

Legal Malpractice Insurance

Legal malpractice insurance policies provide insurance coverage for some but not all professional liability (negligence) claims made against a lawyer. Most legal malpractice policies are written on a “claims-made” basis. This means that the insurance company providing the policy has agreed to cover claims that are made against the lawyer during the term of the policy. In other words, the policy that applies to a particular claim is the policy that is in effect at the time the claim is presented to the insurance company with a demand for payment—not the policy in effect when the lawyer’s alleged negligence or mistake took place. Malpractice insurance policies include a maximum amount that the insurance company is contractually obligated to pay on each claim and a maximum total amount that the insurance company is obligated to pay on all claims made against the lawyer during the term (or effective period) of the policy. The amount of coverage provided by a malpractice insurance policy is called the “limits” of the policy.

Although North Carolina lawyers are not required to have legal malpractice insurance coverage, they are required to report to the North Carolina State Bar, on a yearly basis, whether they have coverage. They are not required to report the following:

- The limits of their policy if they have malpractice insurance coverage.
- The amount of any deductible that the lawyer must pay before the insurance company is obligated to pay a claim.
- Any limitations on or exemptions from
- coverage. For example, most legal malpractice insurance policies do not cover claims against a lawyer that arise out of illegal conduct by the lawyer.

The information provided on this website is the information reported to the North Carolina State Bar by each lawyer regarding his or her insurance status as of the date of the lawyer’s report to the State Bar. This information is published here because the North Carolina State Bar believes that it may be of value to consumers of legal services. The North Carolina State Bar does not independently verify the insurance information provided by lawyers. There is no guarantee that a lawyer has maintained insurance coverage after the report date or will continue to maintain insurance coverage in the future. There is also no guarantee that a lawyer has adequate insurance limits to cover all potential claims or that a particular claim will be covered by the policy. Note that it is also possible that the information displayed was erroneously reported or incorrectly entered in the State Bar’s database.

The following is a list of questions that a prospective client might ask before entering into an lawyer-client relationship with a particular lawyer:

- Do you presently maintain malpractice insurance coverage?
- What are the limits of your coverage? Have any of those limits been used in the payment of other claims?
- What is the deductible under your policy?
- Does your policy cover the type of work you are doing for me?
- What is the term of your current coverage?
- Will you advise me if you discontinue your coverage or change your limits?

- Could you provide me with a Certificate of Insurance (evidence from an insurance company that the lawyer is insured)?