

WHY CONSIDER A STANDALONE EMPLOYED LAWYERS PROFESSIONAL LIABILITY POLICY?

In recent years, third-party litigation against attorneys is on the rise. Further, in-house attorneys in particular face increased liability exposure based on the broad range of domestic and international legal services they perform.

Consider the following claims scenarios:

The general counsel for a privately owned company participated in the decision to authorize the use of a trademark in certain marketing materials for the company. The alleged owners of the trademark then brought suit against the company for trademark infringement and sued the general counsel for contributory trademark infringement.

The CFO of a public company sought the advice of the company's general counsel regarding compliance with certain disclosure requirements of the Sarbanes-Oxley Act of 2002. The advice was incorrect, and as a result, the CFO was terminated and found personally liable under the provisions of the Act. The CFO then brought suit against the general counsel, alleging negligence, conflict of interest, and breach of fiduciary duty.

The general counsel for a not-for-profit organization provided advice to the human resources manager regarding the investigation and handling of a sexual harassment allegation made against a supervisor. The supervisor was terminated after the completion of the investigation and in accordance with the general counsel's legal advice. The supervisor brought suit against the organization and the human resources manager for wrongful termination and against the general counsel for negligence and misrepresentation.

An employee was laid off during a corporate reorganization and referred to the company's in-house counsel for advice on numerous benefit options available to her upon leaving the company. As a high-ranking officer, the employee was entitled to various benefits, including stock options. After the employee left the company, she attempted to exercise her options, but was denied because the options had expired. In addition, the tax savings suggested by the in-house counsel were disallowed. This former employee brought suit against the in-house counsel alleging negligence in giving both the stock option and tax advice. She also alleged a conflict of interest since the in-house counsel represented her and the company simultaneously.

Employed lawyers professional liability coverage helps protect in-house attorneys when allegations of malpractice are made. However, employed lawyers' endorsements to directors & officers (D&O) policies are often limited in scope compared to standalone employed lawyers policies. There are numerous benefits to choosing a standalone policy, including:

- \$0 retention for non-indemnified losses
- Entity retentions starting at \$5,000
- Separate Limits from the D&O tower with higher limits available
- Broad definition of "Insured Person," which includes in-house counsel and their staff
- Definition of "Professional Services" includes notary, moonlighting and pro bono legal services
- Definition of "Wrongful Act" covers personal injury (as defined in the policy), which includes malicious prosecution or abuse of process

Employed Lawyers Professional Liability by ChubbSM also includes:

- Subpoena Defense Costs coverage sublimit
- Defense Costs coverage for Wage & Hour and NLRA, WARN, COBRA & OSHA exclusions

Here is a sampling of employed lawyers professional liability coverage Chubb may be able to offer on a standalone basis, subject to our underwriting criteria. Organization retentions typically range from \$5,000 to \$100,000, and estimated premiums are:

Attorney Count	\$1M Limit	\$2M Limit	\$3M Limit	\$5M Limit
1	\$1,200	\$1,850	-	-
2	\$1,650	\$2,800	\$3,600	-
5	\$3,300	\$5,200	\$6,700	\$9,450
10	\$5,550	\$8,650	\$11,750	\$18,150

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