

Claims Corner

I Had an “Accident!” Is My Premium Going to Go Up?

By Sarah Troutt

Regardless of merit or damages sought, receiving a legal malpractice claim can be extremely upsetting. Making a mistake in representing a client is one of the most stressful experiences in a lawyer’s career. Compounding this distress, lawyers are often anxious and uncertain about the consequences of the claim—financial and otherwise. This article address a few of the questions you likely have about the impact of a malpractice claim.

WILL THE PLF CANCEL MY COVERAGE IF I HAVE A CLAIM?

No. The PLF cannot terminate your primary malpractice coverage for having a claim.

IS THERE A DEDUCTIBLE? WILL I NEED TO PAY ANYTHING OUT OF POCKET?

There is no deductible under your PLF Primary Coverage Plan. Excess insurance sold on the commercial market may include deductibles. For in-state lawyers, there is no deductible under the PLF Excess Plan.

Provided the claim is covered under the PLF Primary Coverage Plan and sufficient limits are available under either the primary plan and/or any excess coverage you may have, you shouldn’t incur any direct financial consequences. If the claim exceeds the available limits, however, you may be responsible to cover damages and/or defense costs in excess of your limit.

WILL A CLAIM AGAINST ME INCREASE THE AMOUNT OF MY PLF ASSESSMENT?

Not necessarily. Because the PLF is a mandatory provider of professional liability coverage for lawyers in private practice in Oregon, all covered

parties pay the same assessment for primary coverage in a given year (excluding midyear prorations and “new lawyer” credits), regardless of the number of claims they have.

Claims made against you will not affect your individual assessment under the PLF Primary Coverage Plan. Possibly, a claim against you may affect your assessment or premium for excess coverage, whether through the PLF or through a commercial carrier.

IS THE CLAIM AGAINST ME PUBLIC RECORD?

The PLF considers our communications with you about a claim to be confidential. We do not disclose information about a specific claim to the public. We also do not disclose information about a specific claim or report allegations made about you to the Oregon State Bar. To preserve the confidentiality of your communications with us, you should not disclose those communications to others—particularly the claimant and claimant’s counsel—without first conferring with your claims attorney. If a claimant brings a lawsuit against you, the lawsuit itself is public information.

We hope this article answers some of the questions or concerns you may have about the impact of a professional liability claim against you. If you have further questions, you are always welcome to call any of the individual claims attorneys at the PLF. We are happy to discuss these issues with you. ■



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