

## **STAKEHOLDERS & ACCESS TO JUSTICE COMMITTEE AGENDA ITEM**

**III-B March 10, 2016**

**DATE: February 24, 2016**

**TO: Members, Stakeholders & Access to Justice Committee**

**FROM: Leah Wilson, State Bar Chief Operating Officer  
Randall Miller, Chair, Committee on Professional Liability Ins.  
Demian Oksenendler, Chair, Committee on Group Insurance**

**SUBJECT: Advisory Committees Annual Report – Insurance Programs**

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### **EXECUTIVE SUMMARY**

This is the annual submission of Year-End Assessments for the Advisory Committees within the Stakeholders and Access to Justice Committee oversight function: Committee on Professional Liability Insurance (COPLI) and the Committee on Group Insurance Programs (COGIP). Board members with questions about the reports may contact Leah Wilson at (415) 538-2257 or [leah.wilson@calbar.ca.gov](mailto:leah.wilson@calbar.ca.gov)

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### **BACKGROUND**

Staff Coordinators annually submit reports summarizing their committee's past year accomplishments and activities. The focus of these reports is to present how the activities of the advisory committees furthered completion of its charge. The reports are distributed to the pertinent Board committees who review the Advisory Committee's 2015 activities.

### **DISCUSSION**

Committee on Professional Liability Insurance (COPLI)  
Committee on Group Insurance Programs (COGIP)

### **ATTACHMENTS**

- A. Committee on Professional Liability Insurance (COPLI) Charge
- B. Committee on Group Insurance Programs (COGIP) Charge

## **Committee on Professional Liability Insurance (COPLI) 2015 Year-End Assessment**

The following is a summary of COPLI's activities in 2015:

### **Professional Liability Insurance Program (PLI)**

The committee held four meetings, including a planning session in September 2015.

The committee performed a full actuarial review of the PLI program to evaluate the program's loss ratio and profitability. COPLI continues to ensure access to a viable market for professional liability insurance, sustainable over time. COPLI members actively respond, interact, and serve as program liaison for member needs and suggestions about the program, including scope of coverage, practices covered, application rejections, and policy declinations.

### **Professional Liability Insurance -- New Admit Program**

COPLI continued oversight of the PLI New Admit Program. This program provides early access into the market at an attractive cost for new attorneys with a goal that the PLI is maintained throughout their careers.

### **Mediators and Arbitrators Professional Liability Insurance**

COPLI continued the oversight of the Mediators and Arbitrators PLI, which is a subset of the Bar's existing PLI program through Arch and Marsh (now Mercer).

### **Professional Liability Insurance - Data Breach Endorsement**

In 2014, COPLI approved the addition of a Lawyers PLI policy endorsement, providing up to \$25,000 in coverage for the expense of remediation and mitigation in the event an insured suffers a data breach. This product provides assistance with maintaining adherence to applicable legal requirements. Due to its success, the Committee is currently evaluating the need for a full cyber product for California Attorneys.

### **Market Review**

COPLI continued to monitor the market to ensure the availability of coverage to all members and adequacy of policy features.

### **Education**

In 2015, the Education Subcommittee conducted seven (7) live malpractice prevention seminars for MCLE credit, two at the State Bar Solo and Small Firm Summit and another five at the State Bar Annual Meeting. In addition, COPLI has participated in CYLA's 10-Minute Mentor program and provided in-person CLE for CYLA's 1<sup>st</sup> Annual Symposium. Lastly, COPLI conducted eight (8) webinars available through the State Bar's Online CLE site. These outreach efforts protect the public by educating attorneys on the need to be insured, ensuring compliance with applicable ethical standards and the standard of care, and avoiding malpractice claims. In addition to these courses, COPLI members continue to contribute to the insurance portion of the State Bar's "Opening a Law Office" publication.

**Broker Agreement**

The State Bar of California's agreement with our managing broker, Marsh was solidified and made effective July 2012 for a period of 5 years. As a direct result of this relationship, policy holders now also receive 25 hours of CLE at no cost, a 50% discount on both the Solo Summit and Annual meeting, as well as a free Section Membership with no direct increase in premium.

As of January 2014, Marsh, the association arm of Marsh & McLennan was absorbed into their sister company, Mercer. This in turn produced a management change in the oversight of the State Bar Program. State Bar staff and COPLI leadership have continued to work closely to ensure the Marsh/Mercer restructuring did not impact program performance.

## **Committee on Group Insurance Programs (COGIP) 2015 Year-End Assessment**

The following is a summary of COGIP's activities in 2015:

### **Group Insurance Programs**

The Committee held four (4) quarterly meetings, including a planning session in November 2015. The Committee performed an actuarial review of the programs to evaluate each program's loss ratio and profitability. In addition, each program is reviewed with the partners on a quarterly basis.

### **Group Insurance Programs – Life Insurance New Admit Program**

Now in our third year offering this product, the Simplified Issued Life Insurance product was designed specifically for new admittees to the Bar. Committee members and State Bar staff worked jointly with members of CYLA to promote this product.

### **Group Insurance Programs- Healthcare**

The committee continued to monitor the State Bar sponsored Healthcare Program which is primarily focused on solo and small firm practitioners. This program provides a way for California attorneys to gain access to healthcare coverage through the private market or the federal exchange.

### **Renewal of Broker Agreement - Long Term Care and Disability Insurance**

In October 2015, the Committee renewed the broker agreement with the incumbent managing broker, AI&PS. Long-term care insurance protects the attorney or an elder parent by providing care generally not covered by health insurance, Medicare, or Medicaid. Separately, disability insurance insures the beneficiary's earned income against the risk of disability.

### **Marketing Oversight**

A marketing plan is established for each product line annually and attached to the broker administrator that provides oversight. An update on the progress of each plan is provided at each meeting. The Committee continues to look for opportunities to educate new attorneys of the need for coverage early in their career.

This year the marketing plan included a multi-faceted outreach campaign to the new and existing members of the bar. Utilizing several mediums and leveraging the State Bar's marketing and branding arm, CalBar Connect, social media and mail campaigns, thereby increasing awareness of the Programs.

### **Education**

COGIP conducted MCLE credit approved seminars at State Bar's Solo and Small Firm Summit and the State Bar Annual Meeting. The presentations focused on how insurance coverage may protect your law firm and how the Affordable Care Act impacts solos and small firms. In

addition to these courses, COGIP produced a self-study article on market reform changes and employer obligations as a result of healthcare reform.