

NEW YORK

Professional Liability Insurance

Occurrence policy covers insured for an incident that took place during the insured period, regardless of when the incident is reported. This type of policy is not used much anymore for professional liability coverage. The insurance companies do not like the open-ended nature of the policy.

Claims-made policy is more restrictive - provides coverage for claims that are first made against the insured during the policy period *and* reported to the insurer during the policy period, regardless of whether the loss took place before the inception of the policy. The exception here is that there is usually a retroactive date before which acts are not covered.

The notice requirement is what allows the insurer to "close the books" with the knowledge that after a certain date, no claims can be made, even if the loss happened during the period of coverage.

Most claims made policy include an awareness provision that allows for reporting potential claims or events which the insured reasonably believes may give rise to a claim in the future. This allows the claim to be deemed to have been made during the policy. Lawyers should be trained to recognize a claim. It need not be written, can be verbal. It need not request damages. In other words, a law suit is not always the first notice of a claim.

When canceling a claims-made policy, the insured should buy a trailer (or tail coverage) that insures for a specified period of time for acts committed during the insured period, but not claimed by the end of the policy. It is recommended when a lawyer retires or dies, when the firm dissolves or merges. The policy can not be purchased for claims that already exist, only for unknown events. (Of course, the known events have already been reported under the current policy.)

Insurance

Employment practices - can't cover an intentional act. Provides cost of defense, not indemnification.

Workers Compensation - states require coverage. States control costs. Industries are assigned ratings and then each office experience defines rates. Then at end of period, an audit of payroll to determine premium and cost of claims. Company could have to a surcharge after the audit.

Business Interruption - do not get lost profits. ^{p24} ?

Fire/theft - try to have replacement value coverage instead of FMV. *what is FMV*

Valuable Papers Replacement - coverage is good, cheap, covers cost of recreating document, even doing research again.

Kidnap/ransom - good to have for international travel, can not tell people that you have it.

Commercial/general liability

Umbrella - sits on top of CGL policy. Cheaper because does not get used as often.