

MEDMARC CASUALTY INSURANCE COMPANY
SUMMARY OF POLICY CHANGES
LAWYERCARE PROFESSIONAL LIABILITY POLICIES

We are pleased that you have chosen to continue your LawyerCare coverage, now issued by Medmarc Casualty Insurance Company. We will do everything we can to deliver the service you have come to expect and ensure that you are treated fairly.

In anticipation of the issuance of your new LawyerCare policy, please note that we have revised the basic policy form, subject to regulatory approval if applicable in your state. There are a few changes that have some effect on the coverage provided. Other stylistic changes were made that have no impact on the substance of the coverage provided. The following is a list of key changes to the policy form:

1. The new form amends the definition of “claim expense” to exclude salary and benefits of Company employees and officials, rather than salary and expenses. “Claim expense” now includes Company expenses incurred in the defense of a claim.
2. The new form makes clear our intent to exclude from coverage client funds allegedly converted, improperly commingled, or misappropriated, whether by an Insured or any other person, and whether intentionally or not, as well as fines, sanctions, penalties, punitive damages, exemplary damages, or any award resulting from the multiplication of compensatory damages imposed against any Insured, client of an Insured, or any other person or entity.
3. The new form provides that any current partner, limited liability partner, limited liability company member, officer, director, stockholder, employee, or independent contractor of the Named Insured has coverage under the policy solely while acting in a professional capacity on behalf of the Named Insured or any Predecessor Firm. Coverage for professional services rendered outside this scope of practice is available by endorsement or through the new Section 2.5 Prior Acts Coverage for Individual Lawyers provision of the policy at the discretion of our Underwriting Department.
4. The new form extends coverage to past independent contractors, solely while acting in a professional capacity on behalf of the Named Insured or any Predecessor Firm.
5. The new form extends coverage to past or present “of counsel” attorneys, solely while acting in a professional capacity on behalf of the Named Insured or any Predecessor Firm.
6. The new form provides that a defense for willful, dishonest, criminal, malicious, or fraudulent conduct will terminate when the Insured is adjudged to have committed, or pleads guilty to, such conduct.

7. The new form makes clear our intent to exclude claims made against an Insured involving the Insured's activities as an independent contractor of an entity (other than a prior law firm) not named in the Declarations.
8. The new form makes clear that the Company shall have the right to allocate damages or claim expenses among claimants, Insureds, and policies as the Company deems expedient.
9. The new form does not include the provision whereby the Company pays the first \$5,000 of claim expenses for each claim, subject to a \$25,000 aggregate.
10. The new form makes clear that Deductibles are outside the limits of liability, are payable within thirty days of written demand, and apply during any extended reporting periods.
11. The new form provides that coverage for subpoena assistance extends only to subpoenas received first received by an Insured and reported to the Company during the policy period.
12. The new form makes clear that the 60-day Limited Automatic Reporting Period applies to a claim only if the Insured first received written notice of the claim during the policy period and does not reinstate or increase the Limit of Liability of the policy or change the applicability or amount of the Deductible.
13. The new form provides that an Extended Reporting Period Endorsement issued to the Named Insured does not reinstate or increase the Limit of Liability of the policy or change the applicability or amount of the Deductible.
14. The new form includes the different Extended Reporting Period Endorsement options available to the Named Insured and an individual Insured and explains the premium calculation for each option.
15. The new form allows a non-practicing Insured to obtain an Extended Reporting Period Endorsement, regardless of whether the Insured has other available insurance coverage.
16. The new form deletes the requirement that an Insured who has been issued a Non-Practicing Insured Extended Reporting Period Endorsement pay the pro-rata premium for the endorsement if the Insured resumes practicing. The new form instead provides that the endorsement will terminate when the Insured returns to practice.
17. The new form sets forth that each Insured has a duty to supplement information provided on applications submitted to the Company by notifying the Company within thirty days of events described in Section 8.2(d) of the policy.

18. The new form makes clear that, upon the addition or deletion of lawyers from the coverage provided under the policy, the Company reserves the right to evaluate the risk and adjust the premium, re-underwrite the policy, or decline to continue insuring the risk.

19. The new form does not include a liberalization provision.

Again, thank you for continuing your LawyerCare coverage. If you have any questions, please call your agent or a representative of our Underwriting Department.