

EMPLOYED LAWYERS PROFESSIONAL LIABILITY IN-HOUSE DOES NOT MEAN IMMUNE TO A LAWSUIT.

The increasingly vital role played by in-house counsel also comes with malpractice risks. A legal malpractice (professional liability) lawsuit not only threatens the company's balance sheet, it can also place an in-house attorney's personal assets in jeopardy.

What your company needs is an insurer that understands in-house counsel risks, especially in today's complex legal environment. As one of the first insurers to offer employed lawyers professional liability insurance, and an Alliance Partner of the Association of Corporate Counsel since 1996, Westchester is both committed to, and held in high regard by, the in-house legal community.

Building on this expertise, we created *Employed Lawyers Professional Liability by Chubb*™ specifically for companies with in-house counsel like yours.

Why your company and in-house counsel need employed lawyers liability insurance:

- Creditors, customers, vendors, government regulators, competitors, shareholders, trustees, and even employees can sue your company's in-house attorneys for legal malpractice.
- Other insurance policies your company may have – such as general liability, umbrella, and directors and officers liability – generally do not provide coverage for:
 - Legal malpractice, including litigation arising out of professional or legal services provided to your company's employees and executives, your company's clients, or other entities related to your company, such as affiliates and holding companies.
 - *Pro bono* or moonlighting legal services. "Internal" claims; i.e., suits brought by your employees or executives.
 - Disbarment or similar professional disciplinary proceedings.
 - Counsel who are not also officers of the company and other legal staff.

- Your in-house counsel does not have to do anything wrong to be sued. A large proportion of lawsuits may be meritless but must still be defended. In Westchester's experience, defense expenses typically comprise the bulk of the costs associated with professional liability lawsuits.
- A malpractice lawsuit may result in losses of hundreds of thousands or even millions of dollars. Comparatively speaking, purchasing *Employed Lawyers Professional Liability by Chubb* makes good business sense.
- States may require attorneys to disclose to clients if they do not maintain specific limits of malpractice insurance. Exceptions to disclosure requirements for in-house counsel may not extend to legal services rendered to clients other than their employer. A failure to disclose an attorney's insurance status to other clients may result in a misconduct investigation and disciplinary action.

Your general counsel doesn't have to do anything wrong to be sued.

Employed Lawyers Professional Liability by Westchester

Helps protect against risks stemming from a broad range of in-house counsel activities including:

- Opinion letters or comments relating to your company's financial documents and representations.
- Review of shareholder communications and other publicly available documents released by your company.
- Review and assessment of new regulations impacting your company.
- Approval of filings made with regulatory boards or agencies.
- Providing legal opinions to your company's board of directors.
- Drafting contracts executed by your company with vendors or customers.
- Participating in internal employee investigations.
- Review of advertising, press releases, and other communications disseminated by your company.
- Executing collection letters for past-due account receivables.

And insures:

- In-house general counsel, including legal assistants, notaries public, and temporary and independent contractor attorneys.
- Professional legal services rendered to the organization and subsidiaries, as well as foundations, charitable trusts, and political action committees when controlled by the parent organization.
- *Pro bono* and moonlighting legal services, with no requirement that the organization consent to the performance of these services.

Key features

The *Employed Lawyers Professional Liability by Chubb* policy offers some of the broadest coverage available in the marketplace and includes the following features crafted to address the unique exposures of in-house attorneys:

- The definition of "claim" includes coverage for bar association proceedings concerning the eligibility of an in-house attorney to practice law.
- The definition of "personal injury" includes malicious prosecution and abuse of process.
- The definition of "loss" includes civil penalties assessed against any employed lawyer pursuant to the Foreign Corrupt Practices Act.
- Even when the definition of "claim" has not been triggered, if there is a subpoena regarding an attorney's alleged wrongful act, our policy extends up to \$10,000 to cover legal fees, including motions to quash or modify the subpoena.
- Insured v. Insured exclusion does not apply to claims brought by an employee or executive of the organization who does not otherwise meet the definition of insured person.
- Insured v. Insured exclusion does not apply to claims brought by an insured person who has not served in the capacity of an insured person for at least one year.
- No exclusion for defense expenses or indemnity for claims brought by or on behalf of the insured organization in the event of financial impairment.

Why Westchester?

- Our reputation for fair claims handling and superior service offers you additional peace of mind.
- Our financial stability and ability to pay claims rate among the best in the insurance industry.
- As an *ACC Alliance Partner*, we provide employed lawyers professional liability insurance to members of the Association of Corporate Counsel (ACC), the largest organization of in-house counsel in the United States.

CONTACT US

For more information contact your insurance agent or broker or visit us online at www.Westchester.com.

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