

Risks and insurance for the private practitioner

An overview

Here's an overview of the risks in practice and the insurance available through the compulsory or commercial policies. Pink means insurance is available and purple means it's not. Grey means it's qualified in some way.

Risks		Insurance	
		Compulsory policy	Commercial policies
NEGLIGENCE	Negligence in acting as a lawyer, arbitrator or mediator or, if the services are connected with and incidental to your practice of law, as an executor, trustee or patent/trademark agent, even if the mistake is not discovered until after you stop paying the insurance fee.	Part A insures you. Optional BIIC coverage insures you for your partner's claims that trigger Exclusion 6.2, the "business exclusion."	Excess extends the Part A limits. Discovery period excess policies extend the Part A limits for mistakes discovered after you leave practice.
	Defamation.	Part A insures you for defence costs only.	Commercial General Liability (CGL) insures you.
FRAUD	Criminal, dishonest, fraudulent or malicious acts unrelated to theft of trust funds or property.	No insurance for your own bad acts.	Excess may insure you for defence costs.
	Loss of trust funds as a result of fraud, including the "bad certified cheque" and other social engineering frauds.	Part A insures you for liability for the bad acts of a firm lawyer.	Excess extends the Part A limits.
		Part C insures you for the "bad certified cheque" and certain other social engineering frauds.	Social Engineering and Funds Transfer Frauds – part of Crime (fidelity) – insure you.
THEFT	Stealing trust funds or property.	Part B insures you but you must repay.	Some Excess extends the Part B limits but you must repay.
		Part B insures you for liability for a theft by a firm lawyer.	Crime (fidelity) insures you.
	A non-lawyer employee or third party steals trust funds or property.	No insurance.	Some Excess extends the Part B limits.
DATA BREACH	A data breach that leads to the misuse of information by a third party, or a malware transmission.	No insurance.	Cyber insures you.
	A data breach that leads to a claim that is based on a compromised ability to provide your client with legal services.	Part A insures you.	Excess extends the Part A limits.
DAMAGE	Bodily injury and property damage to third parties arising from your operations and premises.	No insurance.	Commercial General Liability (CGL) insures you.
	Loss of office property and assets, and business interruption, due to fire, theft, vandalism, flood, earthquake or other perils.	No insurance.	Property insures you.
EMPLOYER DIRECTOR	Claims against you as a law firm employer for wrongful dismissal, breach of contract, sexual harassment and other wrongful employment practices.	No insurance.	Employment Practices Liability (EPL) insures you.
	Claims against you as a director or officer of a law firm for mismanagement of the company, conflicts of interests and other allegations.	No insurance.	Some Excess may insure you.
			Directors & Officers Liability (D&O) insures you.