

The ForeFront Portfolio

Employed Lawyers Liability Insurance

In recent years, third party litigation against lawyers has been on the rise. Further, in-house lawyers in particular face increased liability exposures based upon the broad range of domestic and international legal services they perform. The Employed Lawyers Liability Insurance under the Forefront Portfolio policy helps protect in-house lawyers when allegations of malpractice are made against them. Employed Lawyers endorsements on Directors & Officers (D&O) policies are often limited in scope compared to standalone Employed Lawyers policies or Employed Lawyers coverage parts.

Watch a short [video](#) to learn more about the insurance protection provided by ELL coverage.

Why do you need Employed Lawyers Liability insurance?	
Misconception	Reality
There is coverage through my D&O Liability policy, therefore, a mono-line Employed Lawyers policy is redundant.	The general counsel, corporate counsel, and paralegals may meet the definition of an employee and/or executive under a D&O policy; however, these policies often exclude the rendering of, or failure to render, any professional service. The general counsel, corporate counsel and paralegals may meet the definition of an employee and/or executive under a D&O policy; however, these policies often exclude the rendering of, or failure to render any professional services by an Insured. Endorsements to D&O policies are often limited in scope compared to employed lawyers policies. Endorsements to D&O policies are often limited in scope compared to employed lawyers policies.
Corporate counsel seldomly provide personal legal advice to employees or executives of their organization; therefore, this advice presents a minimal exposure to claims.	Throughout their employment, corporate counsel may be recruited to advise on personal legal matters of employees and/or executives. Employed Lawyers liability coverage extends to moonlighting legal services, which includes legal services rendered to an executive or employee of an organization.
Since corporate counsel infrequently provide pro-bono legal advice, is it important for an organization to address this advice through a policy?	Corporate counsel commonly will provide pro-bono legal services without compensation to indigent clients or for not-for-profit public interest groups. Employed Lawyers liability coverage specifically includes such services in the definition of professional services.

Employed Lawyers Liability Coverage Part Highlights

- \$0 retention for non-indemnified losses
- Entity retentions starting at \$5,000
- Tailored definition of “Insured Person,” which includes In-House Counsel, Legal Assistants, Temporary Lawyers, and Independent Contractor Lawyers
- Definition of “Professional Services” includes notary, moonlighting and pro bono legal services
- Definition of “Wrongful Act” covers personal injury (as defined in the policy), which includes malicious prosecution or abuse of process
- Subpoena Defence Costs Coverage sublimit

Employed Lawyers Liability Claims Scenarios

Summary	Claim Details	Resolution
Contributory Trademark Infringement	The general counsel for a privately owned company participated in the decision to authorize the use of a trademark in certain marketing materials for the company. The alleged owners of the trademark then brought suit against the general counsel for contributory trademark infringement.	To resolve this matter approximately \$400,000 was paid inclusive of \$150,000 in defence costs.
Negligence, Misrepresentation	The general counsel for a not-for-profit organization provided advice to the human resources manager regarding the investigation and handling of a sexual harassment allegation made against a supervisor. The supervisor was terminated after the completion of the investigation and in accordance with the general counsel's legal advice. The supervisor brought a suit against the general counsel for negligence and misrepresentation.	The jury found in favour of the general counsel and the organization, which incurred more than \$150,000 in defence costs.
Negligence, Breach of Fiduciary Duty	A large family-owned organization amended the provisions of an agreement regarding the payoff of loans from the organization to family members. Claimant sued the organization's employed lawyer for negligence, misrepresentation, and breach of fiduciary duty, contending that the employed lawyer failed to disclose the amended payoff provisions and acted in concert with other family members to induce claimant to sign the amended provisions.	Following discovery, the claim was dismissed by summary judgement motion, which was then appealed. Costs through the appeal are approximately \$300k

The ForeFront Portfolio

The ForeFront Portfolio is part of Chubb's market-leading series of management liability products that have been specifically tailored to meet the individual needs of private companies and not-for-profit organizations. With up to eight optional coverage parts, each coverage part works as a standalone policy or seamlessly together to minimize gaps and reduce overlaps in insurance coverage, providing companies choice and flexibility to help manage their individual and corporate exposures. It is a product offering specifically designed to help companies not only survive, but thrive despite the most complex threats of litigation, extortion, and other white-collar crimes that may expose their bottom line.

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The claim scenarios described here are intended to show the types of situations that may result in claims. These scenarios should not be compared to any other claim. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss, the terms and conditions of the policy as issued and applicable law. Facts may have been changed to protect privacy of the parties involved. Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at www.chubb.com. Insurance provided by Chubb Insurance Company of Canada or Chubb Life Insurance Company of Canada (collectively, "Chubb Canada"). All products may not be available in all provinces or territories. This communication contains product summaries only. Coverage is subject to the language of the policies as actually issued. Chubb Canada, Suite 2500, 199 Bay Street, Toronto ON M5L 1E2 (03/26)