

## **A word about professional liability (malpractice) insurance**

Colorado lawyers in the private practice of law are required by Supreme Court rule to report to the Colorado Supreme Court Attorney Registration Office, on an annual basis, whether they have professional liability (malpractice) insurance. The purpose of the insurance disclosure rule is to advise potential clients whether a lawyer has malpractice insurance that might be available to pay for damages caused by malpractice. Even if your lawyer has malpractice insurance, that is not a guarantee that a claim would be fully covered.

Not all Colorado lawyers in private practice carry malpractice insurance. Malpractice insurance policies provide insurance coverage for some, but not all, malpractice claims made against a lawyer. Most legal malpractice policies are written on a "claims made" basis. This is different from the usual homeowners' or automobile policy. This type of policy means that the insurance company providing the policy has only agreed to cover valid claims that are made against the lawyer during the term of the policy and reported to the insurance company during the term of the policy or within a specified notice period. In other words, the policy that applies to a particular claim is the policy that is in effect at the time the claim is both made against the insured and presented to the insurance company - not the policy in effect when the lawyer's alleged negligence or mistake took place.

Malpractice insurance policies typically limit the amount that the insurance company can be required to pay on each claim and the total amount that the insurance company can be required to pay on all claims made during the effective period of the policy. The maximum amount of coverage (limits of the policy) may be reduced by the defense costs. Further, lawyers may have deductibles that the lawyer must pay before the insurance company is obligated to pay under the policy.

In an effort to keep the public informed, the Colorado Supreme Court collects the malpractice insurance information from Colorado lawyers in private practice. The information is available by selecting "attorney search" on this website.

This information is intended to present a general overview of legal malpractice insurance and is for illustrative purposes only. It is not intended to represent the actual terms and conditions of any particular malpractice policy. Please remember that only the relevant insurance policy can provide the actual terms, coverage, amounts, conditions, and exclusions.

You should not hesitate to discuss the issue of malpractice coverage with your lawyer.