bar Professional Liability Fund
Analysis of Change in Ultimate Incurred Claims**

Comparison of Incurred Claims Between 6/30/23 and 12/31/23

		<i>Unadjusted</i>					
		6/30/2023	12/31/2023	Diff			
					49,785	49,785	0
					6,421	6,431	10
Pre-1988		49,785	49,785	0	7,522	7,522	0
1988		6,421	6,431	10	9,067	9,067	0
1989		7,522	7,522	0	9,489	9,489	0
1990		9,067	9,067	0	10,367	10,367	0
1991		9,489	9,489	0	10,048	10,048	0
1992		10,367	10,367	0	9,866	9,866	0
1993		10,048	10,048	0	11,017	11,017	0
1994		9,866	9,866	0	9,090	9,090	0
1995		11,017	11,017	0	10,527	10,527	0
1996		9,090	9,090	0	10,431	10,431	0
1997		10,527	10,527	0	13,720	13,720	0
1998		10,431	10,431	0	18,827	18,827	0
1999		13,720	13,720	0	11,603	11,603	0
2000		18,827	18,827	0	14,048	14,048	0
2001		11,603	11,603	0	16,016	16,016	0
2002		14,048	14,048	0	15,932	15,932	0
2003		16,016	16,016	0	16,293	16,293	0
2004		15,932	15,932	0	14,366	14,366	0
2005		16,293	16,293	0	12,236	12,236	0
2006		14,366	14,366	0	20,287	20,287	0
2007		12,236	12,236	0	21,478	21,478	0
2008		20,287	20,287	0	17,476	17,476	0
2009		21,478	21,478	0	17,082	17,082	0
2010		17,476	17,476	0	16,397	16,397	0
2011		17,082	17,082	0	17,806	17,806	0
2012		16,397	16,397	0	15,854	15,854	0
2013		17,806	17,806	0	16,776	16,769	-7
2014		15,854	15,854	0	16,407	16,409	2
2015		16,776	16,769	-7	16,988	16,911	-76
2016		16,407	16,409	2	17,693	17,574	-119
2017		16,988	16,911	-76	19,661	20,067	406
2018		17,693	17,574	-119	16,039	16,248	209
2019		19,661	20,067	406	12,562	12,207	-355
2020		16,039	16,248	209	14,883	14,128	-755
2021		12,187	12,207	20		14,215	14,215
2022		14,765	13,968	-797	544,059	557,588	13,529
2023			13,399	13,399			
Totals		543,565	556,612	13,046			
<i>Adjusted</i>							
		6/30/2023	12/31/2023	Diff			

Exhibit 6

**Oregon State Bar Professional Liability Fund
Analysis of Change in Ultimate Incurred Indemnity**

Comparison of Incurred Indemnity Between 12/31/22 and 12/31/23

	<i>Unadjusted</i>			<i>Adjusted</i>		
	12/31/2022	12/31/2023	Diff	12/31/2022	12/31/2023	Diff
Pre-1988	33,762	33,762	0	33,762	33,762	0
1988	4,096	4,096	0	4,096	4,096	0
1989	5,146	5,146	0	5,146	5,146	0
1990	5,701	5,701	0	5,701	5,701	0
1991	5,653	5,653	0	5,653	5,653	0
1992	6,280	6,280	0	6,280	6,280	0
1993	5,937	5,937	0	5,937	5,937	0
1994	5,809	5,809	0	5,809	5,809	0
1995	6,986	6,986	0	6,986	6,986	0
1996	5,576	5,576	0	5,576	5,576	0
1997	7,000	7,000	0	7,000	7,000	0
1998	5,639	5,639	0	5,639	5,639	0
1999	8,705	8,705	0	8,705	8,705	0
2000	12,252	12,252	0	12,252	12,252	0
2001	6,496	6,496	0	6,496	6,496	0
2002	7,530	7,530	0	7,530	7,530	0
2003	9,065	9,065	0	9,065	9,065	0
2004	8,280	8,280	0	8,280	8,280	0
2005	8,532	8,532	0	8,532	8,532	0
2006	7,222	7,222	0	7,222	7,222	0
2007	6,296	6,296	0	6,296	6,296	0
2008	10,720	10,720	0	10,720	10,720	0
2009	9,862	9,862	0	9,862	9,862	0
2010	8,926	8,926	0	8,926	8,926	0
2011	7,894	7,894	0	7,894	7,894	0
2012	7,659	7,659	0	7,659	7,659	0
2013	8,132	8,132	0	8,132	8,132	0
2014	7,815	7,815	0	7,815	7,815	0
2015	8,212	8,185	-27	8,212	8,185	-27
2016	7,555	7,612	56	7,555	7,612	56
2017	9,368	9,314	-53	9,368	9,314	-53
2018	8,725	8,665	-60	8,725	8,665	-60
2019	11,505	11,841	336	11,505	11,841	336
2020	9,173	9,466	293	9,173	9,466	293
2021	6,368	6,516	148	6,786	6,516	-271
2022	8,300	7,807	-493	8,192	7,904	-287
2023		7,833	7,833		8,051	8,051
Totals	302,176	310,209	8,033	302,486	310,524	8,038

Exhibit 6

**Oregon State Bar Professional Liability Fund
Analysis of Change in Ultimate Incurred Indemnity**

Comparison of Incurred Indemnity Between 6/30/23 and 12/31/23

	<i>Unadjusted</i>			<i>Adjusted</i>		
	6/30/2023	12/31/2023	Diff	6/30/2023	12/31/2023	Diff
Pre-1988	33,762	33,762	0	33,762	33,762	0
1988	4,096	4,096	0	4,096	4,096	0
1989	5,146	5,146	0	5,146	5,146	0
1990	5,701	5,701	0	5,701	5,701	0
1991	5,653	5,653	0	5,653	5,653	0
1992	6,280	6,280	0	6,280	6,280	0
1993	5,937	5,937	0	5,937	5,937	0
1994	5,809	5,809	0	5,809	5,809	0
1995	6,986	6,986	0	6,986	6,986	0
1996	5,576	5,576	0	5,576	5,576	0
1997	7,000	7,000	0	7,000	7,000	0
1998	5,639	5,639	0	5,639	5,639	0
1999	8,705	8,705	0	8,705	8,705	0
2000	12,252	12,252	0	12,252	12,252	0
2001	6,496	6,496	0	6,496	6,496	0
2002	7,530	7,530	0	7,530	7,530	0
2003	9,065	9,065	0	9,065	9,065	0
2004	8,280	8,280	0	8,280	8,280	0
2005	8,532	8,532	0	8,532	8,532	0
2006	7,222	7,222	0	7,222	7,222	0
2007	6,296	6,296	0	6,296	6,296	0
2008	10,720	10,720	0	10,720	10,720	0
2009	9,862	9,862	0	9,862	9,862	0
2010	8,926	8,926	0	8,926	8,926	0
2011	7,894	7,894	0	7,894	7,894	0
2012	7,659	7,659	0	7,659	7,659	0
2013	8,132	8,132	0	8,132	8,132	0
2014	7,815	7,815	0	7,815	7,815	0
2015	8,187	8,185	-2	8,187	8,185	-2
2016	7,611	7,612	0	7,611	7,612	0
2017	9,363	9,314	-48	9,363	9,314	-48
2018	8,707	8,665	-41	8,707	8,665	-41
2019	11,433	11,841	408	11,433	11,841	408
2020	9,259	9,466	207	9,259	9,466	207
2021	6,554	6,516	-38	6,750	6,516	-234
2022	7,973	7,807	-166	7,994	7,904	-90
2023	<u>3,931</u>	<u>7,833</u>	<u>3,902</u>	<u>4,113</u>	<u>8,051</u>	<u>3,939</u>
Totals	305,988	310,209	4,221	306,386	310,524	4,138

Exhibit 6

**Oregon State Bar Professional Liability Fund
Analysis of Change in Ultimate Incurred Expense**

Comparison of Incurred Expense Between 12/31/22 and 12/31/23

	<i>Unadjusted</i>			<i>Adjusted</i>		
	12/31/2022	12/31/2023	Diff	12/31/2022	12/31/2023	Diff
Pre-1988	16,022	16,022	0	16,022	16,022	0
1988	2,315	2,335	20	2,315	2,335	20
1989	2,376	2,376	0	2,376	2,376	0
1990	3,366	3,366	0	3,366	3,366	0
1991	3,836	3,836	0	3,836	3,836	0
1992	4,087	4,087	0	4,087	4,087	0
1993	4,111	4,111	0	4,111	4,111	0
1994	4,057	4,057	0	4,057	4,057	0
1995	4,031	4,031	0	4,031	4,031	0
1996	3,514	3,514	0	3,514	3,514	0
1997	3,528	3,528	0	3,528	3,528	0
1998	4,792	4,792	0	4,792	4,792	0
1999	5,015	5,015	0	5,015	5,015	0
2000	6,575	6,575	0	6,575	6,575	0
2001	5,107	5,107	0	5,107	5,107	0
2002	6,518	6,518	0	6,518	6,518	0
2003	6,951	6,951	0	6,951	6,951	0
2004	7,651	7,651	0	7,651	7,651	0
2005	7,761	7,761	0	7,761	7,761	0
2006	7,144	7,144	0	7,144	7,144	0
2007	5,939	5,939	0	5,939	5,939	0
2008	9,567	9,567	0	9,567	9,567	0
2009	11,617	11,617	0	11,617	11,617	0
2010	8,551	8,551	0	8,551	8,551	0
2011	9,161	9,188	27	9,161	9,188	27
2012	8,745	8,738	-6	8,738	8,738	0
2013	9,690	9,673	-17	9,676	9,673	-2
2014	8,043	8,039	-4	8,036	8,039	3
2015	8,552	8,584	33	8,569	8,584	16
2016	8,721	8,798	77	8,733	8,798	65
2017	7,706	7,597	-109	7,659	7,597	-62
2018	8,789	8,909	119	8,840	8,909	68
2019	8,270	8,226	-44	8,283	8,226	-56
2020	6,722	6,781	60	6,667	6,781	115
2021	5,845	5,691	-154	5,913	5,691	-221
2022	4,249	6,161	1,912	7,049	6,224	-825
2023		<u>5,566</u>	<u>5,566</u>		<u>6,164</u>	<u>6,164</u>
Totals	238,923	246,403	7,480	241,754	247,064	5,310

Exhibit 6

**Oregon State Bar Professional Liability Fund
Analysis of Change in Ultimate Incurred Expense**

Comparison of Incurred Expense Between 6/30/23 and 12/31/23

	<i>Unadjusted</i>			<i>Adjusted</i>		
	6/30/2023	12/31/2023	Diff	6/30/2023	12/31/2023	Diff
Pre-1988	16,022	16,022	0	16,022	16,022	0
1988	2,325	2,335	10	2,325	2,335	10
1989	2,376	2,376	0	2,376	2,376	0
1990	3,366	3,366	0	3,366	3,366	0
1991	3,836	3,836	0	3,836	3,836	0
1992	4,087	4,087	0	4,087	4,087	0
1993	4,111	4,111	0	4,111	4,111	0
1994	4,057	4,057	0	4,057	4,057	0
1995	4,031	4,031	0	4,031	4,031	0
1996	3,514	3,514	0	3,514	3,514	0
1997	3,528	3,528	0	3,528	3,528	0
1998	4,792	4,792	0	4,792	4,792	0
1999	5,015	5,015	0	5,015	5,015	0
2000	6,575	6,575	0	6,575	6,575	0
2001	5,107	5,107	0	5,107	5,107	0
2002	6,518	6,518	0	6,518	6,518	0
2003	6,951	6,951	0	6,951	6,951	0
2004	7,651	7,651	0	7,651	7,651	0
2005	7,761	7,761	0	7,761	7,761	0
2006	7,144	7,144	0	7,144	7,144	0
2007	5,939	5,939	0	5,939	5,939	0
2008	9,567	9,567	0	9,567	9,567	0
2009	11,617	11,617	0	11,617	11,617	0
2010	8,551	8,551	0	8,551	8,551	0
2011	9,188	9,188	0	9,188	9,188	0
2012	8,738	8,738	0	8,738	8,738	0
2013	9,673	9,673	0	9,673	9,673	0
2014	8,039	8,039	0	8,039	8,039	0
2015	8,589	8,584	-4	8,589	8,584	-4
2016	8,796	8,798	1	8,796	8,798	1
2017	7,625	7,597	-28	7,625	7,597	-28
2018	8,986	8,909	-78	8,986	8,909	-78
2019	8,228	8,226	-2	8,228	8,226	-2
2020	6,780	6,781	1	6,780	6,781	1
2021	5,633	5,691	59	5,813	5,691	-121
2022	6,793	6,161	-631	6,889	6,224	-665
2023	<u>3,167</u>	<u>5,566</u>	<u>2,399</u>	<u>3,389</u>	<u>6,164</u>	<u>2,776</u>
Totals	244,676	246,403	1,727	245,174	247,064	1,890

Exhibit 7A

Oregon State Bar Professional Liability Fund Attorneys Professional Liability Insurance

Comparison of 12/31/23 Results with Values Reported as of 12/31/22 and 6/30/23

<i>Claim Year</i>	<i>Reported (Case Incd) Claims 12/31/22</i>	<i>Reported (Case Incd) Claims 06/30/23</i>	<i>Reported (Case Incd) Claims 12/31/23</i>	<i>Amount Reported During Last 12 Mos</i>	<i>Amount Reported During Last 6 Mos</i>
Pre-1988	\$ 49,785	\$ 49,785	\$ 49,785	\$ 0	\$ 0
1988	6,411	6,421	6,431	20	10
1989	7,522	7,522	7,522	0	0
1990	9,067	9,067	9,067	0	0
1991	9,489	9,489	9,489	0	0
1992	10,367	10,367	10,367	0	0
1993	10,048	10,048	10,048	0	0
1994	9,866	9,866	9,866	0	0
1995	11,017	11,017	11,017	0	0
1996	9,090	9,090	9,090	0	0
1997	10,527	10,527	10,527	0	0
1998	10,431	10,431	10,431	0	0
1999	13,720	13,720	13,720	0	0
2000	18,827	18,827	18,827	0	0
2001	11,603	11,603	11,603	0	0
2002	14,048	14,048	14,048	0	0
2003	16,016	16,016	16,016	0	0
2004	15,932	15,932	15,932	0	0
2005	16,293	16,293	16,293	0	0
2006	14,366	14,366	14,366	0	0
2007	12,236	12,236	12,236	0	0
2008	20,287	20,287	20,287	0	0
2009	21,478	21,478	21,478	0	0
2010	17,476	17,476	17,476	0	0
2011	17,055	17,082	17,082	27	0
2012	16,397	16,397	16,397	0	0
2013	17,808	17,806	17,806	-2	0
2014	15,849	15,854	15,854	5	0
2015	16,766	16,766	16,766	1	1
2016	16,239	16,376	16,389	151	14
2017	16,833	16,790	16,811	-22	20
2018	17,282	17,390	17,330	49	-60
2019	19,422	19,289	19,696	274	407
2020	14,796	15,398	15,772	975	373
2021	9,898	10,796	11,262	1,364	466
2022	9,750	11,232	11,742	1,993	510
2023		3,776	8,422	8,422	4,646
Totals	\$ 533,995	\$ 540,864	\$ 547,251	\$ 13,256	\$ 6,387

Exhibit 7A

Oregon State Bar Professional Liability Fund Attorneys Professional Liability Insurance

Comparison of 12/31/23 Results with Values Reported as of 12/31/22 and 6/30/23

<i>Claim Year</i>	<i>Paid</i>	<i>Paid</i>	<i>Paid</i>	<i>Amount</i>	<i>Amount</i>
	<i>Claims 12/31/22</i>	<i>Claims 06/30/23</i>	<i>Claims 12/31/23</i>	<i>Paid During Last 12 Mos</i>	<i>Paid During Last 6 Mos</i>
Pre-1988	\$ 49,785	\$ 49,785	\$ 49,785	\$ 0	\$ 0
1988	6,410	6,419	6,425	15	6
1989	7,522	7,522	7,522	0	0
1990	9,067	9,067	9,067	0	0
1991	9,489	9,489	9,489	0	0
1992	10,367	10,367	10,367	0	0
1993	10,048	10,048	10,048	0	0
1994	9,866	9,866	9,866	0	0
1995	11,017	11,017	11,017	0	0
1996	9,090	9,090	9,090	0	0
1997	10,527	10,527	10,527	0	0
1998	10,431	10,431	10,431	0	0
1999	13,720	13,720	13,720	0	0
2000	18,827	18,827	18,827	0	0
2001	11,603	11,603	11,603	0	0
2002	14,048	14,048	14,048	0	0
2003	16,016	16,016	16,016	0	0
2004	15,932	15,932	15,932	0	0
2005	16,293	16,293	16,293	0	0
2006	14,366	14,366	14,366	0	0
2007	12,236	12,236	12,236	0	0
2008	20,287	20,287	20,287	0	0
2009	21,478	21,478	21,478	0	0
2010	17,476	17,476	17,476	0	0
2011	17,055	17,063	17,069	14	5
2012	16,397	16,397	16,397	0	0
2013	17,806	17,806	17,806	0	0
2014	15,849	15,849	15,849	1	0
2015	16,574	16,594	16,766	192	172
2016	16,055	16,261	16,311	256	50
2017	16,691	16,708	16,722	31	14
2018	16,977	17,128	17,229	252	101
2019	18,488	18,603	19,150	663	547
2020	13,001	14,040	14,736	1,735	696
2021	7,314	8,854	10,014	2,700	1,159
2022	3,383	7,119	8,943	5,560	1,824
2023		678	3,955	3,955	3,278
Totals	\$ 521,488	\$ 529,008	\$ 536,862	\$ 15,374	\$ 7,855

Exhibit 7B

Oregon State Bar Professional Liability Fund Attorneys Professional Liability Insurance

Comparison of 12/31/23 Results with Values Reported as of 12/31/22 and 6/30/23

<i>Claim Year</i>	<i>Reported (Case Incd) Indemnity 12/31/22</i>	<i>Reported (Case Incd) Indemnity 06/30/23</i>	<i>Reported (Case Incd) Indemnity 12/31/23</i>	<i>Amount Reported During Last 12 Mos</i>	<i>Amount Reported During Last 6 Mos</i>
Pre-1988	\$ 33,762	\$ 33,762	\$ 33,762	\$ 0	\$ 0
1988	4,096	4,096	4,096	0	0
1989	5,146	5,146	5,146	0	0
1990	5,701	5,701	5,701	0	0
1991	5,653	5,653	5,653	0	0
1992	6,280	6,280	6,280	0	0
1993	5,937	5,937	5,937	0	0
1994	5,809	5,809	5,809	0	0
1995	6,986	6,986	6,986	0	0
1996	5,576	5,576	5,576	0	0
1997	7,000	7,000	7,000	0	0
1998	5,639	5,639	5,639	0	0
1999	8,705	8,705	8,705	0	0
2000	12,252	12,252	12,252	0	0
2001	6,496	6,496	6,496	0	0
2002	7,530	7,530	7,530	0	0
2003	9,065	9,065	9,065	0	0
2004	8,280	8,280	8,280	0	0
2005	8,532	8,532	8,532	0	0
2006	7,222	7,222	7,222	0	0
2007	6,296	6,296	6,296	0	0
2008	10,720	10,720	10,720	0	0
2009	9,862	9,862	9,862	0	0
2010	8,926	8,926	8,926	0	0
2011	7,894	7,894	7,894	0	0
2012	7,659	7,659	7,659	0	0
2013	8,132	8,132	8,132	0	0
2014	7,815	7,815	7,815	0	0
2015	8,213	8,188	8,185	-28	-3
2016	7,537	7,612	7,612	75	0
2017	9,241	9,236	9,261	20	25
2018	8,604	8,554	8,509	-95	-45
2019	11,307	11,258	11,640	334	382
2020	8,355	8,824	9,171	816	347
2021	4,920	5,520	5,842	922	322
2022	4,370	5,521	6,163	1,794	642
2023		1,689	4,223	4,223	2,534
Totals	\$ 295,517	\$ 299,373	\$ 303,577	\$ 8,060	\$ 4,204

Exhibit 7B

Oregon State Bar Professional Liability Fund Attorneys Professional Liability Insurance

Comparison of 12/31/23 Results with Values Reported as of 12/31/22 and 6/30/23

<i>Claim Year</i>	<i>Paid Indemnity 12/31/22</i>	<i>Paid Indemnity 06/30/23</i>	<i>Paid Indemnity 12/31/23</i>	<i>Amount Paid During Last 12 Mos</i>	<i>Amount Paid During Last 6 Mos</i>
Pre-1988	\$ 33,762	\$ 33,762	\$ 33,762	\$ 0	\$ 0
1988	4,096	4,096	4,096	0	0
1989	5,146	5,146	5,146	0	0
1990	5,701	5,701	5,701	0	0
1991	5,653	5,653	5,653	0	0
1992	6,280	6,280	6,280	0	0
1993	5,937	5,937	5,937	0	0
1994	5,809	5,809	5,809	0	0
1995	6,986	6,986	6,986	0	0
1996	5,576	5,576	5,576	0	0
1997	7,000	7,000	7,000	0	0
1998	5,639	5,639	5,639	0	0
1999	8,705	8,705	8,705	0	0
2000	12,252	12,252	12,252	0	0
2001	6,496	6,496	6,496	0	0
2002	7,530	7,530	7,530	0	0
2003	9,065	9,065	9,065	0	0
2004	8,280	8,280	8,280	0	0
2005	8,532	8,532	8,532	0	0
2006	7,222	7,222	7,222	0	0
2007	6,296	6,296	6,296	0	0
2008	10,720	10,720	10,720	0	0
2009	9,862	9,862	9,862	0	0
2010	8,926	8,926	8,926	0	0
2011	7,894	7,894	7,894	0	0
2012	7,659	7,659	7,659	0	0
2013	8,132	8,132	8,132	0	0
2014	7,815	7,815	7,815	0	0
2015	8,038	8,038	8,185	147	147
2016	7,437	7,562	7,562	125	0
2017	9,211	9,211	9,211	0	0
2018	8,459	8,459	8,459	0	0
2019	11,007	11,039	11,469	462	430
2020	7,232	7,941	8,529	1,296	588
2021	3,487	4,553	5,297	1,811	745
2022	1,428	3,410	4,445	3,016	1,035
2023		317	2,374	2,374	2,057
Totals	\$ 289,271	\$ 293,500	\$ 298,501	\$ 9,230	\$ 5,001

Exhibit 7C

Oregon State Bar Professional Liability Fund Attorneys Professional Liability Insurance

Comparison of 12/31/23 Results with Values Reported as of 12/31/22 and 6/30/23

<i>Claim Year</i>	<i>Reported (Case Incd) Expense 12/31/22</i>	<i>Reported (Case Incd) Expense 06/30/23</i>	<i>Reported (Case Incd) Expense 12/31/23</i>	<i>Amount Reported During Last 12 Mos</i>	<i>Amount Reported During Last 6 Mos</i>
Pre-1988	\$ 16,022	\$ 16,022	16,022	\$ 0	\$ 0
1988	2,315	2,325	2,335	20	10
1989	2,376	2,376	2,376	0	0
1990	3,366	3,366	3,366	0	0
1991	3,836	3,836	3,836	0	0
1992	4,087	4,087	4,087	0	0
1993	4,111	4,111	4,111	0	0
1994	4,057	4,057	4,057	0	0
1995	4,031	4,031	4,031	0	0
1996	3,514	3,514	3,514	0	0
1997	3,528	3,528	3,528	0	0
1998	4,792	4,792	4,792	0	0
1999	5,015	5,015	5,015	0	0
2000	6,575	6,575	6,575	0	0
2001	5,107	5,107	5,107	0	0
2002	6,518	6,518	6,518	0	0
2003	6,951	6,951	6,951	0	0
2004	7,651	7,651	7,651	0	0
2005	7,761	7,761	7,761	0	0
2006	7,144	7,144	7,144	0	0
2007	5,939	5,939	5,939	0	0
2008	9,567	9,567	9,567	0	0
2009	11,617	11,617	11,617	0	0
2010	8,551	8,551	8,551	0	0
2011	9,161	9,188	9,188	27	0
2012	8,738	8,738	8,738	0	0
2013	9,676	9,673	9,673	-2	0
2014	8,034	8,039	8,039	5	0
2015	8,553	8,578	8,581	29	4
2016	8,701	8,764	8,777	76	14
2017	7,592	7,554	7,550	-42	-5
2018	8,678	8,836	8,821	144	-15
2019	8,115	8,031	8,056	-59	25
2020	6,441	6,574	6,601	160	26
2021	4,979	5,276	5,420	442	144
2022	5,380	5,711	5,579	199	-132
2023		2,088	4,199	4,199	2,112
Totals	\$ 238,478	\$ 241,491	\$ 243,674	\$ 5,196	\$ 2,183

Exhibit 7C

Oregon State Bar Professional Liability Fund Attorneys Professional Liability Insurance

Comparison of 12/31/23 Results with Values Reported as of 12/31/22 and 6/30/23

<i>Claim Year</i>	<i>Paid Expense</i>	<i>Paid Expense</i>	<i>Paid Expense</i>	<i>Amount Paid During Last 12 Mos</i>	<i>Amount Paid During Last 6 Mos</i>
	<i>12/31/22</i>	<i>06/30/23</i>	<i>12/31/23</i>		
Pre-1988	\$ 16,022	\$ 16,022	\$ 16,022	\$ 0	\$ 0
1988	2,314	2,323	2,329	15	6
1989	2,376	2,376	2,376	0	0
1990	3,366	3,366	3,366	0	0
1991	3,836	3,836	3,836	0	0
1992	4,087	4,087	4,087	0	0
1993	4,111	4,111	4,111	0	0
1994	4,057	4,057	4,057	0	0
1995	4,031	4,031	4,031	0	0
1996	3,514	3,514	3,514	0	0
1997	3,528	3,528	3,528	0	0
1998	4,792	4,792	4,792	0	0
1999	5,015	5,015	5,015	0	0
2000	6,575	6,575	6,575	0	0
2001	5,107	5,107	5,107	0	0
2002	6,518	6,518	6,518	0	0
2003	6,951	6,951	6,951	0	0
2004	7,651	7,651	7,651	0	0
2005	7,761	7,761	7,761	0	0
2006	7,144	7,144	7,144	0	0
2007	5,939	5,939	5,939	0	0
2008	9,567	9,567	9,567	0	0
2009	11,617	11,617	11,617	0	0
2010	8,551	8,551	8,551	0	0
2011	9,161	9,169	9,175	14	5
2012	8,738	8,738	8,738	0	0
2013	9,673	9,673	9,673	0	0
2014	8,034	8,034	8,035	1	0
2015	8,536	8,556	8,581	45	26
2016	8,617	8,699	8,749	131	50
2017	7,480	7,497	7,511	31	14
2018	8,518	8,668	8,770	252	101
2019	7,480	7,564	7,681	201	117
2020	5,768	6,099	6,207	439	109
2021	3,827	4,302	4,716	889	415
2022	1,955	3,709	4,498	2,543	789
2023		361	1,582	1,582	1,221
Totals	\$ 232,218	\$ 235,507	\$ 238,361	\$ 6,144	\$ 2,854

**Exhibit 8
Oregon State Bar Professional Liability Fund**

Attorneys Professional Liability Insurance

*Calculation of Recommended Surplus Using Confidence Intervals
Assuming That Claim Development Follows A Normal Distribution
Total Claims*

6 Month Period Ending	Case Incurred (000's)	Selected Ultimate Incurred (000's)	Ultimate Incurred Claims in (000's) at Various Confidence Levels							Surplus Margin in (000's) at Various Confidence Levels					
			50%	60%	70%	80%	90%	95%	50%	60%	70%	80%	90%	95%	
06/30/11	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	0	0	0	0	0	0	
12/31/11	8,885	8,885	8,885	8,885	8,885	8,885	8,885	8,885	0	0	0	0	0	0	
06/30/12	9,250	9,250	9,244	9,253	9,262	9,273	9,288	9,301	-5	3	12	23	38	51	
12/31/12	7,148	7,148	7,155	7,179	7,204	7,234	7,275	7,309	7	31	56	86	128	162	
06/30/13	8,970	8,970	8,981	9,013	9,046	9,086	9,141	9,186	12	43	77	116	171	216	
12/31/13	8,845	8,836	8,859	8,891	8,925	8,965	9,021	9,066	23	55	89	129	185	230	
06/30/14	8,278	8,278	8,292	8,325	8,359	8,399	8,455	8,501	15	47	81	122	177	224	
12/31/14	7,599	7,576	7,616	7,646	7,678	7,715	7,767	7,810	40	70	102	140	192	235	
06/30/15	8,124	8,124	8,143	8,181	8,221	8,267	8,332	8,386	20	57	97	144	208	262	
12/31/15	8,642	8,645	8,654	8,679	8,705	8,736	8,779	8,815	9	33	60	91	134	170	
06/30/16	10,389	10,401	10,411	10,447	10,484	10,528	10,590	10,640	11	46	84	128	189	239	
12/31/16	6,001	6,008	6,013	6,037	6,064	6,094	6,137	6,172	4	29	55	86	128	164	
06/30/17	8,083	8,104	8,121	8,162	8,206	8,257	8,328	8,387	17	58	102	153	224	283	
12/31/17	8,727	8,807	8,793	8,842	8,894	8,955	9,040	9,110	-15	34	86	148	233	303	
06/30/18	6,951	7,035	7,024	7,069	7,118	7,176	7,255	7,321	-11	35	84	141	221	286	
12/31/18	10,379	10,539	10,511	10,589	10,673	10,771	10,906	11,018	-27	51	134	232	367	479	
06/30/19	10,925	11,109	11,109	11,195	11,287	11,395	11,545	11,669	0	86	178	286	436	559	
12/31/19	8,772	8,958	8,982	9,073	9,170	9,284	9,441	9,572	24	115	212	326	484	614	
06/30/20	9,889	10,130	10,157	10,277	10,405	10,555	10,763	10,934	27	147	275	425	633	805	
12/31/20	5,883	6,118	6,096	6,174	6,257	6,354	6,489	6,601	-22	56	139	237	372	483	
06/30/21	5,423	5,776	5,730	5,826	5,929	6,049	6,217	6,355	-46	50	153	274	441	579	
12/31/21	5,840	6,431	6,346	6,484	6,633	6,806	7,047	7,246	-86	53	201	375	616	814	
06/30/22	6,541	7,499	7,601	7,812	8,037	8,301	8,667	8,969	102	313	538	802	1,168	1,470	
12/31/22	5,201	6,469	6,659	6,897	7,152	7,450	7,864	8,205	190	428	683	981	1,394	1,736	
06/30/23	5,035	7,026	7,703	8,060	8,441	8,888	9,507	10,018	677	1,033	1,415	1,861	2,480	2,992	
12/31/23	3,386	6,372	7,577	8,074	8,605	9,227	10,090	10,802	1,204	1,701	2,233	2,855	3,717	4,430	
Totals	228,308	237,572	239,804	242,209	244,783	247,795	251,971	255,421	2,265	4,670	7,243	10,255	14,432	17,881	

**Exhibit 8
Oregon State Bar Professional Liability Fund**

Attorneys Professional Liability Insurance

*Calculation of Recommended Surplus Using Confidence Intervals
Assuming That Claim Development Follows A Normal Distribution
Indemnity Portion of Claims*

6 Month Period Ending	Case Incurred (000's)	Selected Ultimate Incurred (000's)	Ultimate Incurred Indemnity in (000's) at Various Confidence Levels							Surplus Margin in (000's) at Various Confidence Levels					
			50%	60%	70%	80%	90%	95%	50%	60%	70%	80%	90%	95%	
06/30/11	3,354	3,354	3,354	3,354	3,354	3,354	3,354	3,354	0	0	0	0	0	0	
12/31/11	4,540	4,540	4,540	4,540	4,540	4,540	4,540	4,540	0	0	0	0	0	0	
06/30/12	4,114	4,114	4,112	4,116	4,120	4,125	4,132	4,138	-2	2	6	11	18	24	
12/31/12	3,545	3,545	3,550	3,566	3,583	3,603	3,630	3,653	5	21	38	58	85	108	
06/30/13	4,412	4,412	4,418	4,438	4,459	4,484	4,518	4,547	6	26	47	72	106	135	
12/31/13	3,724	3,720	3,729	3,747	3,765	3,787	3,817	3,841	9	26	45	66	96	121	
06/30/14	4,358	4,358	4,365	4,385	4,406	4,431	4,466	4,494	8	27	49	74	108	136	
12/31/14	3,476	3,457	3,483	3,498	3,515	3,534	3,561	3,584	26	41	58	77	104	127	
06/30/15	4,339	4,339	4,349	4,372	4,396	4,424	4,464	4,496	11	33	57	86	125	157	
12/31/15	3,846	3,846	3,846	3,854	3,862	3,871	3,885	3,896	0	8	16	26	39	50	
06/30/16	4,135	4,134	4,139	4,150	4,162	4,176	4,196	4,212	4	15	27	42	61	77	
12/31/16	3,477	3,477	3,482	3,495	3,510	3,526	3,550	3,569	5	18	33	49	72	92	
06/30/17	4,191	4,191	4,207	4,227	4,248	4,273	4,308	4,336	16	36	57	82	116	145	
12/31/17	5,070	5,123	5,105	5,132	5,161	5,195	5,242	5,281	-18	9	38	72	119	158	
06/30/18	3,099	3,152	3,128	3,146	3,165	3,188	3,219	3,245	-24	-6	14	36	67	93	
12/31/18	5,410	5,514	5,477	5,515	5,556	5,604	5,670	5,725	-37	2	42	90	156	211	
06/30/19	6,818	6,917	6,923	6,971	7,023	7,083	7,167	7,236	6	54	106	166	250	319	
12/31/19	4,823	4,924	4,930	4,978	5,030	5,090	5,174	5,243	6	55	106	167	250	319	
06/30/20	5,960	6,095	6,103	6,174	6,250	6,338	6,461	6,562	8	79	154	243	365	467	
12/31/20	3,211	3,371	3,316	3,358	3,402	3,454	3,526	3,585	-54	-13	31	83	155	215	
06/30/21	2,514	2,747	2,649	2,692	2,738	2,792	2,867	2,929	-98	-55	-9	45	120	181	
12/31/21	3,328	3,768	3,609	3,687	3,770	3,867	4,002	4,114	-159	-81	2	99	234	345	
06/30/22	3,121	3,848	3,660	3,764	3,874	4,004	4,184	4,332	-188	-84	26	156	336	484	
12/31/22	3,042	3,959	3,971	4,124	4,288	4,480	4,746	4,966	12	165	329	521	788	1,007	
06/30/23	2,828	4,365	4,688	4,929	5,188	5,490	5,910	6,257	322	564	822	1,125	1,545	1,891	
12/31/23	1,394	3,467	3,935	4,238	4,562	4,942	5,468	5,902	468	771	1,095	1,474	2,000	2,435	
Totals	115,505	122,110	122,445	123,826	125,304	127,034	129,432	131,413	338	1,720	3,197	4,927	7,325	9,306	

**Exhibit 8
Oregon State Bar Professional Liability Fund**

Attorneys Professional Liability Insurance

*Calculation of Recommended Surplus Using Confidence Intervals
Assuming That Claim Development Follows A Normal Distribution
Expense Portion of Claims*

6 Month Period Ending	Case Incurred (000's)	Selected Ultimate Incurred (000's)	Ultimate Incurred Expense in (000's) at Various Confidence Levels						Surplus Margin in (000's) at Various Confidence Levels					
			50%	60%	70%	80%	90%	95%	50%	60%	70%	80%	90%	95%
06/30/11	4,843	4,843	4,843	4,843	4,843	4,843	4,843	4,843	0	0	0	0	0	0
12/31/11	4,345	4,345	4,345	4,345	4,345	4,345	4,345	4,345	0	0	0	0	0	0
06/30/12	5,136	5,136	5,133	5,137	5,142	5,148	5,156	5,162	-3	1	6	12	20	26
12/31/12	3,603	3,603	3,605	3,613	3,621	3,631	3,645	3,656	3	10	19	29	42	54
06/30/13	4,558	4,558	4,563	4,575	4,588	4,602	4,622	4,639	6	17	30	44	65	81
12/31/13	5,121	5,116	5,130	5,144	5,160	5,178	5,204	5,225	14	29	44	63	88	109
06/30/14	3,920	3,920	3,927	3,939	3,953	3,968	3,990	4,007	7	19	33	48	70	87
12/31/14	4,123	4,119	4,133	4,148	4,163	4,181	4,206	4,227	14	29	44	62	87	108
06/30/15	3,785	3,785	3,794	3,809	3,825	3,843	3,869	3,890	9	24	39	58	83	105
12/31/15	4,796	4,799	4,808	4,825	4,843	4,865	4,895	4,919	9	26	44	66	95	120
06/30/16	6,254	6,266	6,273	6,297	6,322	6,352	6,394	6,428	7	31	56	86	128	162
12/31/16	2,524	2,531	2,531	2,542	2,554	2,568	2,587	2,603	-1	11	23	37	56	72
06/30/17	3,892	3,912	3,914	3,935	3,957	3,984	4,020	4,050	1	22	45	71	108	138
12/31/17	3,657	3,684	3,688	3,710	3,733	3,760	3,798	3,829	3	25	48	76	113	144
06/30/18	3,852	3,883	3,896	3,924	3,953	3,988	4,037	4,077	12	40	70	105	153	193
12/31/18	4,969	5,025	5,034	5,074	5,117	5,167	5,236	5,293	9	49	92	142	211	268
06/30/19	4,107	4,192	4,186	4,224	4,265	4,312	4,378	4,433	-6	32	72	120	186	241
12/31/19	3,949	4,034	4,052	4,094	4,140	4,193	4,267	4,328	18	60	106	159	233	294
06/30/20	3,929	4,034	4,054	4,103	4,155	4,217	4,302	4,372	19	68	121	182	268	338
12/31/20	2,672	2,747	2,780	2,816	2,855	2,900	2,963	3,015	33	69	108	153	216	269
06/30/21	2,909	3,028	3,080	3,133	3,190	3,257	3,350	3,426	52	105	162	229	321	398
12/31/21	2,512	2,663	2,736	2,797	2,863	2,939	3,045	3,132	73	134	199	276	382	469
06/30/22	3,420	3,651	3,941	4,048	4,163	4,297	4,484	4,637	290	397	512	646	833	987
12/31/22	2,159	2,510	2,688	2,773	2,864	2,970	3,117	3,239	178	263	354	460	607	728
06/30/23	2,207	2,661	3,015	3,130	3,253	3,397	3,597	3,761	355	469	592	736	936	1,100
12/31/23	1,992	2,905	3,642	3,836	4,043	4,285	4,622	4,900	737	931	1,138	1,381	1,717	1,995
Totals	106,445	107,386	103,790	104,814	105,910	107,192	108,970	110,439	1,929	2,953	4,048	5,330	7,109	8,577



Request for Proposals for Investment Consultancy Services

Introduction

For over 40 years the Oregon State Bar Professional Liability Fund (PLF) has provided malpractice coverage to lawyers in private practice in the state of Oregon. The PLF is a unique organization within the United States. The Oregon State Bar Board of Governors created the PLF in 1977 pursuant to state statute (ORS 9.080) and with the approval of the OSB membership. The PLF began providing coverage on July 1, 1978, and has been the mandatory provider of primary malpractice coverage for Oregon lawyers since that date.

While other states have bar-related insurance companies that provide coverage for lawyers, that coverage is not mandatory. Idaho is the only other U.S. state to require legal malpractice coverage, relying on attorneys to obtain coverage through commercial carriers. Oregon is the only state that requires coverage and provides that coverage through a mandatory bar-related program. The mission and purpose of the PLF is to serve the lawyers of Oregon. The existence of the PLF also provides benefit to the residents of Oregon because they can rely on their lawyer to have malpractice coverage.

Scope of Services

The PLF has a portfolio of approximately \$61 million available for investment as of August 31, 2023 broken- down into the following categories:

Description	Amount
Short and Intermediate Term Bond Funds	\$19.6 million
Domestic Equity Funds	17.6 million
International Equity Funds	14.1 million
Real Estate Funds	7.2 million
Short Duration Funds	2.2 million
Total	<u>\$60.7 million</u>

The PLF's Board of Directors has established an Investment Policy Statement that has been and will be used to guide investment decisions. This policy is found in Section 5.200 INVESTMENT GUIDELINES of the Oregon State Bar Professional Liability Fund July 2023 BYLAWS AND POLICY MANUAL. This manual is available for download on the PLF's website at the following link:

<https://www.osbplf.org/board/documents-resources.html>

Any questions related to the RFI should be forwarded in writing to bettyloun@osbplf.org.

Length of Agreement

The PLF is interested in establishing a stable relationship with the awarded Investment Partner. To do this, the PLF would like to develop an agreement with an initial term of three (3) years with an automatic option to renew for an additional three-year period. After the initial three years, fees can be renegotiated should this be deemed necessary.

Terms and Conditions

Please be aware that this is a request for information related to professional services, and not a competitive bid. The PLF is not required to conduct its request for professional services in accordance with competitive bidding laws.

The terms and conditions of this proposal are that the PLF:

- Reserves the right to reject any or all proposals.
- May render the bid invalid due to unauthorized modifications of bid specification forms or terms.

Instructions for RFI

Completed RFIs will only be accepted electronically at the e-mail address listed below.

ALL RFIs MUST BE RECEIVED BY THE OREGON STATE BAR PROFESSIONAL LIABILITY FUND BY XXXXX

E-mail address for the submission of RFI:

Betty Lou Morrow, Chief Financial Officer
Oregon State Bar Professional Liability Fund
bettyloum@osbplf.org

PMAP YEAR-END REPORT

DATE:	February 2, 2024
TO:	OSB Professional Liability Fund Board of Directors
FROM:	Hong Dao, Director of Practice Management Assistance Program (PMAP)
RE:	PMAP 2023 Year-End Report (January 1, 2023 – December 31, 2023)

As we reflect on the accomplishments and challenges of the past year, this report aims to provide a comprehensive overview of PMAP's activities in 2023. It highlights the success of our 2023 goals and presents a forward-looking perspective with strategic goals for 2024 and a vision for the future. Ultimately, we hope to offer the Board a holistic view of PMAP's contributions and our programmatic influence on Oregon's legal community.

2023 RECAP IN NUMBERS

22,175 views of *inPractice* blog articles

7,437 views of recorded CLEs from PLF website

4,170 downloads of practice aids

2,432 cartons of files shredded at 6 free shredding events

832 interactions with legal professionals

304 practice aids and 3 books reviewed and updated

34 presentations to organizations and law firms

25 articles written

4 PLF sponsored CLEs with 1,247 attendees via Zoom

4 new practice aids created

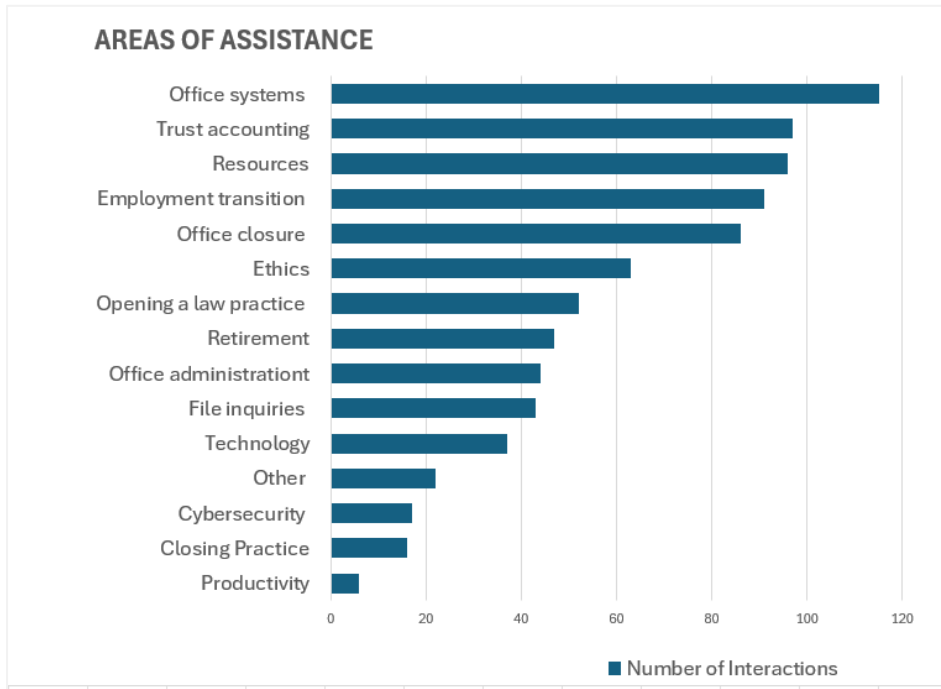
2.5 days of Learning the Ropes with 119 new admittees, 41 Bar leaders, and 18 judges

MAJOR THEMES IN 2023

The PMAs identified the following key themes representing the prevalent issues raised by lawyers seeking assistance from our department. These themes not only shed light on the persistent concerns faced by lawyers but also highlight their ability to adapt to changes.

- **Office systems** – Lawyers are grappling with transitioning to more streamlined office systems, particularly emphasizing the need for effective file management. The surge in interest in going paperless, notably during the pandemic, has prompted ongoing inquiries about adopting cloud-based solutions. As law firms consider switching to or adopting new software, there's a clear demand for guidance in selecting the right practice management software and other legal technologies. Additionally, questions about conflict checking systems, alternative fee agreements, and digital file storage underscore the changing dynamics within legal practices.
- **Employment transition** – As 2023 concludes, the PMAs observe more individuals departing a firm or leaving the legal field altogether. This shift has sparked inquiries about the versatility of the law license and the need for PLF coverage. The PMAs have also seen more employment terminations, as opposed to resignations, hinting at a possible power shift back toward employers after the pandemic. This has resulted in more inquiries from both law firms and departing lawyers about their roles and responsibilities. In addition to employment transitions, there's an increased interest in buying or selling law practices. It appears that lawyers are gaining clarity on their goals and opting to explore other opportunities rather than closing their practice outright.
- **Trust accounting** – In 2023, concerns about bank failures were prevalent in the legal community but didn't result in a significant volume of inquiries. Instead, calls predominantly focused on unclaimed funds in trust accounts, separate interest-bearing trust accounts, issues with settlement or client funds due to errors. Attorneys frequently sought guidance on navigating both typical and unusual situations, contributing to an increased demand for trust accounting assistance.
- **Resources** – The PMAs continue to be the primary resource for lawyers seeking assistance. Lawyers reach out for various resources, including sample agreements, templates, forms, and statutes. This demonstrates the pivotal role of the PMAs as a comprehensive support system, providing not only guidance on specific practice management issues but also acting as a valuable repository of essential resources for legal professionals.

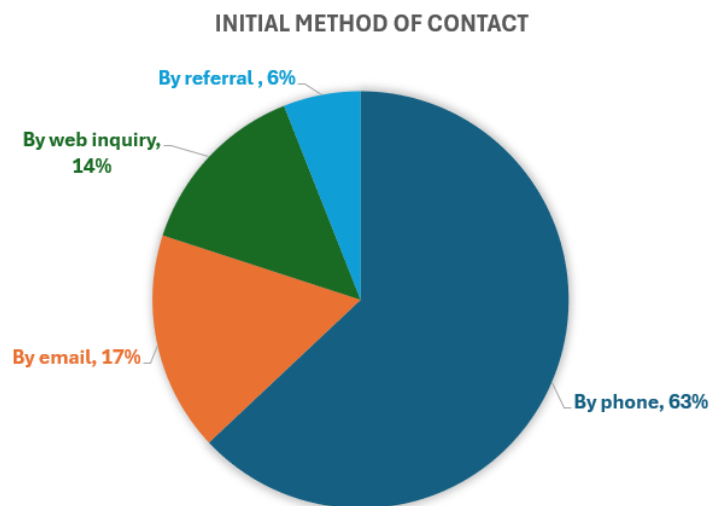
CONTACTS WITH PMAP



In 2023, we had 832 interactions with legal professionals seeking assistance across various areas, as shown in the left chart. Office systems emerged as the top area of assistance, followed by trust accounting and requests for resources. Our support in office systems covers diverse aspects like client relations, fee

agreements, calendaring, conflict systems, and more. The broad spectrum of support we provide speaks to the extensive knowledge and expertise of the PMAs in guiding and assisting lawyers and their staff.

Phone calls remain a primary means through which lawyers seek assistance and guidance from the PMAs. The majority of contacts were made via phone to the PLF front desk or directly to a PMA. The slight decrease from 69% in 2022 to 63% in 2023 in phone contacts suggests that lawyers are increasingly comfortable using our website or emailing individual PMAs for their inquiries. This also indicates a slight uptick in the alternative communication methods.

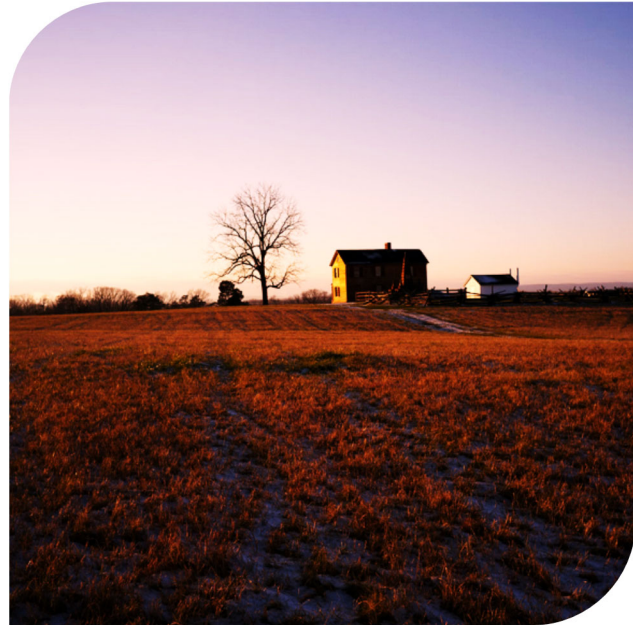


RESULT OF OUTREACH EFFORTS

In 2023, one of PMAP's primary objectives was to enhance access and awareness of our resources and services. To achieve this, we implemented a strategy of quarterly broadcast emails targeted at lawyers, showcasing specific resources and PMAP services. Additionally, we reached out to various bar sections, local bar associations, and legal professional organizations, expressing our readiness to present to their members.

A particular focus was placed on outreach to rural counties, where our services were often underutilized by attorneys. We initiated contact with local bar associations in these areas twice during 2023, introducing our resources and extending the option to provide physical resource materials by mail upon request.

The success of our outreach efforts became evident as we experienced a notable increase in requests for presentations, keeping the PMAs exceptionally busy throughout the year.



However, assessing the impact on calls or contacts from lawyers in rural communities remained challenging due to limited demographic data before May 1, 2023. Until this date, demographic data in our Universe database only captured a subset of contacts (approximately 15%) involving in-person meetings, Zoom appointments, phone appointments, and extended email exchanges. The remaining 85% of contacts were not documented in Universe as they were unscheduled.

With the implementation of our new Praxent software for contact management on May 1, 2023, all contacts, whether scheduled or unscheduled, were entered into the system. Praxent ensures a comprehensive record of 100% of our contacts, offering improved demographic information compared to the previous 15% captured by Universe.

As we look forward, we anticipate providing more robust and meaningful comparative statistics in the 2024 year-end report, leveraging the comprehensive data afforded by Praxent after almost two years of usage.

RESOURCE ACCESS

CLEs and Presentations

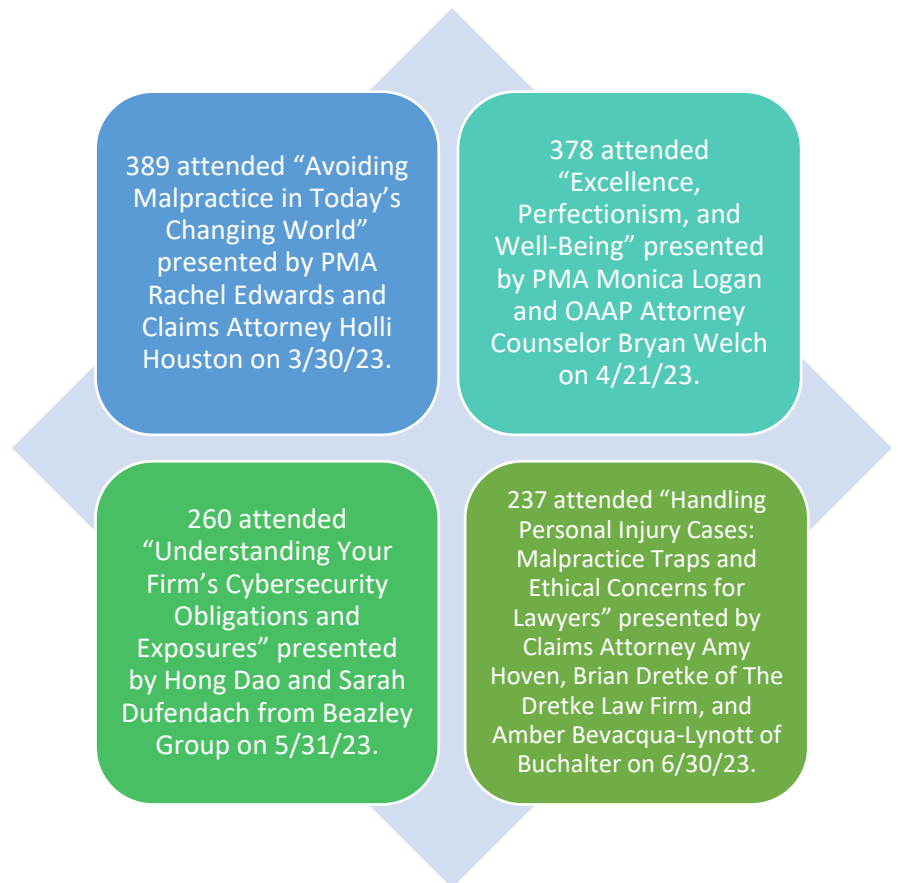
PMA strategically reduced the number of PLF-sponsored CLEs in 2023 to allocate time and effort towards the comprehensive review and update of over 300 practice aids, along with our three publications on trust accounting, planning for the unexpected, and opening a law practice.

We produced a total of 4 PLF-sponsored CLEs, with topics predetermined as part of our 2023 goals. Drawing insights from our claims data, we identified a few practice areas with the highest claims to guide our decision on CLE topics. Notably, in 2021 and 2022, our focus was on CLEs and resources related to family law, bankruptcy, and estate planning, while in 2023, we concentrated on personal injury.

Simultaneously, we accomplished two other goals of collaborating with the Claims Department and OAAP, leading to the creation of two CLEs on avoiding malpractice and well-being.

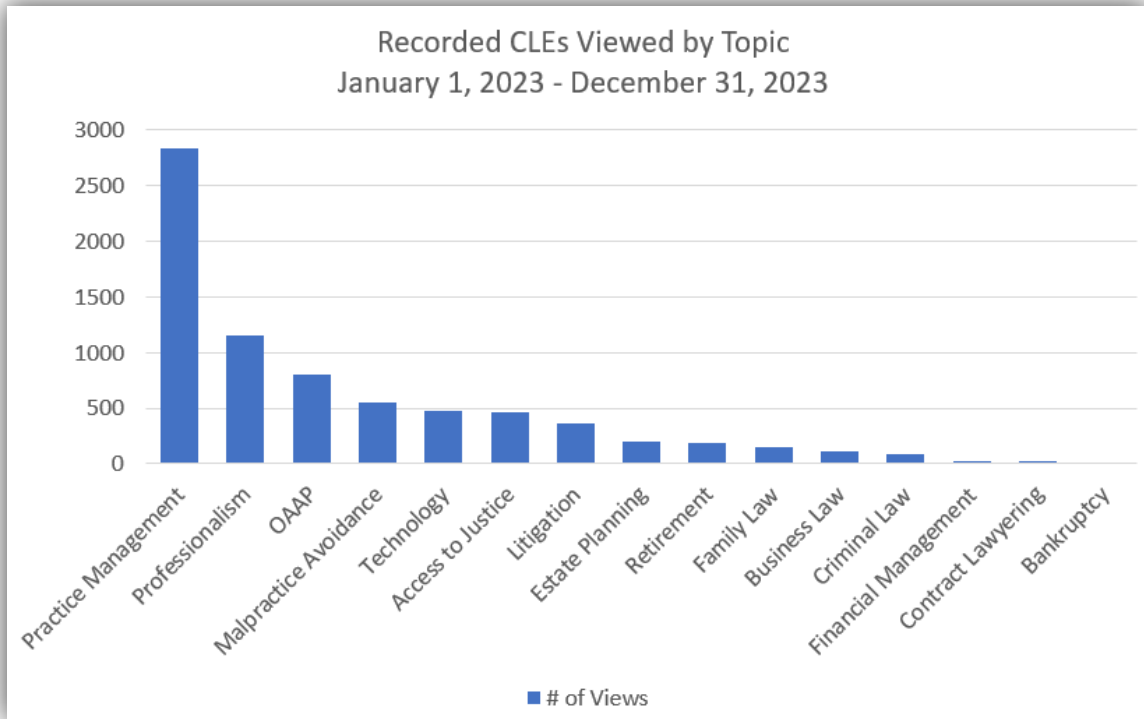
In pursuit of our objectives related to enhancing resources for lawyers in technology and office systems, we developed a CLE on cybersecurity and produced two practice aids addressing data breach concerns. These initiatives showcase

PMA's endeavor to stay current and relevant in supporting legal professionals.



All our CLEs are recorded and accessible on the PLF website. Because these videos are freely available, the PLF is frequently the first choice for lawyers seeking CLE content to meet their MCLE requirements. Our diverse topics, not commonly offered by other providers, contribute to the popularity of our CLE programs.

In 2023, these videos accumulated 7,437 views, with practice management being the most prominent and widely downloaded topic. This is followed by CLEs focusing on professionalism, along with those organized by the OAAP.



Additionally, the PMAs presented on various topics to different bar associations and organizations. These included the American Law Institute, American Bar Association, Oregon State Bar sections, National Association of Legal Secretaries, law schools, local bar associations, Inns of Court, law firms, and other legal professional organizations. The list of our speaking engagements is included in the Appendix.

Furthermore, in December 2023, we produced two recorded CLEs for the Oregon State Bar’s Licensed Paralegal Program. PMA Rachel Edwards presented on the topic of trust accounting. PMAs Monica Logan and Kalia Walker presented on limited scope law practice management. These CLEs are slated to be incorporated into the curriculum for the Licensed Paralegal Program.

Learning the Ropes



Over recent years, attendance at "Learning the Ropes" has seen a fluctuating ratio, comprising both new lawyers aspiring to start solo practices and those already employed in law firms. However, in 2022 and 2023, a noticeable shift occurred, with the majority of attendees now being associated with firms, and only a handful expressing an interest in solo practice. This shift mirrors an optimistic trend in the legal market, indicating a strong demand for associates after firms experienced a downturn during the pandemic.

In the past, we've observed more new lawyers opening solo practices due to challenges securing employment after law school. Now, the decision to go solo is made after having worked a few years at law firms or in government. Ropes attendees in the "solo practice" track often already have their law offices, so they seek guidance not on opening one but on effectively managing and running a solo practice.

Recognizing this evolving trend, PMAP will proactively adjust a segment of our Ropes program to better align with the changing demographics of our audience. Our goal is to tailor the contents to specifically address this shift, ensuring that the program remains relevant and valuable to all participants, regardless of their professional context.

Moreover, we are committed to enhancing the guidance provided to speakers to ensure a more focused and valuable presentation. We aim to deliver an impactful and streamlined experience for our audience by minimizing redundancy and eliminating unhelpful information while still providing the required MCLE credits.

Practice Aids and Books

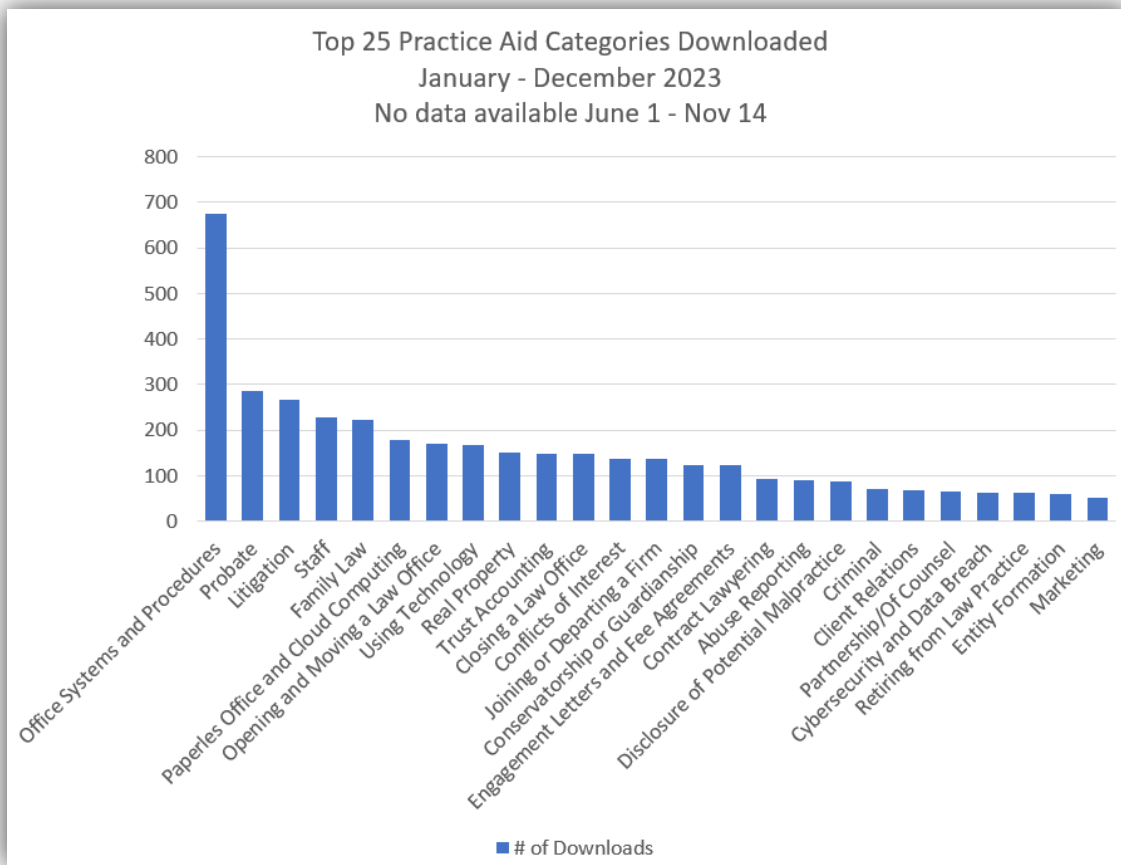
PMAP maintains a comprehensive database of 304 revised and updated practice aids, including checklists, forms, and concise articles on practice management topics and substantive areas of law. These invaluable resources are readily accessible on our website and are consistently downloaded by legal professionals seeking practical guidance.

Throughout 2023, our practice aids had 4,170 downloads, excluding the months of June through half of November. During this specific timeframe, the PLF website experienced issues with Google Analytics tracking code. The tracking code is instrumental in providing insightful data on website traffic, user interactions, and download statistics. Unfortunately, due to technical issues, this tracking code stopped functioning for a portion of June through November. As a result,

there was temporary disruption in our ability to accurately capture and analyze user engagement and download metrics during these periods.

During the periods for which tracking was feasible, office systems and procedures retained their status as the predominant category of downloads. Practice aids focusing on probate and litigation continued to be extensively utilized by practitioners, showcasing their ongoing relevance.

Notably, practice aids addressing the transition to a paperless environment and cloud computing, along with resources guiding the process of opening and moving a law office, experienced an increase in downloads compared to 2022. This trend reflects the themes discussed earlier, highlighting the legal community's evolving priorities and preferences.



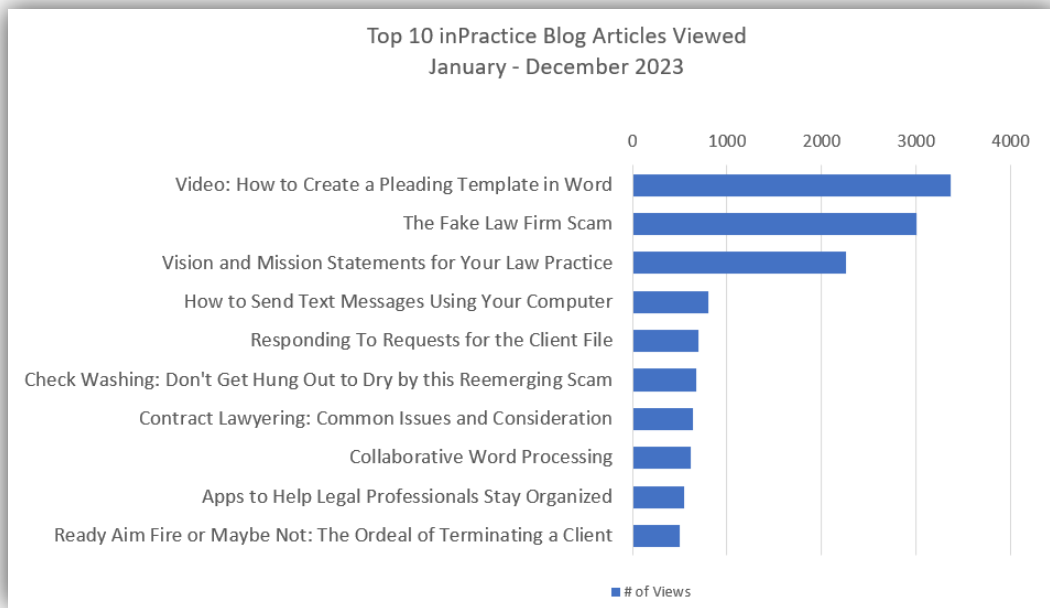
In addition to our practice aids, PMAP oversees three books covering the topics of opening a law practice, managing the trust account, and planning for the unexpected. These books are revised and updated every 3-5 years to ensure their relevance. In 2023, the PMAs and I made significant revisions to all three books, with a particular focus on enhancing the accessibility of the book on planning ahead. Communications team, working with an external designer, is assisting PMAP in refreshing the cover and layout to improve readability and modernize the

books. These updates aim to provide Oregon lawyers with up-to-date and user-friendly resources, enhancing overall accessibility and experience.

Publications and Articles

After a three-year hiatus, the PLF's *inBrief* newsletter has been successfully relaunched through collaborative efforts between PMAP and Communications. In 2023, three issues were produced, marking a renewed commitment to regular publication. Moving forward, we are dedicated to sustaining this momentum by planning and producing *inBrief* newsletters annually.

Since its inception in 2017, PMAP's *inPractice* blog has published nearly 150 articles, covering topics such as office systems, firm administration, business operations, technology and data security, and risk management. These practical articles have garnered widespread views from legal professionals. In the year 2023 alone, the blog received an impressive 22,175 views, indicating its popularity among the audience. Notably, the most-viewed blog post is a short video demonstrating how to create a pleading template in Word. The PMAs dedicate considerable time to carefully choosing and researching topics for their articles, and publishing them at regular intervals. This is fueled by their resolve to deliver valuable content that directly benefits our covered parties.



In 2023, the PMAs had a prolific year of writing, contributing a total of 25 articles across various platforms, including our *inBrief* newsletter, our *inPractice* blog, the Bar Bulletin, OSB Elder Law Newsletter, and ABA Law Practice Magazine. These articles span a diverse range of topics crucial for legal professionals, exploring ChatGPT's legal applications, addressing scams like check washing, and highlighting major malpractice risk factors. The content offers practical tips on file management, optimizing Zoom for specific clients, and harnessing Google Business Profiles for

free marketing. This diverse coverage reflects our ongoing effort to stay technologically adept and current in the ever-evolving legal landscape. Please see the Appendix for a complete list of articles written by the PMAs.

STAFFING CHANGES

PMA underwent staffing changes in 2023 as Isaac Alley departed in July after a year as a PMA to return to law practice. This transition created an opportunity for us to welcome Kalia Walker as our newest PMA. Since joining the PLF on October 16, 2023, Kalia has proven to be a valuable addition to our team. Her enthusiasm and motivation have significantly contributed to the positive dynamic within our group. We look forward to achieving continued success with her on board. Kalia's full bio is on the PLF website.

PMA EVALUATIONS

Results from our PMA evaluations, conducted after scheduled appointments with lawyers via phone, video, or in-person, reveal a remarkable 100% satisfaction rate. Lawyers expressed appreciation for the information presented and are generally pleased with the services they received.

Below are samplings of feedback from lawyers for services provided by PMAs Rachel Edwards and Monica Logan:



"Although we are far off in any transition within our office, we contacted Rachel to get an understanding of all the issues as we are aware we will be moving in that direction. She was very kind and thorough, her assistance was greatly appreciated and helpful."

* * *

"I really appreciate the time Rachel took with me to work through some very tricky questions. After the meeting Rachel provided me with some additional information which will greatly assist me in what I need to do on this issue. I have already scheduled a follow-up with Rachel to discuss office systems/administration. Much appreciated!"

* * *

"I would like to express my appreciation for Monica. Her attention to detail, knowledgeable responses, and ability to tailor solutions to the specific needs of

our office have been invaluable to me. Monica is a proactive problem solver who always provides accurate and timely answers to my questions. She is an excellent communicator and relationship builder. Monica is also very responsive to my requests for assistance and always provides me with the resources I need. Thank you, Monica, for your hard work and dedication!”

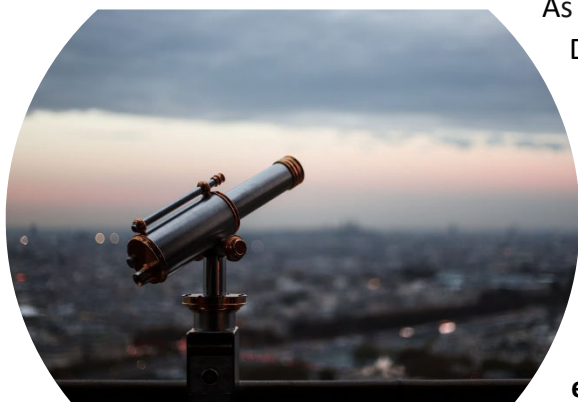
The positive feedback received from lawyers underscores the PMAs’ commitment to ensuring the high-quality service and support we provide. Their prompt and accessible approach is instrumental in fostering positive and efficient interactions.

2023 PROGRAMMATIC GOALS

Our 2023 programs were strategically crafted to align with specific goals set during our annual end-of-year programmatic planning meeting. These goals were as follows: increasing access and awareness to our resources and services; focusing our resources on high-risk practice areas as identified in claims data; developing relevant legal technology resources to boost efficiency and streamline office systems; collaborating with claims attorneys for malpractice risk education; partnering with the OAAP on lawyer well-being; and creating resources to address common challenges across different firm sizes and career stages. As detailed in the preceding sections of this report, PMAP has effectively realized each of these goals, affirming our dedication to advancing the support and success of legal professionals in Oregon.

PROGRAMMATIC PLANNING FOR 2024

PMAP Vision Statement



As part of our forward-looking approach, PMAP met on December 8, 2023, to strategize and outline our programs for 2024. As an integral part of our programmatic planning, PMAP crafted a departmental vision statement that encapsulates our commitment: **“Empowering Oregon’s legal community by serving as the premier source for accessible and current law practice management assistance—your first call for navigating the evolving legal landscape.”** This vision serves as a

guiding principle for our programs and informs our goals for 2024 and beyond.

Key Goals for 2024

Our strategic focus for 2024 includes five key goals: (1) increase access and awareness to our resources and services to all legal professionals in Oregon; (2) develop resources targeting issues in high-risk practice areas identified in claims data; (3) enhance training and education for PMAs to stay abreast of current and emerging developments, trends, and issues in law practice management and technology; (4) create resources responsive to issues identified by PMAs based on their contacts and interactions with legal professionals; and (5) collaborate with PLF colleagues to provide tips and tools for the success of legal professionals in their law practice.



The highlights of our 2024 program include a traveling presentation (aka Roadshow) scheduled from March to June, covering 13 cities. Additionally, we plan to produce three PLF-sponsored CLEs during the Roadshow period and will continue to welcome requests for presentations from bar sections, local bar associations, and other professional legal organizations throughout the year. Furthermore, our team will intensify its focus on training and education to stay informed about the latest developments in law practice management. These initiatives exemplify our focus on serving and empowering the legal community in Oregon.

CONCLUSION

This report captures the dynamic and impactful endeavors of the Practice Management Assistance Program throughout 2023. The success of our 2023 goals and the outlined vision for 2024 underscore our commitment to continuous improvement and dedicated service. As we move forward, this report stands as a testament to PMAP's invaluable contributions, reflecting our unwavering dedication to fostering an informed, resilient, and thriving legal landscape in the years to come.



Combined PMAP Board Report
Program Access Appendix

CONTENTS PRODUCED BY PMAS

Reporting Period: January 1, 2023 – December 31, 2023

CLEs/Presentations				
Topic/Title	Date	PMA Initials	PLF	Other (Specify)
Managing Your Transition to a Firm	1/9/23	ML		ABA IP Section LPM
Technology Survey	1/28/23	IA		NALS of Oregon,
Microsoft Word and Outlook Tips and Tricks	2/15/23	RE		OSB SSF Legal Lunchbox
Managing a Practice: Helpful Information and Resources	3/8/23	RE		Willamette Trusts and Estates Clinic
Avoiding Malpractice in Today's Changing World	3/30/23	RE	X	
Trust Accounting	4/4/23	IA		OTLA
An Open Door: Tips and Resources as You Enter the Legal World	4/11/23	RE		Willamette Law School
Excellence, Perfectionism, and Well-being	4/21/23	ML	X	
Starting and Managing a Solo or Small Firm Practice (co-presented with Kim Le)	5/12/23	HD		American Law Institute
Working Remotely: Best Practices and Ethics Considerations	5/23/23	RE		Lincoln County Bar Association
File Management and Retention	5/24/23	MHL		NALS - COLP
Understanding Your Firm's Cybersecurity Obligations and Exposures (with Sarah Dufendach, Beazley Group)	5/31/23	HD	X	
An Overview of Metadata: What Is It, Does It Need To Be Removed, and Removal How-Tos	6/8/23	RE		NALS of Portland
Handling Personal Injury Cases: Malpractice Traps and Ethical Concerns for Lawyers	6/30/23	IA	X	
Review & Revise: Analyzing and Updating Your Law Firm Tech Stack	7/10/23	RE		ABA
Diffusing the Bomb: How the PLF Can Help	7/27/23	MHL		ALA
Understanding Your Firm's Ethical Obligations Regarding Disaster Planning	9/13/23	RE		Washington County Bar Association
Handling E-Discovery	9/13/23	MHL		NALS - COLP
Top Three Malpractice Traps and How to Prevent Them	9/21/23	MHL		Deschutes Bar
Understanding Your Firm's Ethical Obligations Regarding Disaster Planning	9/29/23	RE		OSB Workers Compensation section
Understanding Your Firm's Ethical Obligations Regarding Disaster Planning	10/6/23	RE		OSB Debtor Creditor section

Balance Client Preferences with Ethical Obligations	10/12/23	RE		Lane County Bar Association
Preparing for When a Disaster Strikes	10/19/23	MHL		Willamette Inns of Court
Learning the Ropes Solo Success: Launching Your Own Practice	11/8/23	RE	X	
Essential Guide to Practice Management	11/8/23	RE, MHL	X	
Solo Success: Staying the Course	11/8/23	MHL	X	
Generative AI: Ethical and Malpractice Considerations for Lawyers (co-presented with Ankur Doshi, OSB)	11/15/23	HD		OSB Technology Section
Legal Ethics and Staff	11/15/23	RE		Law firm
Conflicts of Interest: Understanding the Ethics and Setting Up the System	11/29/23	RE		Law firm
Conflicts: Understanding the Rules and Best Practices for Creating a Reliable System	11/29/23	RE		Law Firm
Controlling Your Day: Time Management	12/6/23	MHL		Law Firm
The Business of Law - Trust Accounting	12/13/23	MHL		MBA SSF workshop
Trust Accounting: Ethical Obligations and Best Practices for Licensed Paralegals	12/15/23	RE		OSB
Navigating Uncharted Waters: Successful Limited Scope for Licensed Paralegal Practice	12/18/23	KW, MHL		OSB

Publications				
Topic/Title	PMA Initials	PLF <i>in</i> Brief Newsletter	PLF <i>in</i> Practice Blog	Other Outlet (specify)
Exploring ChatGPT's Capabilities, Limits, and Risks for Lawyers – Part I	HD	X		
Exploring ChatGPT's Capabilities, Limits, and Risks for Lawyers – Part II	HD	X		
Check Washing: Don't Get Hung Out to Dry By This Reemerging Scam	RE		X	
Empower Yourself to Avoid the Risk of Failing to Know or Apply the Law	RE	X		
Locating Another Attorney's Client File	RE	X		
How to Make Zoom More User-Friendly for Elderly Clients	RE			OSB Elder Law newsletter
Google Business Profiles: Take Advantage of Free Marketing	RE		X	
Texting with Clients: Setting Boundaries and Finding What Works Best	RE			OSB Bulletin
Don't Miss Out: New and Updated PLF Practice Aids Available	RE		X	

File Management: Tips for Managing the Chaos	RE		X	
New OJD Email Address: How to Add it to Your Safe Senders List	RE		X	
Artificial Intelligence: Entering a “New” World	RE		X	
InBrief Roundup: Top Three Practice Management Articles	MHL	X		
The Three Ps of Profitability	MHL		X	
Turning the Page: Three Key Questions to Plan Your Exit	MHL		X	
Steer Clear of Mistakes in Your Documents and Forms	MHL		X	
Advance Planning Can Go a Long Way to Prevent Overload	RE		X	
Can We Talk? Audio Conferencing Options & Tips	MHL		X	
Manage Meetings Like a Conductor	MHL		X	
When Opposing Counsel Doesn't Return Your Calls	MHL			ABA GP Solo eReport
Design 2023 To Be A Success	IA		X	
Top Techshow Takeaways	IA		X	
Slay The Email Dragon With Help From Merlin	IA		X	
Beware of Data Collection for AI Training Purposes	RE	X		
'Tis the Season: Managing Your Practice During the Holidays	KW		X	



MEMORANDUM

DATE: January 28, 2024
TO: PLF Board of Directors
FROM: Tanya Hanson, PLF Communications Manager
RE: Communications Department Update

Publications

I'm pleased to report that we published the [Winter issue of *inSight*](#) focusing on connection and the [December issue of *InBrief*](#), which was also the Legislation Alerts issue we publish biennially. Many thanks to the PMAP and OAAP teams for their work on these publications, as well as the OSB Public Affairs staff for their assistance with the legislation alerts.

In addition, we work with both of those groups to publish their blog posts on [inPractice](#) and [Thriving Today](#), respectively. In the last quarter of 2023, the PMAs blogged on the new email address for court notifications; avoiding mistakes in documents and forms; artificial intelligence; and managing your practice during the holidays. The OAAP blogged about the observance of mental health day; moderation during the holidays; and recapping the women's wellness retreat.

We launched *inHouse*, a staff newsletter for PLF employees. The first issue was published in [November](#) and the second issue in [December](#). It was very well-received, with many people contributing ideas and suggesting content for future issues.

Licensed Paralegals

We undertook a comprehensive review of the language on the PLF website and revised terminology that referred to lawyers to more broadly reference OSB members, legal professionals, legal practitioners, or the legal community, depending on the context. We also created a [web page just for licensed paralegals](#) that provides an overview of their coverage and familiarizes them with PLF services and resources, as well as a section in [Do I Need Coverage?](#) under How to Begin Coverage, with further details about the assessment, new admittee discount, and payment. Additionally, we modified the welcome letter that the accounting department sends to new members of the OSB to make it more inclusive of the licensed paralegals.

We anticipate that our web content and resources for paralegals will expand and evolve over time, as we field questions from these new members and learn how to tailor our services to their needs.

Website Updates

The [PLF website](#) has been a flurry of recent activity. In addition to the web updates for licensed paralegals, the various PLF news posts (and carousel slides on the home page) included a message from the CFO, Betty Lou Morrow, about the assessment's return to \$3,500; a promotion of PLF Quick Pay for paying assessments and avoiding late fees; an alert about fraudulent activity relating to the Corporate Transparency Act; marketing for ABA TECHSHOW (the PLF is an event promoter); an announcement about outgoing and incoming PLF board members; and a message about power outage at the PLF during the recent winter storm.