

CNA Lawyers Professional Liability Claim Service

We're your best defense.

With nearly 50 years of experience insuring attorneys in the private practice of law, CNA is the premier provider of professional liability coverage. We understand that the strength of any coverage is not just the policy, but the support available to you when you need a claim resolved. Every year, thousands of liability claims are made against legal professionals. If a claim is made against you, we provide highly-responsive professional service. As a matter of policy, we investigate claims thoroughly, pay meritorious claims promptly and fairly, and defend claims without merit vigorously.

Licensed attorneys: 80% of the claims team are attorneys with a broad range of legal experience including, but not limited to, civil and personal injury litigation, business transactions, family law, real estate and bankruptcy. Our attorneys bring depth of knowledge and understanding as they have been in the insured's "shoes."

Claims experience: Claims team members have an average of 15 years of experience. The majority of their experience is in lawyers professional liability claims. Their in-depth expertise provides knowledge of jurisdictions and enables unique creative claim strategies.

The experience of the claims team also provides a resource for underwriters when looking to underwrite particular areas of practice. The team is able to provide perspective from a legal practice point of view as well as a claim point of view.

Strategic claims handling: An additional team of CNA attorneys specializing in strategic claims handling (for large or especially complex claims) is a resource available to the claims team. These attorneys have extensive litigation experience and top-notch negotiation skills.

Attorney selection: The claims team chooses counsel from a list of preferred, pre-screened attorneys with excellent credentials and experience in lawyers malpractice. We meet annually with many of these attorneys to discuss current issues and to help improve the overall defense of our insureds. Claims professionals are sensitive to the insured's views regarding attorney selection and welcome the insured's input.

Claim process: When an insured reports a matter, whether a potential or actual claim, the insured will receive acknowledgment within 24 business hours of report. If immediate assistance is needed, the claims team is available to help.

Once a potential or actual claim is reported, a claims professional will discuss the details and work with the insured in developing a strategy on how and when to approach the claimant. With rare exceptions, a claims professional will not contact a claimant without first talking to the insured.

The claims team may deem pre-claims assistance to be appropriate and will consult with the insured and take into account the insured's position when making that determination.

The insured must give consent to settle. In approaching an insured for consent, the claims professional will work to help the insured make an informed decision. The claims team recognizes there are times when it is necessary to fight the claim in court, but also is considerate of the insured's time and commitment when the insured wishes to resolve the matter.



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You Can Be Sued for Anything at Any Time

Mr. and Mrs. Jones retained attorney Bill in 1986 to handle a personal injury case for their family against a contractor for physical damages sustained from insulation containing formaldehyde gas. When the case ultimately settled, one of the children, Mary, had reached the age of majority. Twenty-one years later, Mary claimed she recently learned of the settlement. Mary filed suit against Bill, alleging that she never received the settlement proceeds, nor did she ever sign the release to the settlement. Bill had since retired from the practice of law, had little recollection of the matter, and the file had been purged.

The Bottom Line: Almost a year into litigation, Mr. and Mrs. Jones located the executed release, showing that Mary had signed it. The court granted Bill's motion for summary judgment. \$30,000 spent in defense costs.

Failure to File within Statute of Limitations

Attorney Ralph's client Lois was a resident of an extended care facility. Lois was severely injured while being transported by the facility to a doctor's appointment. Before the accident, Ralph had asked attorney Tina to handle a guardianship appointment for Lois, but Tina and Lois never met, Lois never retained Tina, and the guardianship was never prepared. After the accident, Ralph failed to file a personal injury complaint within the statute of limitations. In an attempt to save the claim against the facility, Ralph asked Tina to file a claim on Lois' behalf based on breach of contract instead of tort to take advantage of the longer contract limitations period. Although filed on time, the court rejected the contract argument and dismissed the lawsuit. Lois then retained a new attorney who filed suit against Ralph and Tina, seeking \$350,000.

The Bottom Line: Tina's attorney filed a motion to dismiss on the basis that Tina only began to represent Lois after Ralph's mistake. Lois' new attorney and Ralph vigorously opposed this, arguing that the guardianship matter began Tina's attorney-client relationship with Lois. The court agreed that Tina was not Lois' attorney at the time of the malpractice and granted Tina's motion. Ralph subsequently settled with Lois for \$300,000.

Failure to Advise of Conflict and Give Proper Advice

Joan, a principal shareholder of CAP Company, regretted selling the company and approached lenders in an effort to buy it back. She was ultimately able to obtain financing, but only when she agreed to a personal guarantee. After she secured the loan, she retained attorney Marsha to represent her and CAP Company in the sale. After Joan bought back CAP Company, business deteriorated and CAP went bankrupt. Lienholders went after Joan's personal assets as she had agreed to the guarantee. Despite the fact that Joan obtained the personal guarantee before retaining Marsha, Joan brought suit against Marsha for failing to advise her to seek independent counsel to represent her personal interests as opposed to CAP's. She also alleged that Marsha failed to explain the risks inherent in agreeing to the personal guarantee.

The Bottom Line: The case went to trial and the jury returned a verdict in favor of the defendant insured attorney. The case went up on appeal and settled for \$50,000 to the plaintiff. The initial demand was \$2.4 million. Defense costs totaled \$141,000.

Failure to Verify Signatures

Jim owned investment property with Walt. Walt signed Jim's name to a quitclaim deed and attorney Ray notarized their signatures. Ray did so without verifying the signature. This resulted in Walt being able to transfer ownership of the property to his name, refinance the mortgage, and take out the equity in cash. Jim sued Ray and Walt asserting he was deprived of his ownership interest. He sought the value of the property as damages. Walt consistently agreed to re-deed the property and admitted that he forged Jim's signature to the quitclaim deed. Jim maintained that he was entitled to the full value of the property. Ray maintained that Jim was not damaged because he still technically owned the property. At most, Ray's negligence in not verifying the signatures may have resulted in Walt taking out the cash, of which only a portion was accounted for.

The Bottom Line: The case went to trial. The Judge ruled Jim was not damaged because he still held his ownership interest in the property and awarded \$0. Defense costs totaled \$138,000.