



AFFINITY

LPL insurance is sometimes called a “long-tail” line of insurance, meaning that although an act or omission may take place today, a claim arising from that act or omission may not be discovered or made against a lawyer for a considerable period of time, maybe even years later. Although most claims are reported to an insurance company within a relatively short period of time, many LPL claims are not reported for some after the act or omission that gave rise to the claim, thus the term, “tail coverage.”

Tail coverage may be provided for a limited period of time in which to report a claim after a policy expiration date, usually from 30 to 60 days. Some policies offering tail coverage require that the claim be first made before the expiration date of the policy, but provides additional time after expiration to report the claim to the insurer.

Claims-made policies will provide free extended reporting period (ERP) coverage to an insured for a much longer period of time, if certain conditions are met. These conditions might include a certain number of years of continuous coverage by the same insurer, and the lawyer’s retirement from practice. But this is the exception, not the rule.

The bottom line: Malpractice policies only provide coverage for one year, and in order for an attorney to have coverage in force at all times, a policy must be purchased every year. The failure to do so could allow a gap in coverage. This is something most attorneys want to avoid, as going bare is definitely not in their best interest.

The Philadelphia Bar Endorsed Lawyers Professional Liability policy offers some of the broadest coverage in the state, including tail coverage.

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