

LAWYERS' MALPRACTICE INSURANCE COMMITTEE

Nina J. Ginsberg, Chair

During the 2002–2003 year, the Lawyers' Malpractice Insurance Committee continued assisting the Attorneys Liability Protection Society (ALPS) with transition to the bar's endorsed malpractice carrier. John Brant, the bar's risk manager, continued answering members' questions on the toll-free hotline and Janean Johnston continued to provide confidential law office audits to qualifying lawyers and firms at a greatly reduced rate. John or Janean moderated ALPS' risk management seminars that were offered at no charge around the state.

ALPS opened its Virginia office in January 2002 and will have 17 full-time adjusters, underwriters and claims examiners in Richmond. In the first quarter of 2003, ALPS wrote more than \$2 million in new business and more than \$600,000 of renewal business. ALPS continues to provide the committee with detailed information about the company's finances, including information voluntarily provided to Standard & Poor's, which lowered the company's financial strength rating from A- to BBB. A.M. Best has not decreased the ALPS A rating. ALPS reinsurance treaties remain the same. ALPS has taken corrective measures to strengthen its reserves, including price strengthening and underwriting scrutiny in the jurisdictions in which significant losses occurred. The committee believes that the corrective actions will enhance ALPS' financial strength and that the company has more money now to pay claims than it has in past years.

In the current insurance climate, many lawyers' malpractice liability insurers have left the market. ANLIR, the bar's former endorsed carrier, is in receivership. There are 5,000 Virginia lawyers who were insured by ANLIR who were left without malpractice coverage. The committee enlisted the assistance of the Virginia Association of Defense Attorneys, which provided a list of experienced lawyer malpractice defense counsel in different parts of the state who would be willing to assist ANLIR insureds against whom claims are pending or may be initiated for acts that occurred prior to their obtaining replacement coverage.

