



RECURRING ISSUES IN LAWYERS PROFESSIONAL LIABILITY

Former client sues law firm seeking \$1 Million in damage. After a year of litigation, and \$100,000 in defense fees and costs, the Plaintiff offers to settle for \$250,000. The carrier wants to accept the offer and pay the \$250,000, but the policy requires the insured's consent to settlement, and the insured, convinced it did nothing wrong, refuses to consent. What are the carrier's options?

Carrier refers new LPL case to defense counsel, and advises counsel that the insured has a \$150,000 deductible.

Defense counsel handles the case to conclusion, gets defense verdict, and bills a total of \$100,000. The insured only pays \$75,000, leaving counsel with an unpaid bill of \$25,000. What can/should the carrier and defense counsel do?

Insured law firm is sued for malpractice. The attorney who handled the underlying file no longer works at the insured firm, left under bad terms, and insists upon having his own, separate attorney? What are the considerations?

**Insured law firm is sued for malpractice, has an opportunity to settle the case within its deductible, and asks both defense counsel and the carrier whether, and to what extent, the settlement will affect future insurability and premiums?
What answer do you give?**

Arizona malpractice lawsuit, and carrier sends out generic reservation of rights letter. Insured demands that carrier withdraw the reservation, and agree to unconditionally defend and indemnify, and carrier declines to do so. Does that create risk for the carrier?

**An attorney is sued for legal malpractice,
and retains counsel. The defendant
attorney tells counsel that he does not
want his carrier to know about the suit.**

An insured firm is sued for malpractice because one of its attorneys missed several deadlines in a case. The carrier appoints defense counsel, and defense counsel learns, through his investigation, that the attorney in question had substance abuse problem that likely caused, or contributed to, the error. The insured firm asks defense counsel not to tell the carrier about the substance abuse problem.