

**2020**

# **MISSOURI LEGAL MALPRACTICE INSURANCE REPORT**

MISSOURI DEPARTMENT OF COMMERCE & INSURANCE

STATISTIC SECTION  
JUNE 2021



**DCI**

Missouri Department of Commerce & Insurance



*Also Available from DCI*

**Reports:** The following reports are also available:

- *Missouri Market Share Report*
- *Missouri Real Estate Malpractice (Closed Claim Report)*
- *Missouri Legal Malpractice (Closed Claim Report)*
- *Missouri Products Liability (Closed Claim Report)*
- *Missouri Medical Malpractice Insurance Report*
- *Missouri Life, Accident & Health Supplement Report*
- *Missouri Property and Casualty Supplement Report*
- *Missouri Commercial Liability Report*
- *Missouri Mortgage Guaranty Report*
- *Missouri Uninsured Automobile Report*
- *Medicare Supplement Experience Data*
- *Property and Casualty Supplement Data*
- *Missouri Zip Code data for homeowners/ dwelling fire, farmowners (dwelling only, mobile home, earthquake, and private passenger automobile insurance.*

**Databases:** *for data requests, contact the Statistics Section at 573-751-3163. Some data are available for a fee.*

Many reports, including the complaint report, are available at no cost on the DCI website, at <http://insurance.mo.gov/reports/>. For paper copies, inquire with the Statistics Section at the above number.



## DEFINITION OF TERMS

**Indemnity Paid:** The sum of all payments made during the year for the benefit of insurance claimants, before reinsurance has been ceded and/or assumed. These payments include amounts paid in the current year for claims arising from coverage in prior years and exclude amounts which will be paid in future years for claims arising from the current year. Hence, this item is not a measure of the actual cost of current coverages, but only of current cash flows.

**Loss Adjustment Expenses:** The cost involved in an insurance company's adjustment of losses under a policy.

**Direct Premiums Written:** The dollar amount charged when a policyholder contracts for insurance coverage before reinsurance has been ceded and/or assumed.

**Direct Premiums Earned:** The part of premium attributable to the coverage already provided in a given period before reinsurance has been ceded and/or assumed.

**Direct Losses Incurred:** The sum of direct losses paid plus an estimate at the close of the year of the amounts to be paid in the future for all claims arising from the current and all prior years, minus the corresponding estimate made at the close of business for the preceding year. Incurred losses reported include estimated amounts unpaid for incurred-but-not-reported (IBNR) claims.

**Loss Ratio:** The dollar amount of direct losses incurred divided by the dollar amount of premiums earned for the particular line of business being analyzed, expressed as a percentage. This is an accounting representation of the portion of each premium dollar which is needed to honor a company's promise to pay claims.



## **LEGAL MALPRACTICE INSURANCE REPORT EXECUTIVE SUMMARY**

This report summarizes the legal malpractice insurance experience in Missouri from 2011 to 2020.

The charts, graphs and tables in this report are limited to closed claim information and were constructed from data collected by the Department of Commerce and Insurance as required by Section 383.077 RSMo. The premium and loss data, obtained from the Missouri Page 19 Supplement to the companies' annual statements are presented in the final section.

In 2020, the loss ratio for legal malpractice insurance in Missouri was 83 percent. For the 10-year period of claims closed<sup>1</sup>, 507 (28 percent) were closed with payment. Claims closed in 2020 totaled 138, a 62 percent increase from the previous year. The average payment was \$184,606.

The cost to an insurer for settling legal malpractice cases (called loss adjustment expense, consisting of legal fees, claim adjustment costs and related items) has fluctuated over the past 10 years. In 2020, the average loss adjustment expense for all claims closed with payment was \$52,849 compared to \$46,340 in 2019.

Indemnity amounts are categorized by claim characteristics, including:

- Area of law in which the insured was retained by the claimant.
- Major activity in which the lawyer was engaged at the time the alleged error or omission occurred.
- Alleged error or omission that was the most significant reason for making the claim.
- The legal disposition of the claim at the closing date.
- The number of years the insured had been in practice at the time of the alleged error or omission.
- The relationship of the insured to the claimant.

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<sup>1</sup> Claims closed may have resulted from incidents in any previous period.

By area of law, the largest share of claims closed in 2020 (32 of 138) was initiated by plaintiffs in *bodily injury/property damage - plaintiff*. The largest proportion of all claims closed in 2020 under the major activity code occurred during *commencement of action or proceeding*. Of all claims paid during 2020, 60 percent were settled *before filing suit or demanding hearing* on the alleged malpractice.

Ninety-seven percent of losses in 2020 occurred among attorneys with *more than 10 years of practice*. The insured's relationship to the claimant is partitioned into four subclasses: *free legal service, non-client, member of pre-paid legal plan and client other than free service or prepaid legal plan*. Seventy percent of 2020 claims occurred in the category of *client other than free legal service or member of pre-paid legal plan*.

Only 12 companies reported writing legal malpractice insurance in Missouri for 2020. Of these, the Bar Plan Mutual Insurance Company was by far the largest, with over 72 percent of the legal malpractice insurance market in this state.

This report was compiled using information submitted by insurance companies. As a result, the accuracy of this report is dependent upon the correctness of each company's data. Copies of this report will be made available in Braille, large print or on audio cassette upon request. Any questions regarding this report should be addressed to the Statistics Section, Department of Commerce and Insurance, P.O. Box 690, Jefferson City, MO 65102-0690.



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**TEN YEAR  
SUMMARY  
(2011-2020)**

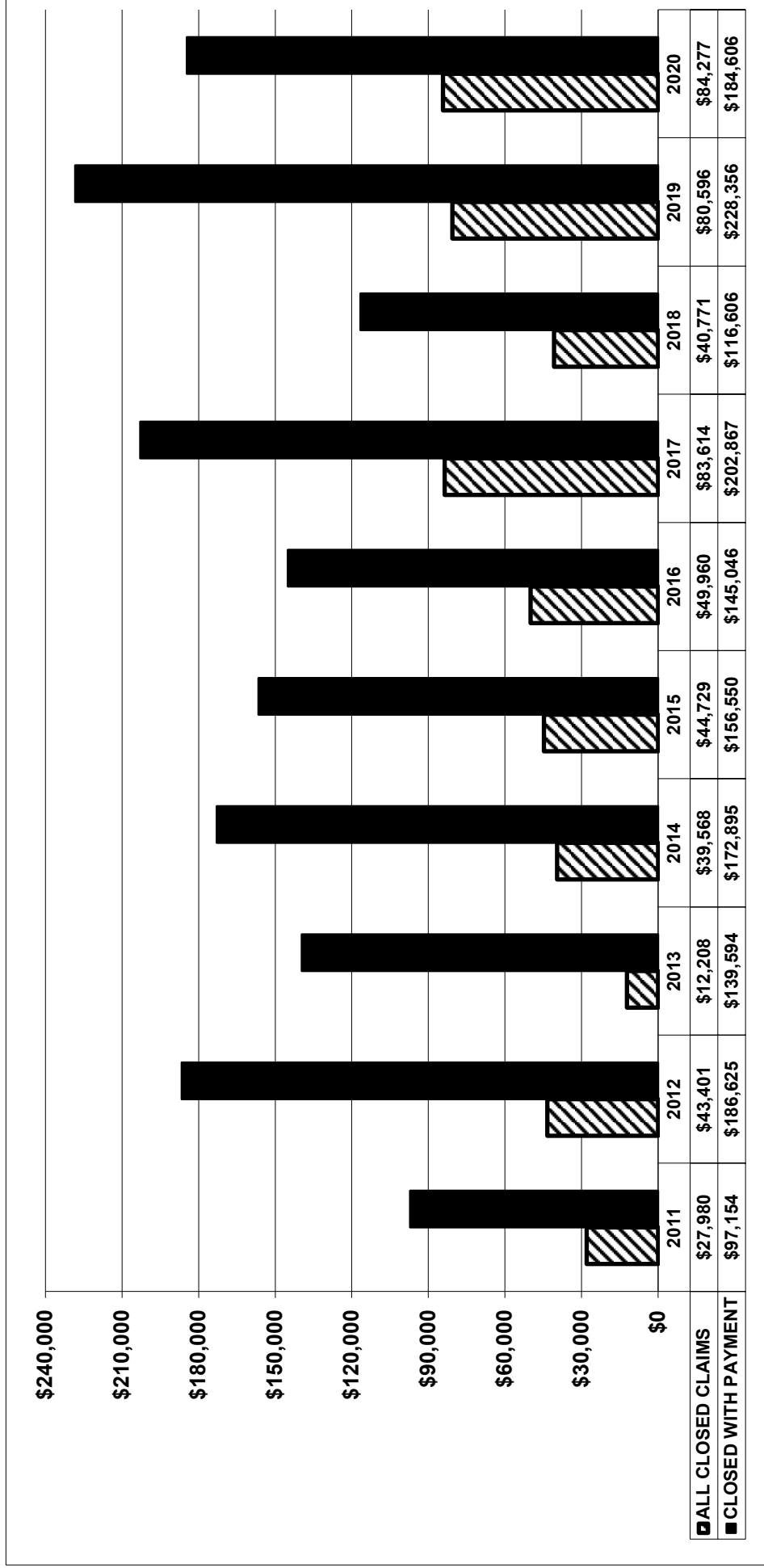


**LEGAL MALPRACTICE EXPERIENCE  
TEN YEAR SUMMARY  
(2011-2020)**

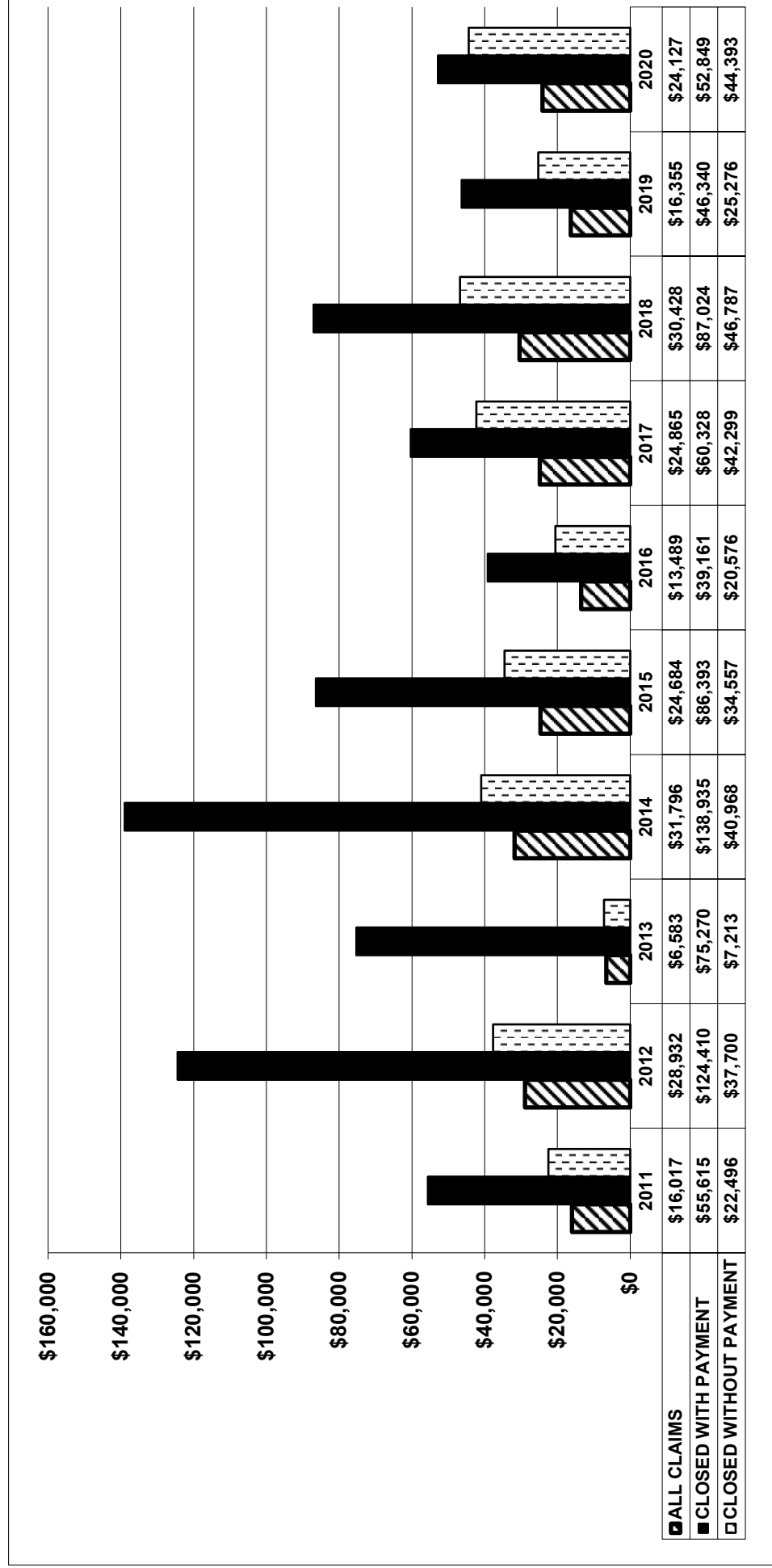
CLOSED CLAIMS	NUMBER OF CLAIMS	PERCENT OF CLAIMS	TOTAL INDEMNITY PAID	AVERAGE INDEMNITY PAID	TOTAL LOSS EXPENSES PAID	AVERAGE LOSS EXPENSE PAID
All Closed Claims	1,798	100.0%	\$80,996,600	\$45,048	\$37,845,529	\$21,049
Closed with Payment	507	28.2%	\$80,996,600	\$159,757	\$22,747,942	\$44,868
Closed without Payment	1,292	71.8%	\$0	\$0	\$15,097,587	\$11,685
Claims Settled Through Court Proceedings	145	8.1%	\$3,377,417	\$23,293	\$7,974,029	\$54,993
Court Proceedings Resulting in Payment	16	0.9%	\$3,377,417	\$211,089	\$2,232,652	\$139,541

# MISSOURI LEGAL MALPRACTICE INSURANCE

## AVERAGE PAID CLAIM

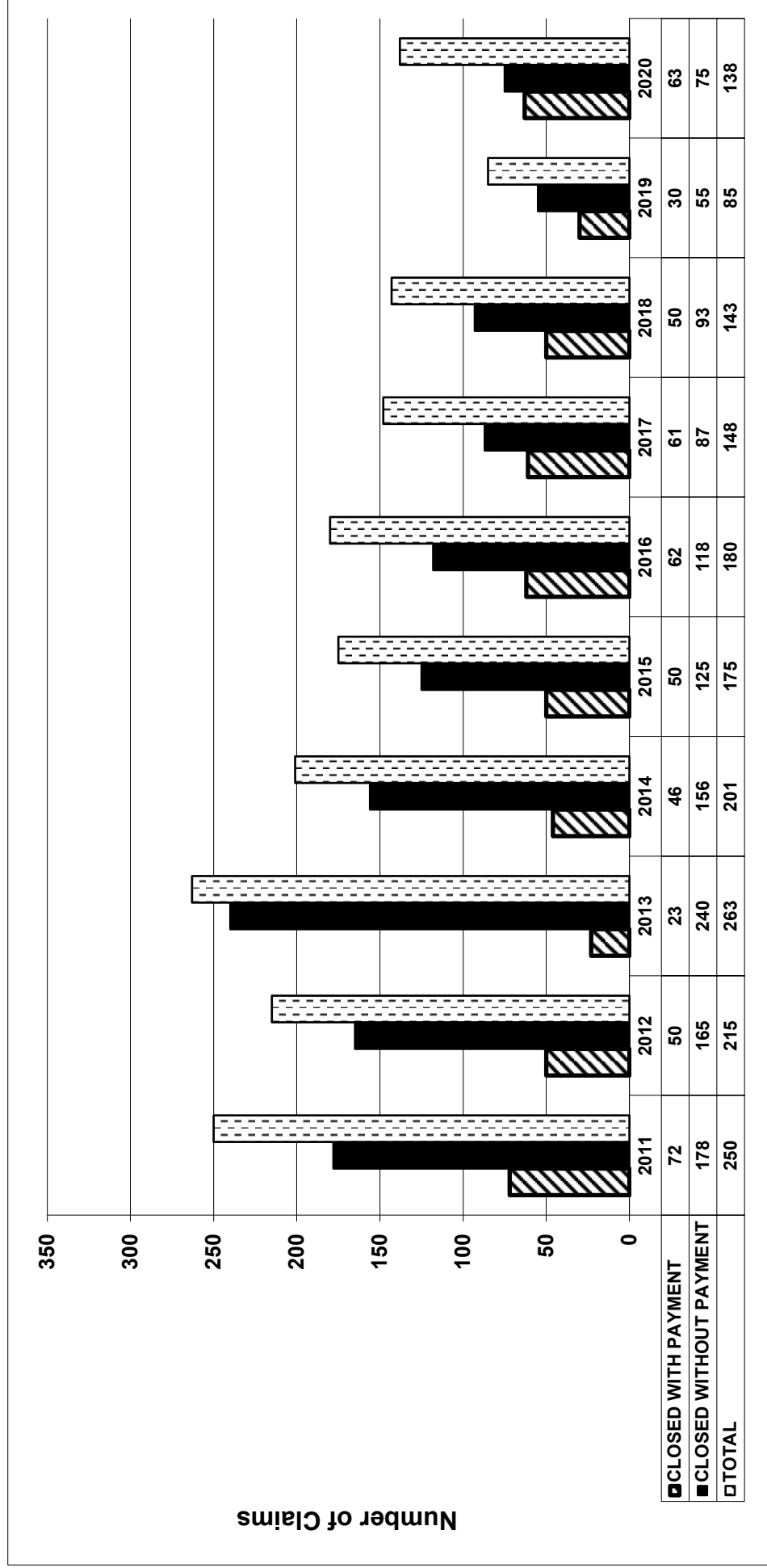


**MISSOURI LEGAL MALPRACTICE INSURANCE  
AVERAGE PAID LOSS ADJUSTMENT EXPENSE**



# MISSOURI LEGAL MALPRACTICE INSURANCE

## CLAIM COUNT 2011-2020





**TEN YEAR SUMMARY  
&  
2020 SUMMARY  
BY  
AREA OF LAW**



# LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2011-2020

AREA OF LAW	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BI/PD - PLAINTIFF	336	113	22.29%	\$167,796	\$18,960,920	23.41%	\$17,263
COLLECTION & BANKRUPTCY	302	77	15.19%	\$116,910	\$9,002,069	11.11%	\$9,327
ESTATE, TRUST & PROBATE	218	67	13.21%	\$139,189	\$9,325,644	11.51%	\$25,697
REAL ESTATE	207	43	8.48%	\$104,169	\$4,479,257	5.53%	\$10,820
FAMILY LAW	201	48	9.47%	\$126,631	\$6,078,300	7.50%	\$15,181
CORPORATE & BUSINESS ORGANIZATION	111	23	4.54%	\$220,929	\$5,081,363	6.27%	\$32,037
BUSINESS TRANSACTION/COMM LAW	70	23	4.54%	\$170,842	\$3,929,375	4.85%	\$71,678
CRIMINAL	66	9	1.78%	\$65,583	\$590,250	0.73%	\$12,861
BI/PD - DEFENDANT	58	22	4.34%	\$370,400	\$8,148,795	10.06%	\$40,015
WORKERS COMPENSATION	54	18	3.55%	\$226,171	\$4,071,084	5.03%	\$5,027
LABOR LAW	40	21	4.14%	\$101,357	\$2,128,504	2.63%	\$22,522
CIVIL RIGHTS & COMMISSION	36	8	1.58%	\$186,875	\$1,495,000	1.85%	\$12,924
CONSUMER CLAIMS	21	7	1.38%	\$80,214	\$561,500	0.69%	\$38,905
LOCAL GOVERNMENT	17	6	1.18%	\$343,529	\$2,061,172	2.54%	\$38,694
CONSTRUCTION (BUILDING CONTRACTS)	14	7	1.38%	\$146,243	\$1,023,698	1.26%	\$30,513
TAXATION	13	3	0.59%	\$413,556	\$1,240,669	1.53%	\$22,422
PATENTS, TRADEMARKS, COPYRIGHTS	9	1	0.20%	\$562,500	\$562,500	0.69%	\$265,324
SECURITIES (S.E.C.)	9	1	0.20%	\$42,500	\$42,500	0.05%	\$7,453
GOVERNMENT CONTRACTS & CLAIMS	6	3	0.59%	\$51,667	\$155,000	0.19%	\$4,755
IMMIGRATION & NATURALIZATION	6	4	0.79%	\$81,000	\$324,000	0.40%	\$3,333
ADMIRALTY	2	1	0.20%	\$1,105,000	\$1,105,000	1.36%	\$85,064
ENVIRONMENT	1	1	0.20%	\$330,000	\$330,000	0.41%	\$18,307
NATIONAL RESOURCES	1	1	0.20%	\$300,000	\$300,000	0.37%	\$68,837
<b>TOTAL</b>	<b>1,798</b>	<b>507</b>	<b>100.00%</b>	<b>\$159,757</b>	<b>\$80,996,600</b>	<b>100.00%</b>	<b>\$21,049</b>

**LEGAL MALPRACTICE INSURANCE  
INDEMNITY ANALYSIS  
CLAIMS CLOSED IN 2020**

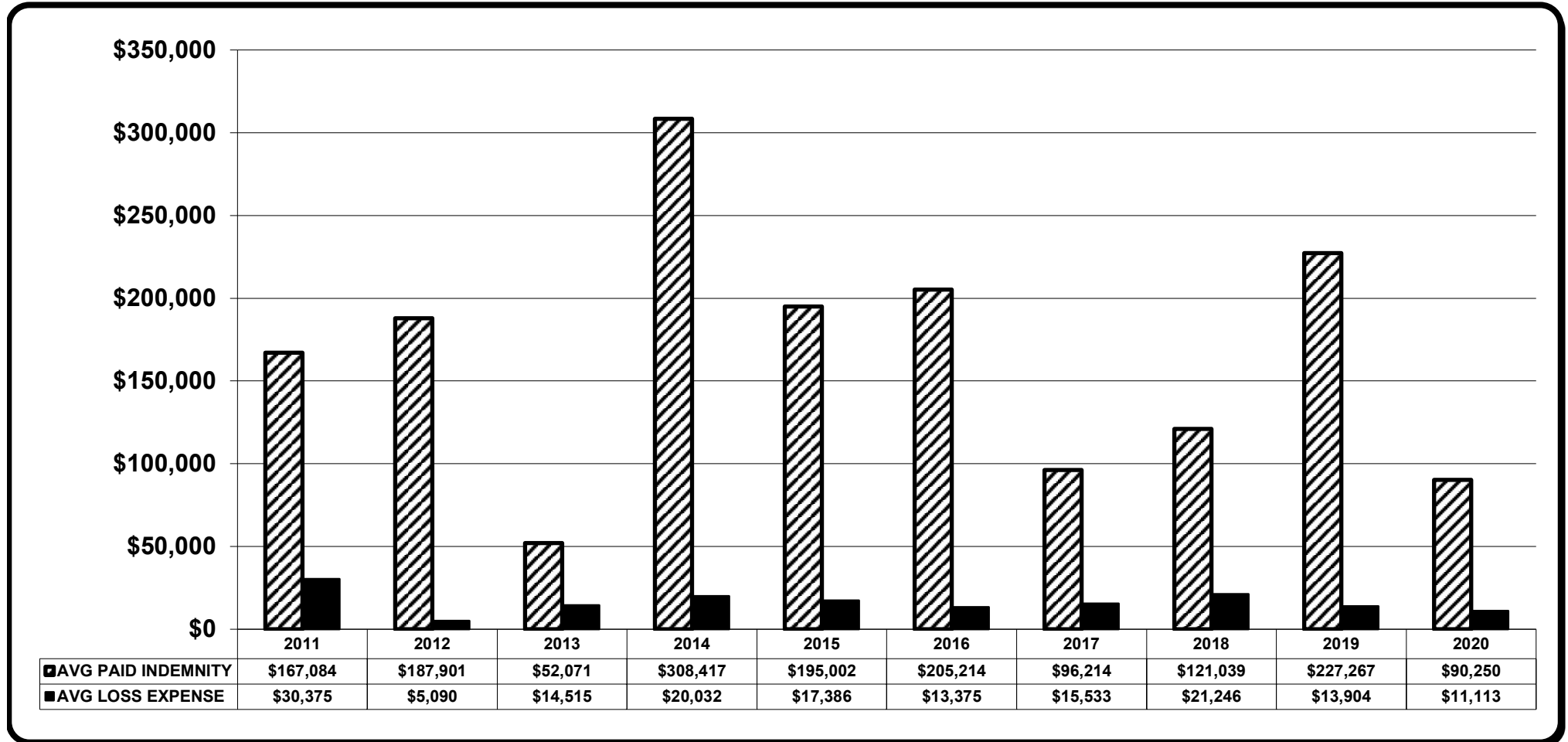
AREA OF LAW	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BI/PD - PLAINTIFF	32	14	22.22%	\$90,250	\$1,263,500	10.86%	\$11,113
ESTATE, TRUST & PROBATE	20	10	15.87%	\$272,987	\$2,729,867	23.47%	\$79,930
FAMILY LAW	16	5	7.94%	\$58,442	\$292,208	2.51%	\$16,651
BI/PD - DEFENDANT	15	10	15.87%	\$341,050	\$3,410,500	29.32%	\$3,055
COLLECTION & BANKRUPTCY	13	6	9.52%	\$147,189	\$883,131	7.59%	\$20,996
CRIMINAL	9	2	3.17%	\$231,250	\$462,500	3.98%	\$39,916
REAL ESTATE	8	0	0.00%	N/A	\$0	0.00%	\$4,190
LABOR LAW	5	5	7.94%	\$16,400	\$82,000	0.71%	\$0
WORKERS COMPENSATION	5	4	6.35%	\$106,625	\$426,500	3.67%	\$0
BUSINESS TRANSACTION/COMMERCIAL LAW	3	1	1.59%	\$925,066	\$925,066	7.95%	\$39,038
IMMIGRATION & NATURALIZATION	3	2	3.17%	\$20,000	\$40,000	0.34%	\$0
CONSTRUCTION (BUILDING CONTRACTS)	2	2	3.17%	\$19,960	\$39,919	0.34%	\$0
CORPORATE & BUSINESS ORGANIZATION	2	1	1.59%	\$75,000	\$75,000	0.64%	\$116,649
LOCAL GOVERNMENT	2	1	1.59%	\$1,000,000	\$1,000,000	8.60%	\$15,145
TAXATION	2	0	0.00%	N/A	\$0	0.00%	\$4,444
CIVIL RIGHTS & COMMISSION	1	0	0.00%	N/A	\$0	0.00%	\$7,712
<b>TOTAL</b>	<b>138</b>	<b>63</b>	<b>100.00%</b>	<b>\$184,606</b>	<b>\$11,630,191</b>	<b>100.00%</b>	<b>\$24,127</b>

**TRENDS  
OF THE TOP TEN  
AREAS OF LAW  
OF 2020**

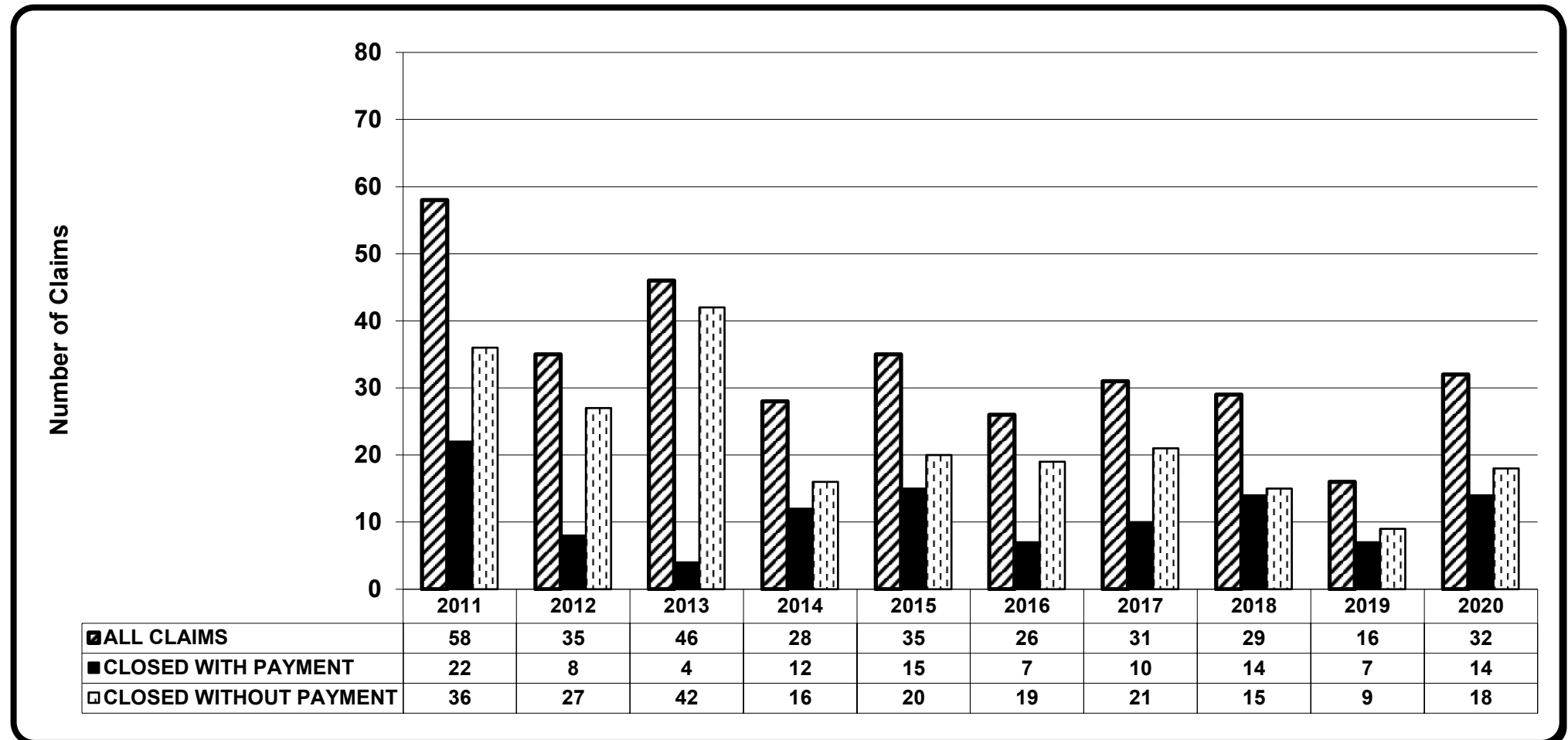


## BI/PD - PLAINTIFF

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

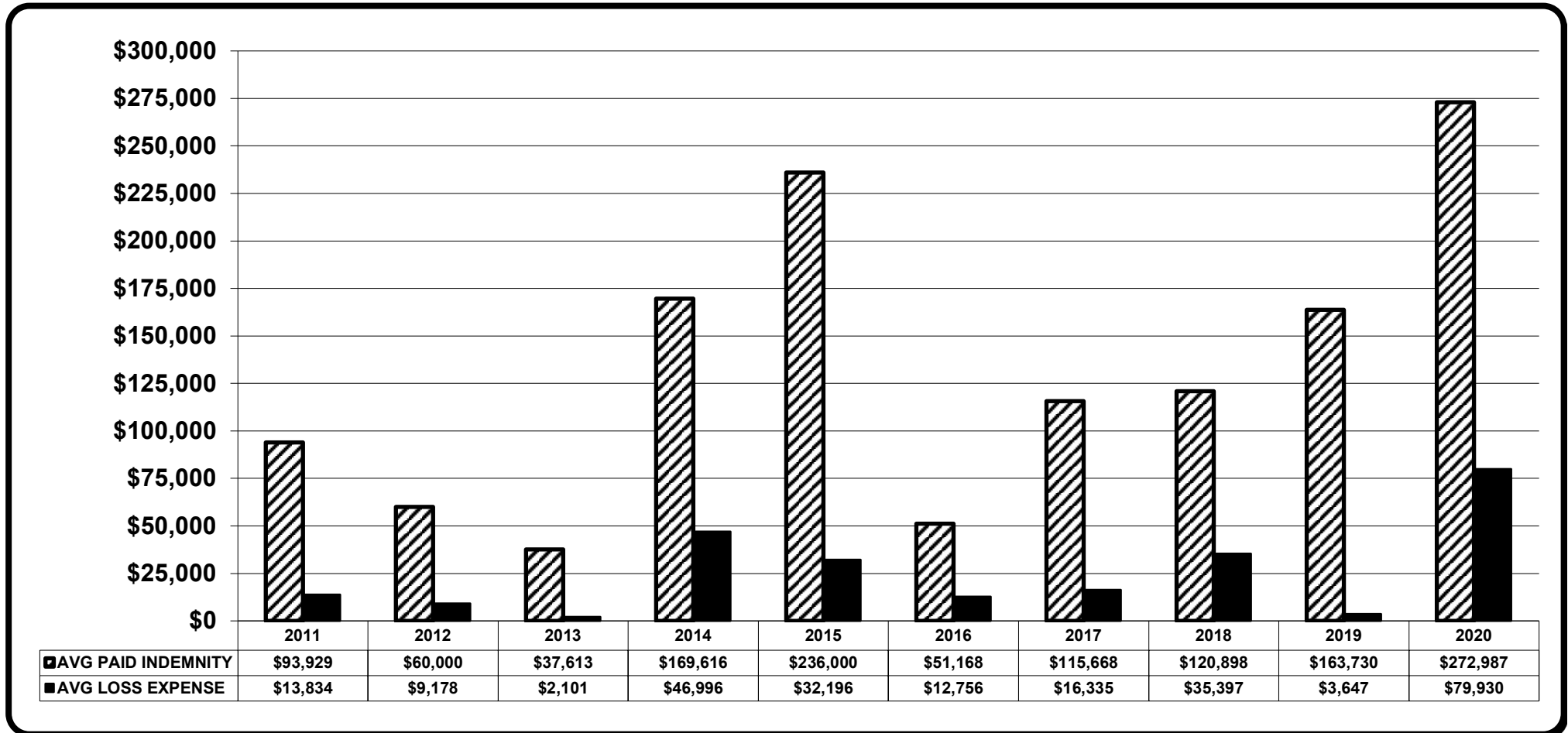


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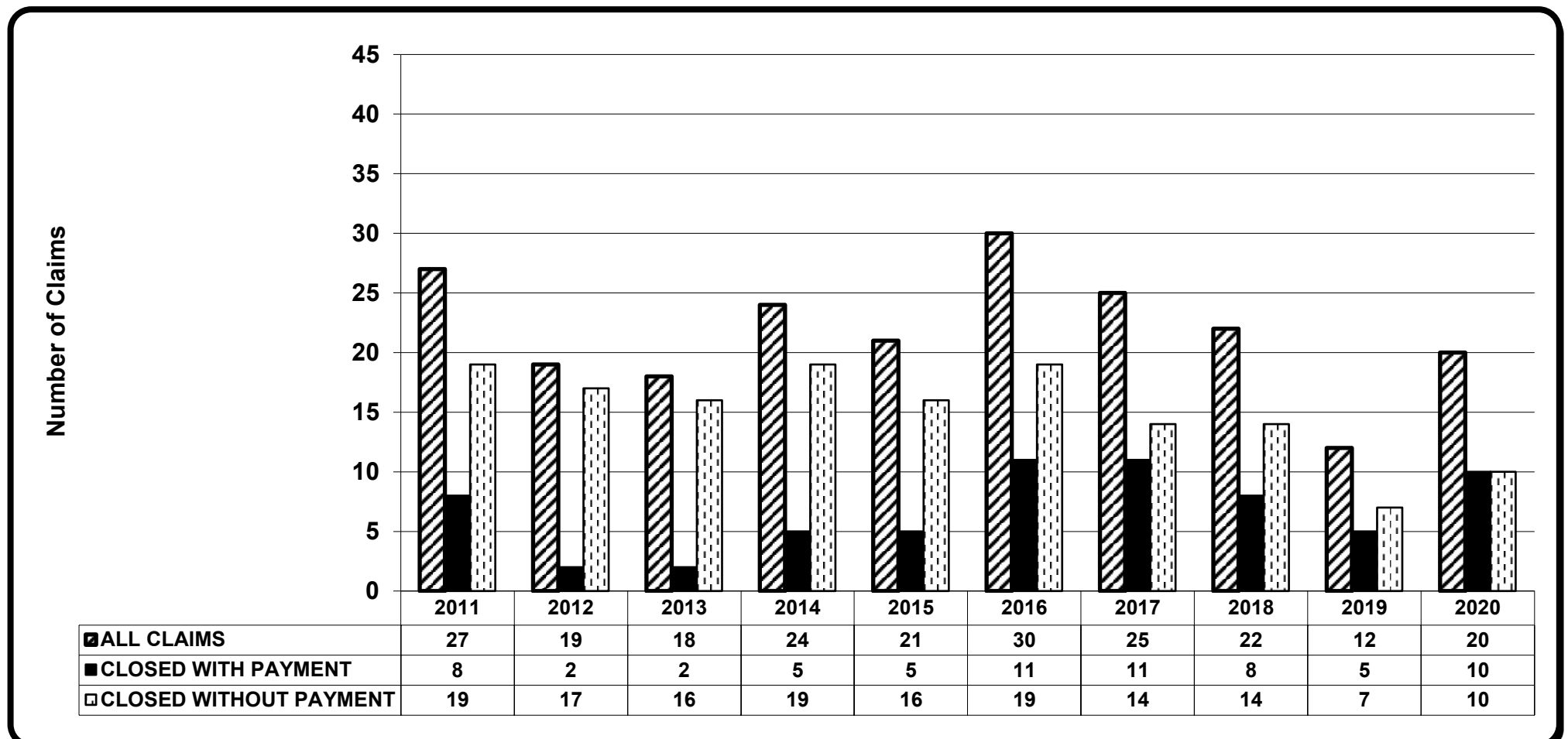


## ESTATE, TRUST & PROBATE

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



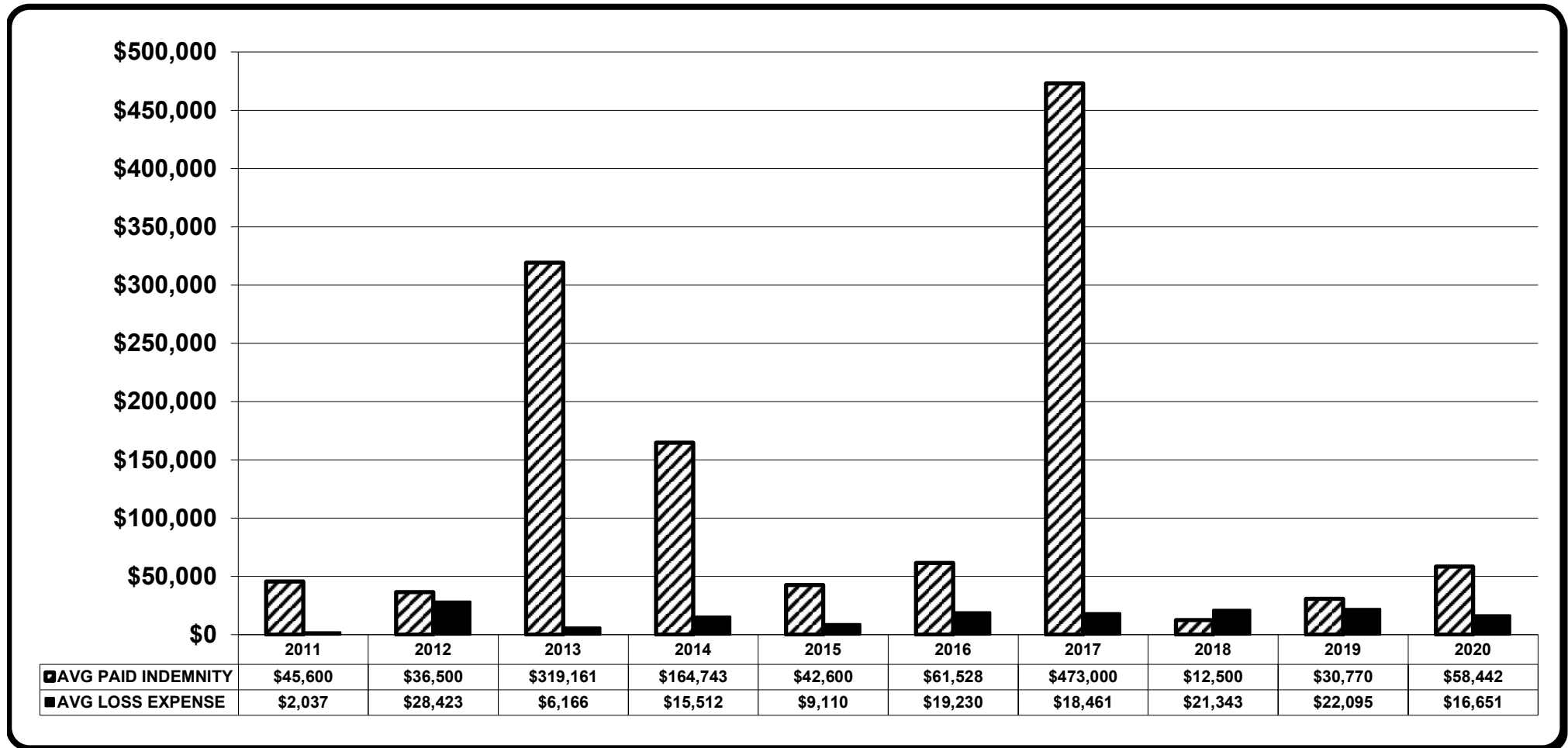
### CLAIM COUNT



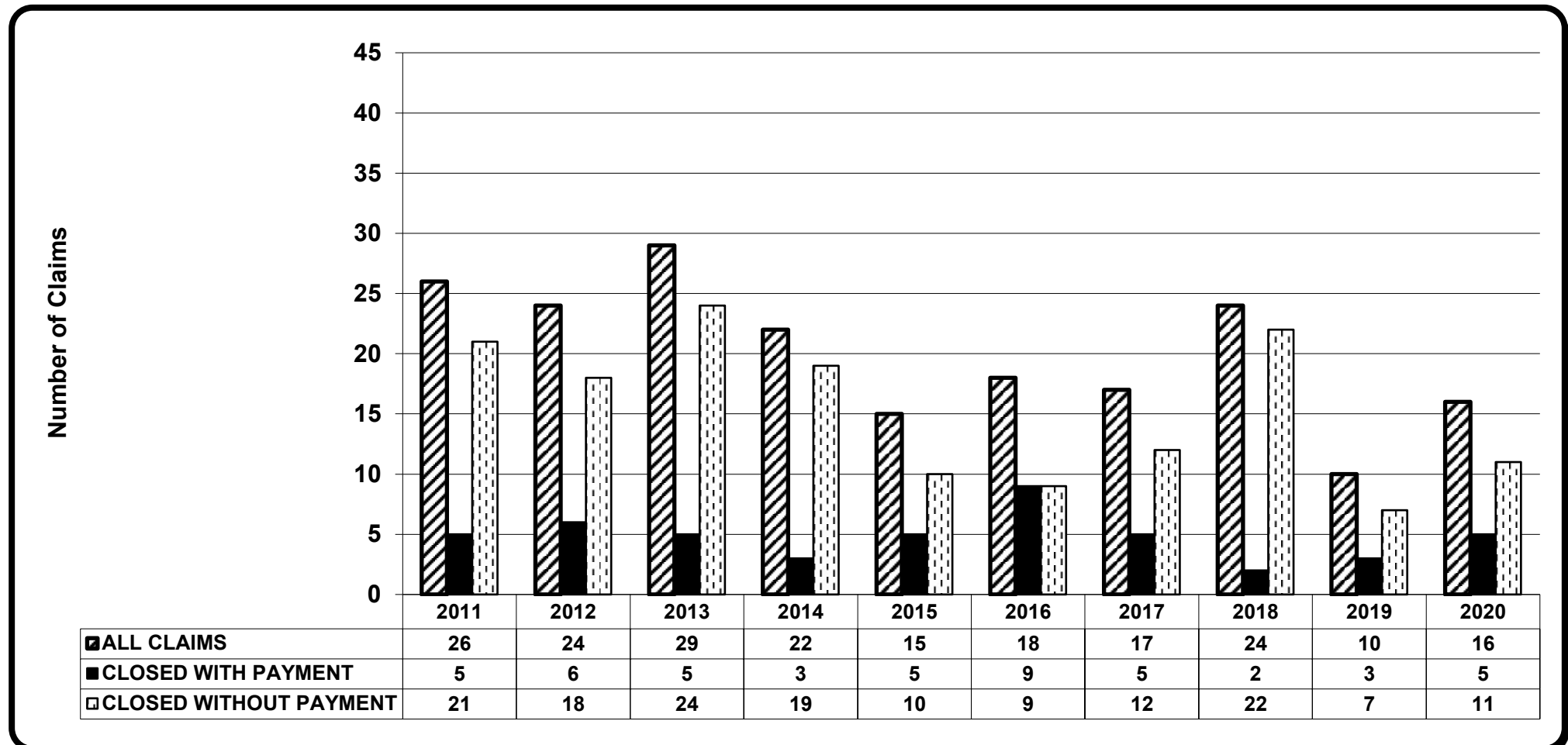


## FAMILY LAW

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

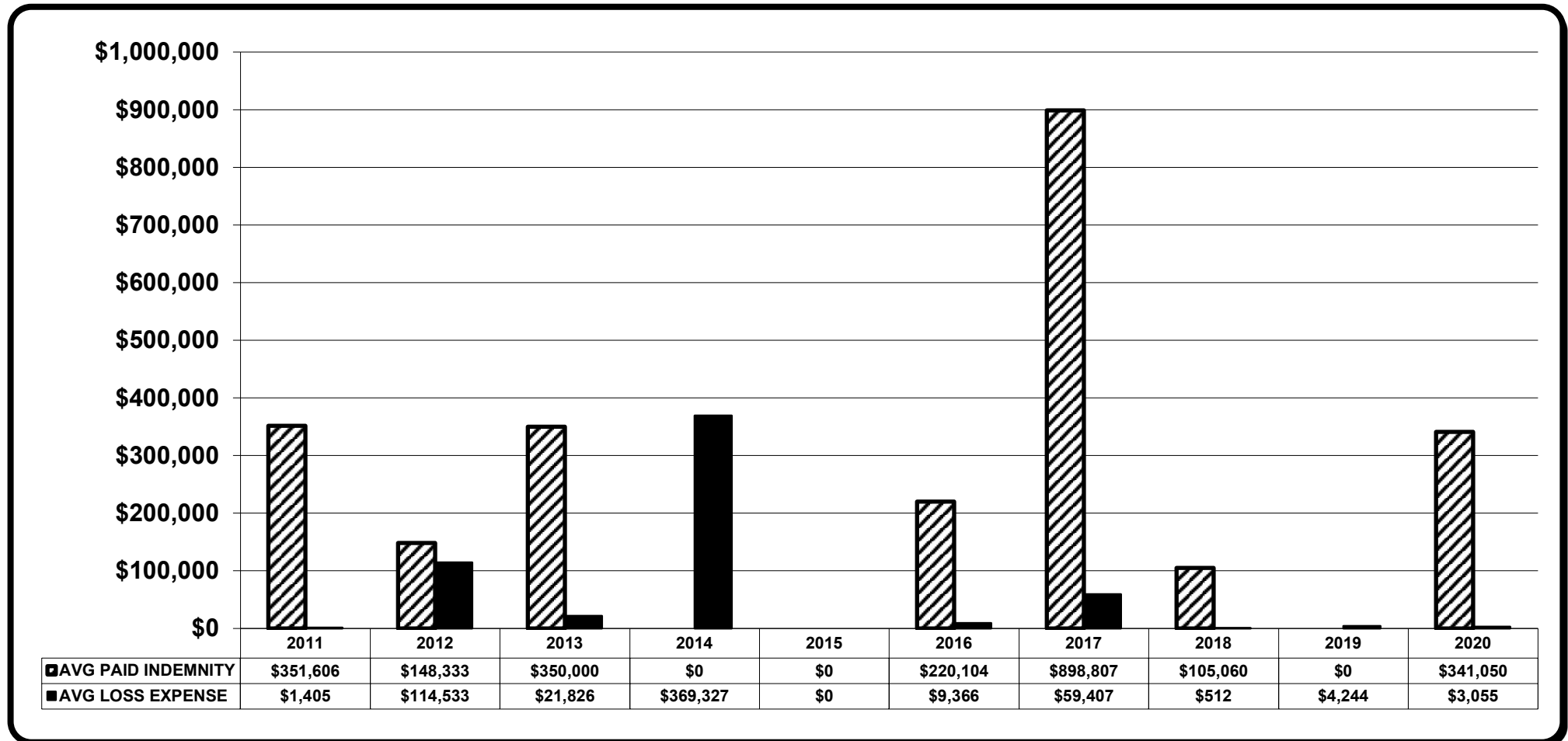


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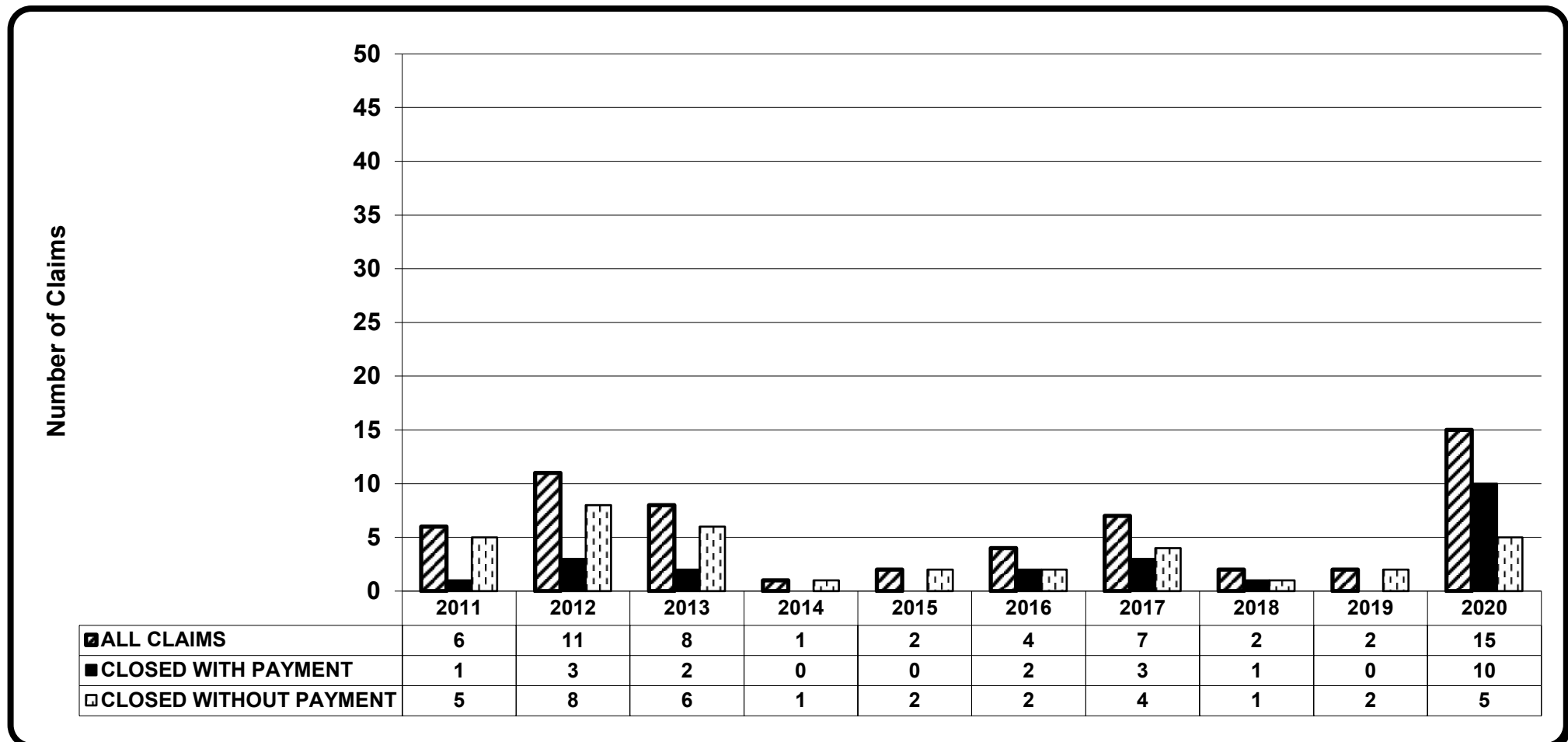


## BI/PD - DEFENDANT

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

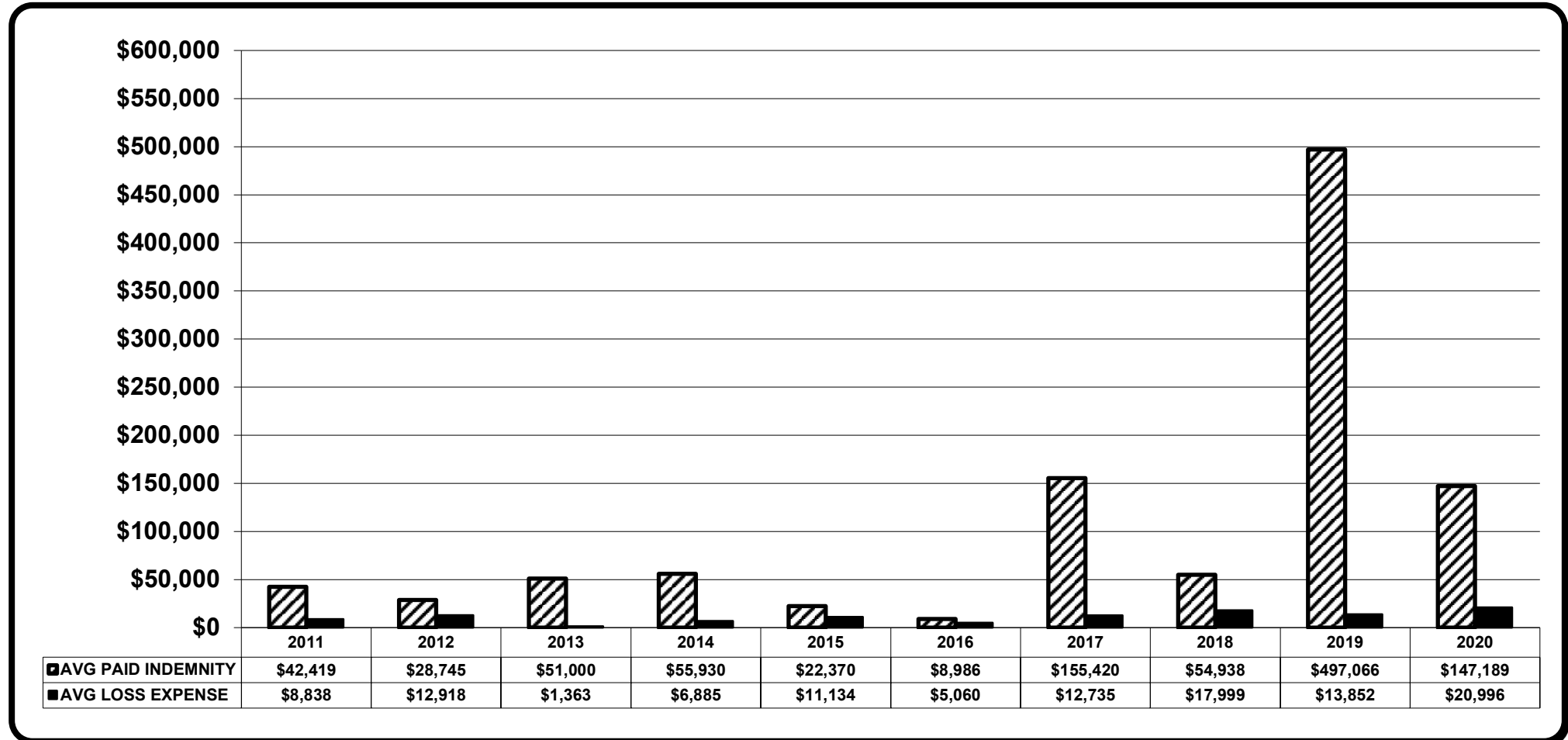


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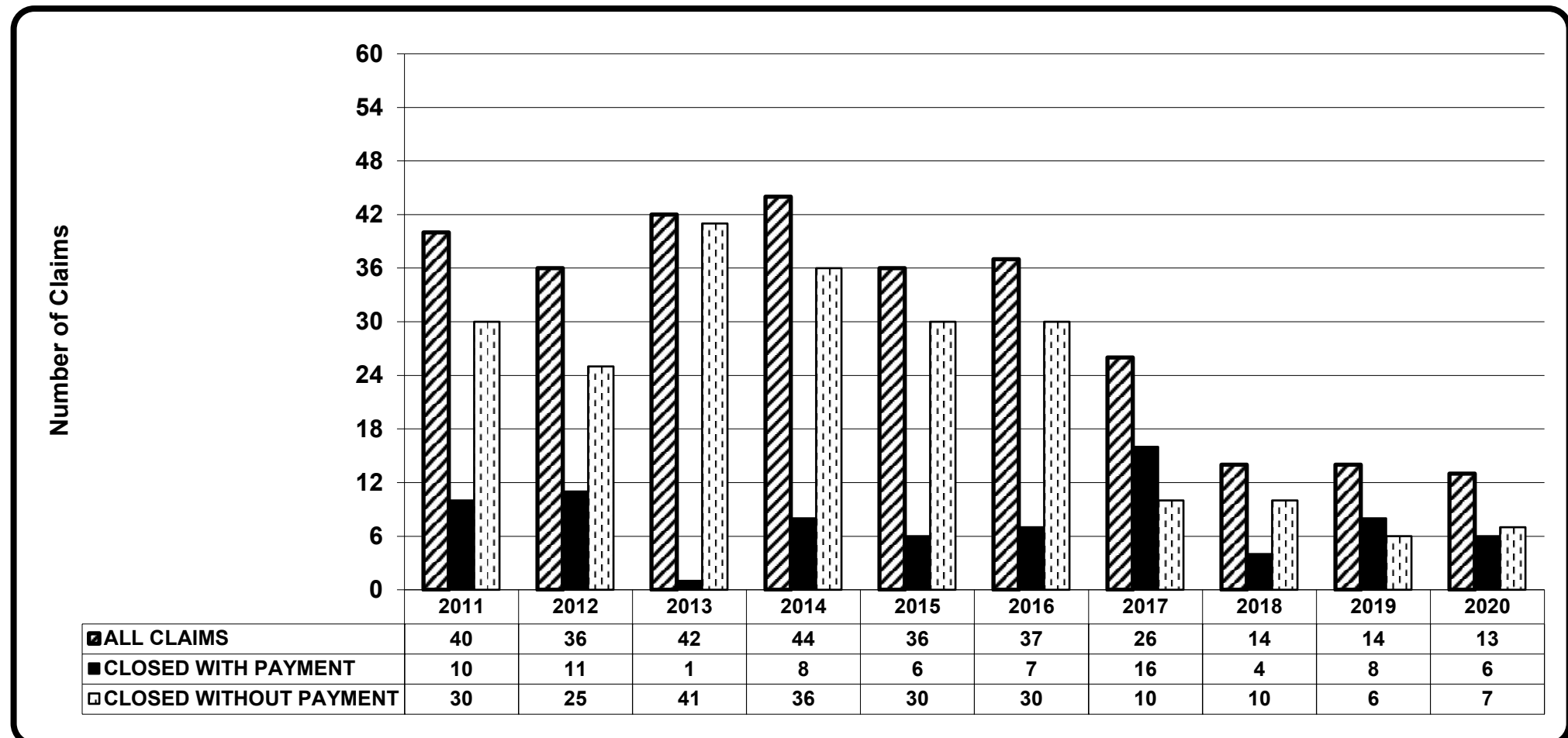


## COLLECTION & BANKRUPTCY

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

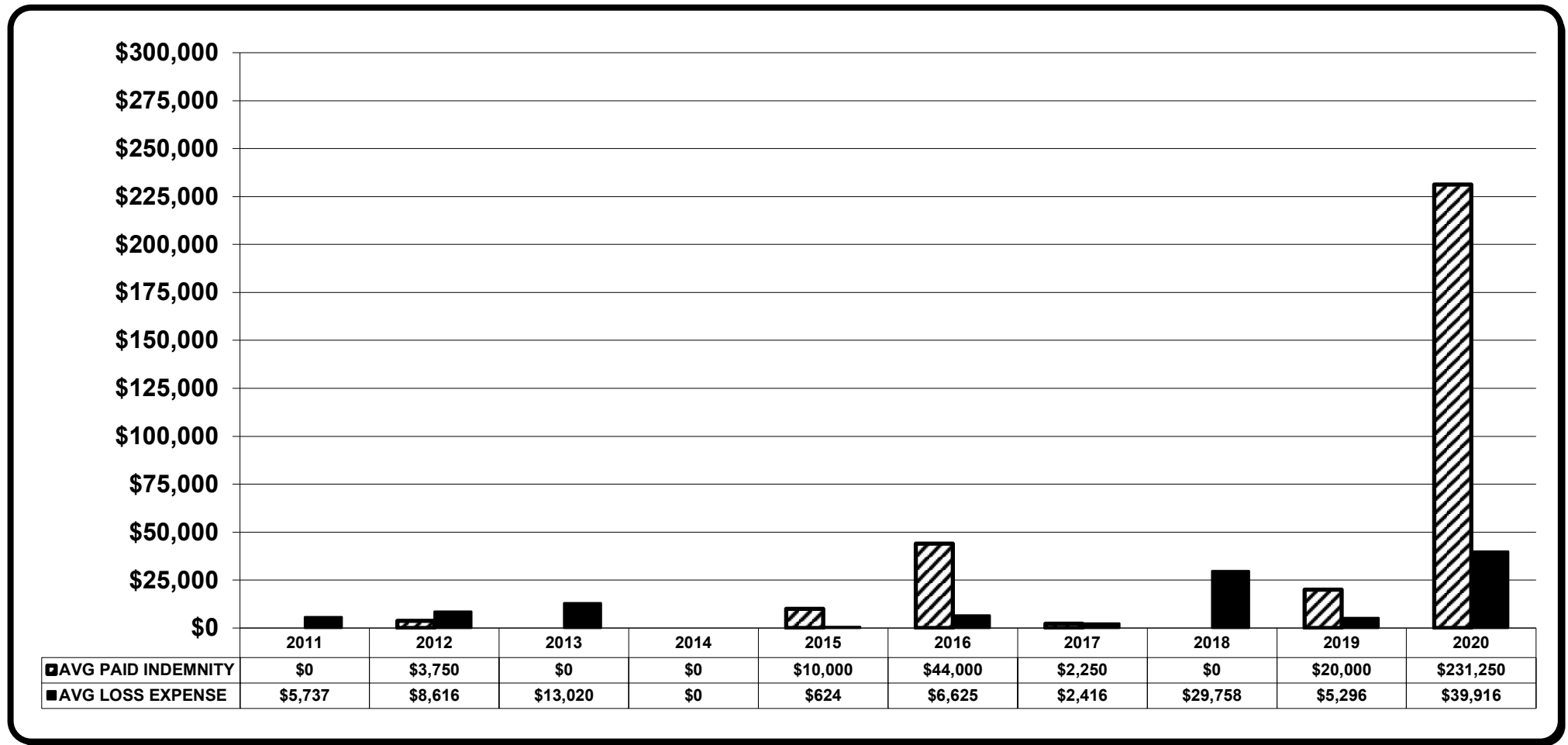


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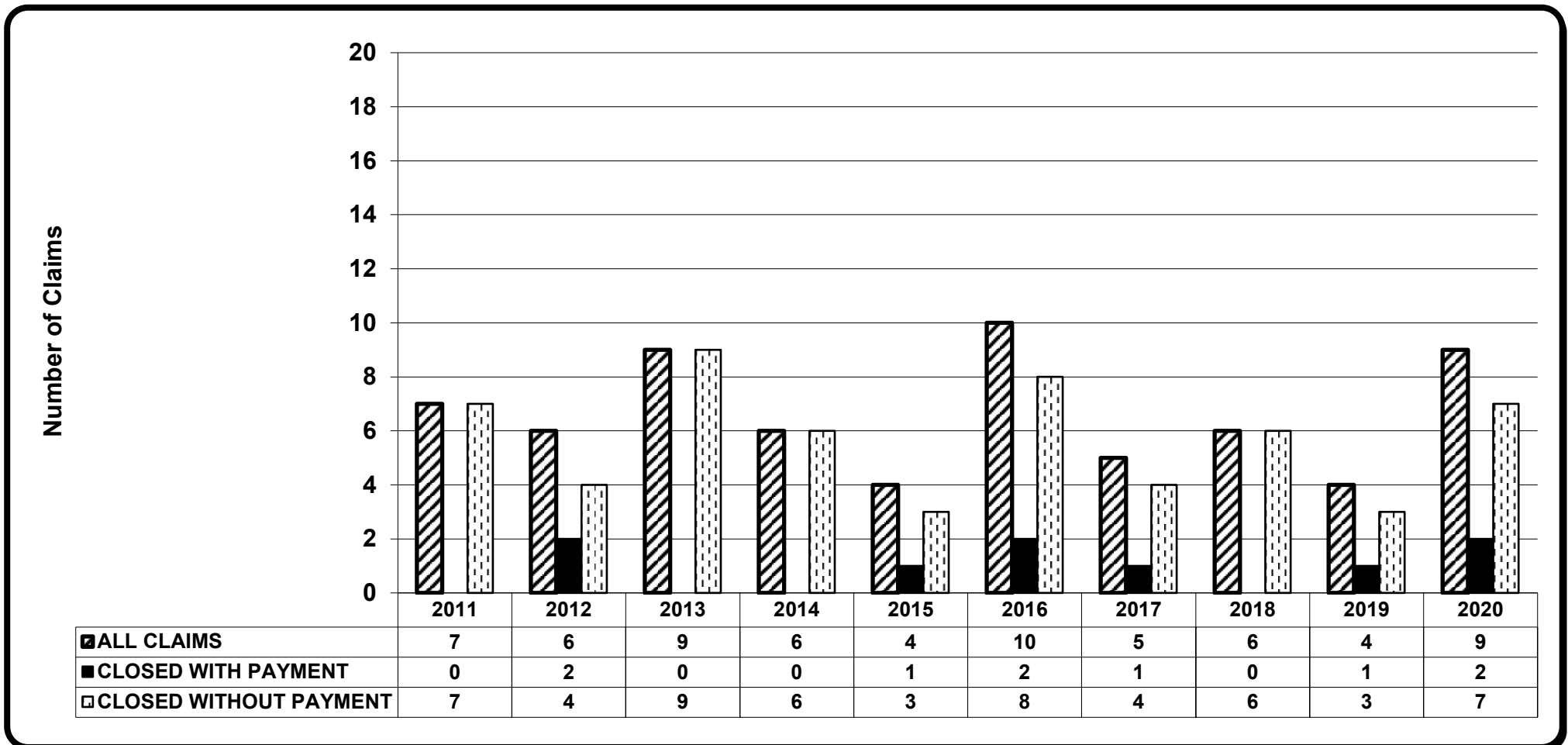


## CRIMINAL

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

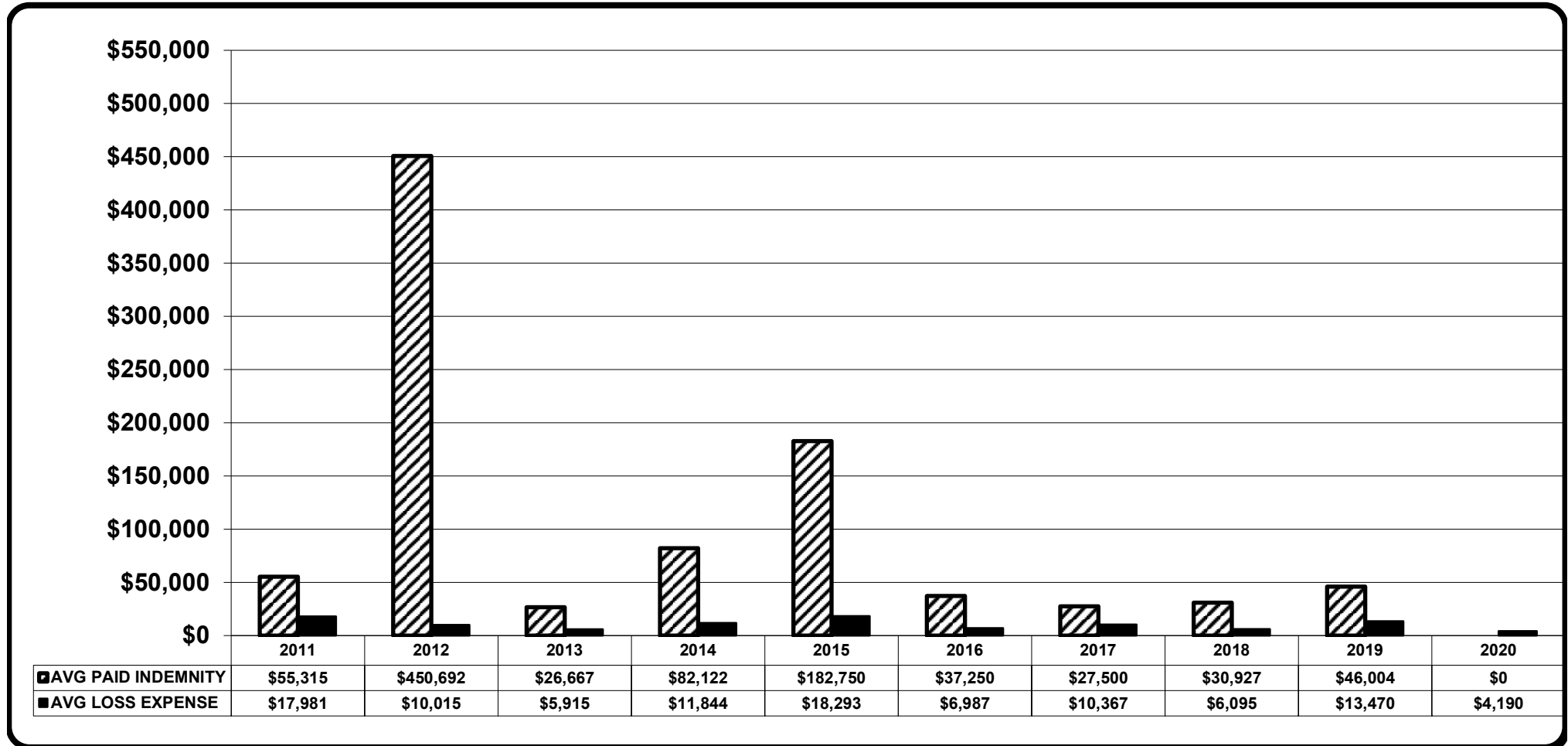


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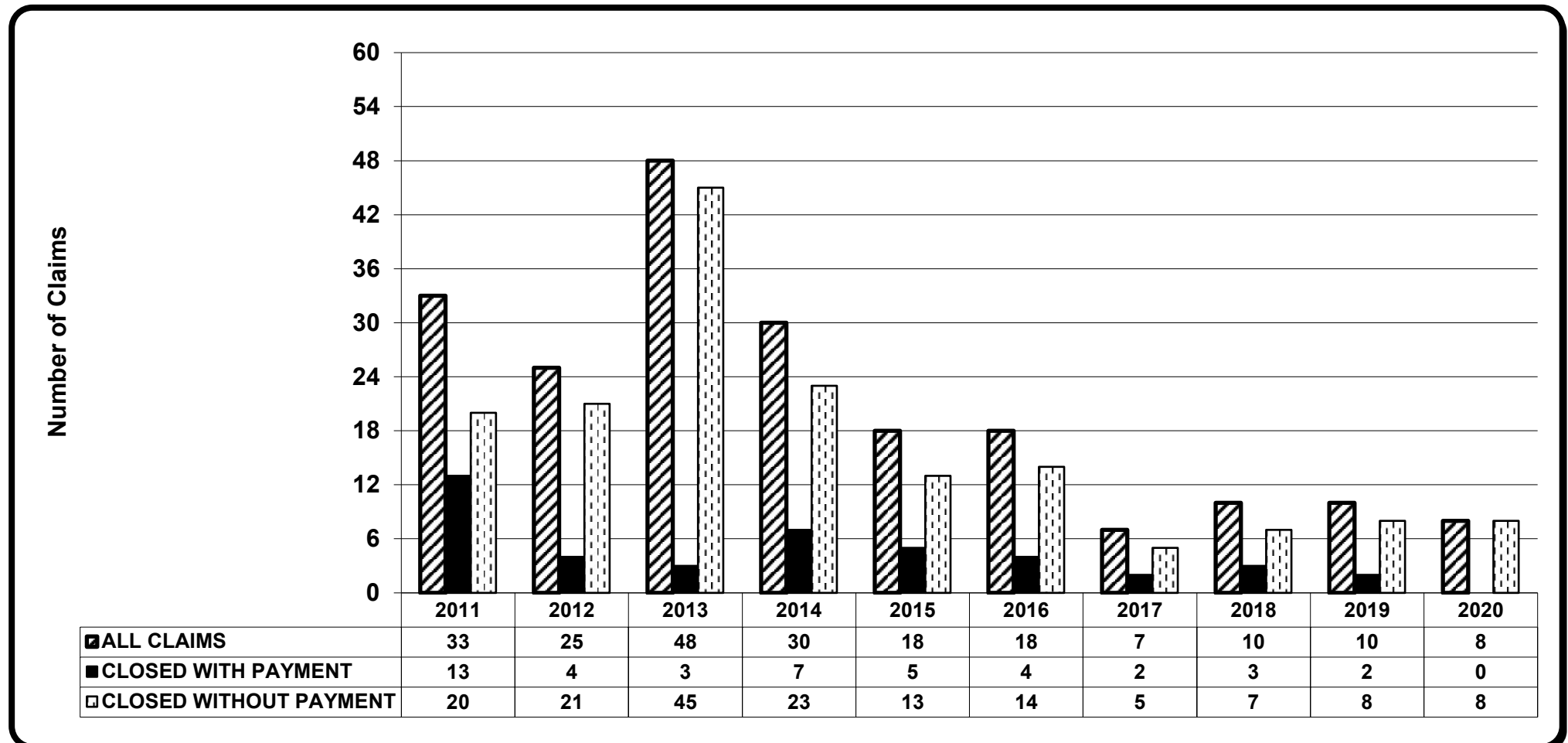


## REAL ESTATE

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

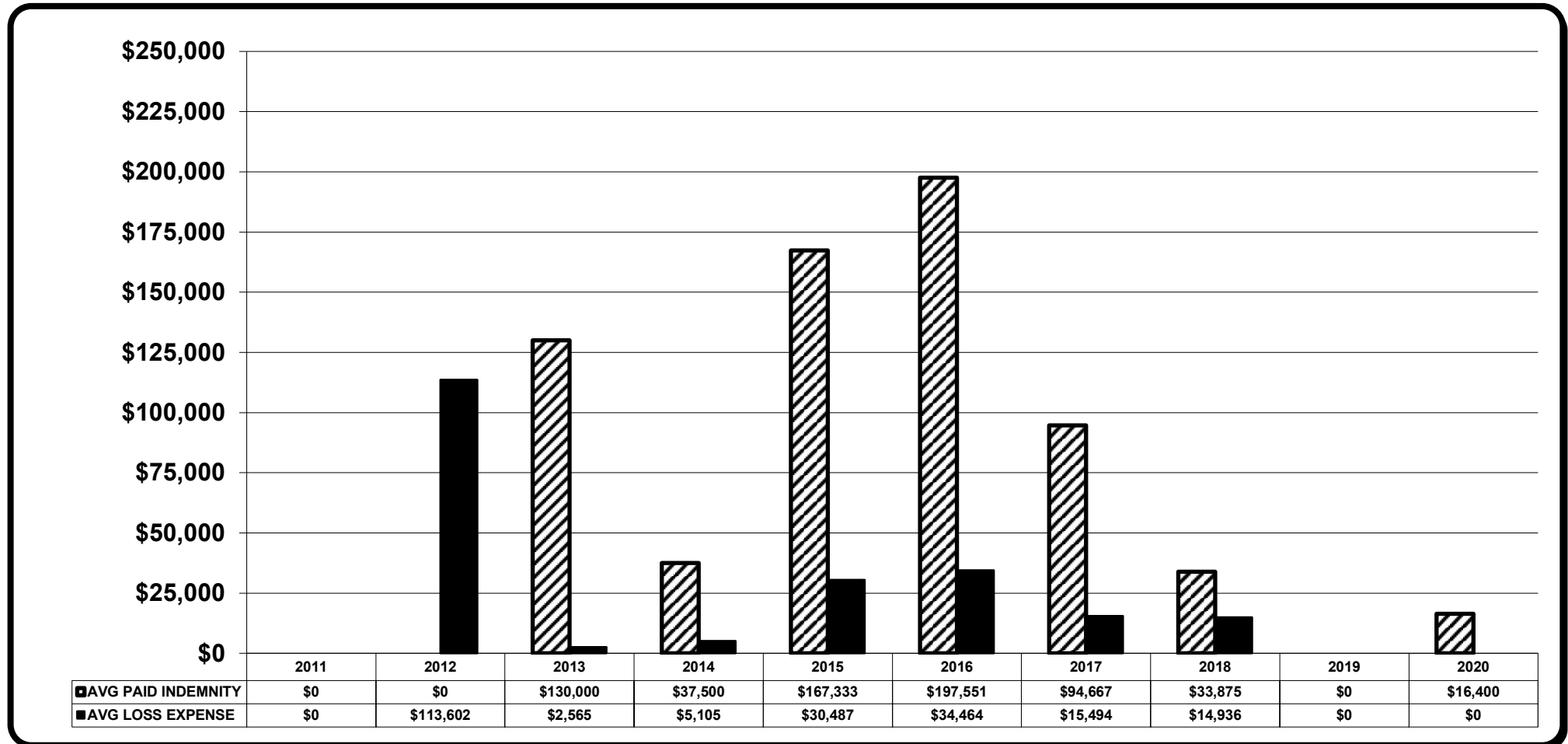


### CLAIM COUNT

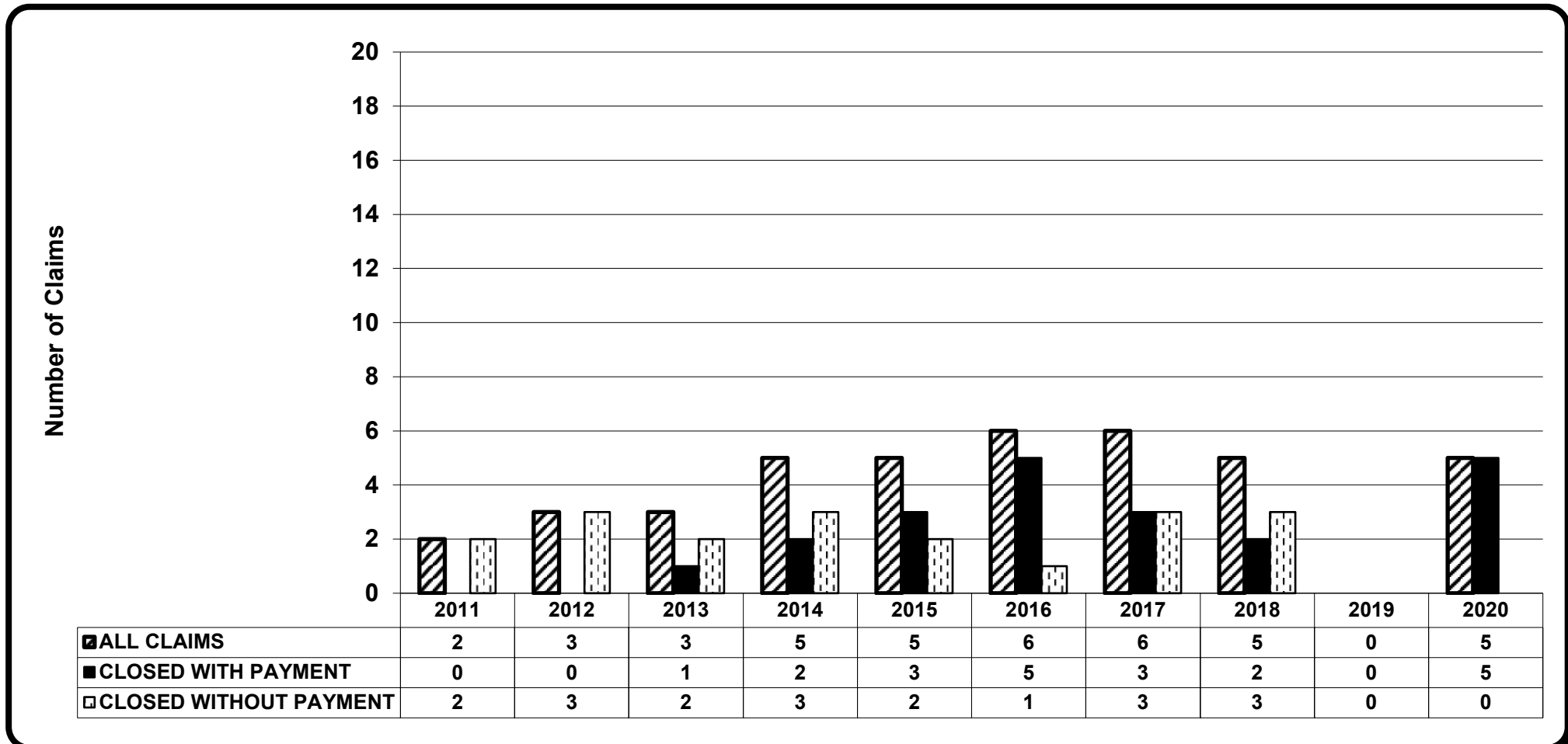


## LABOR LAW

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

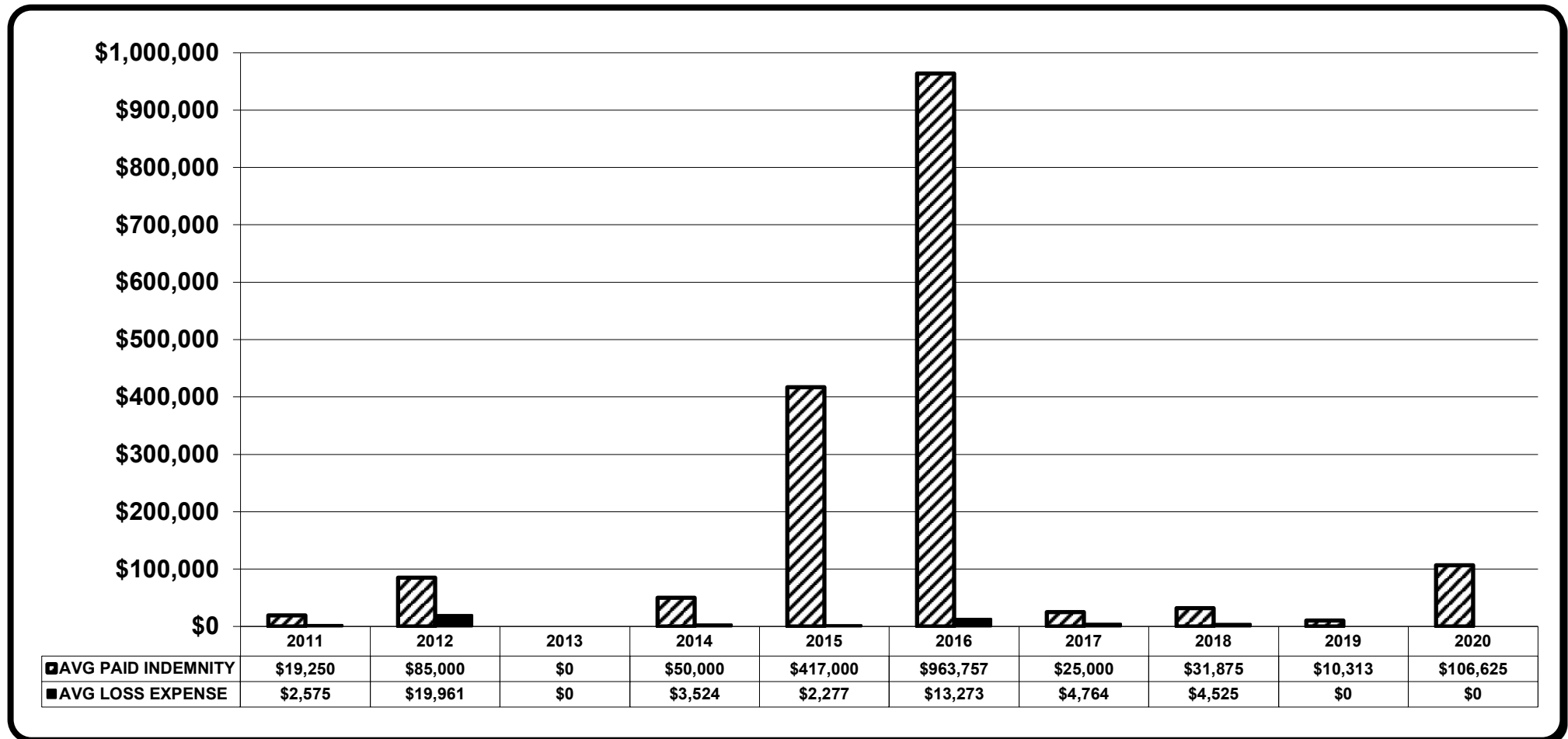


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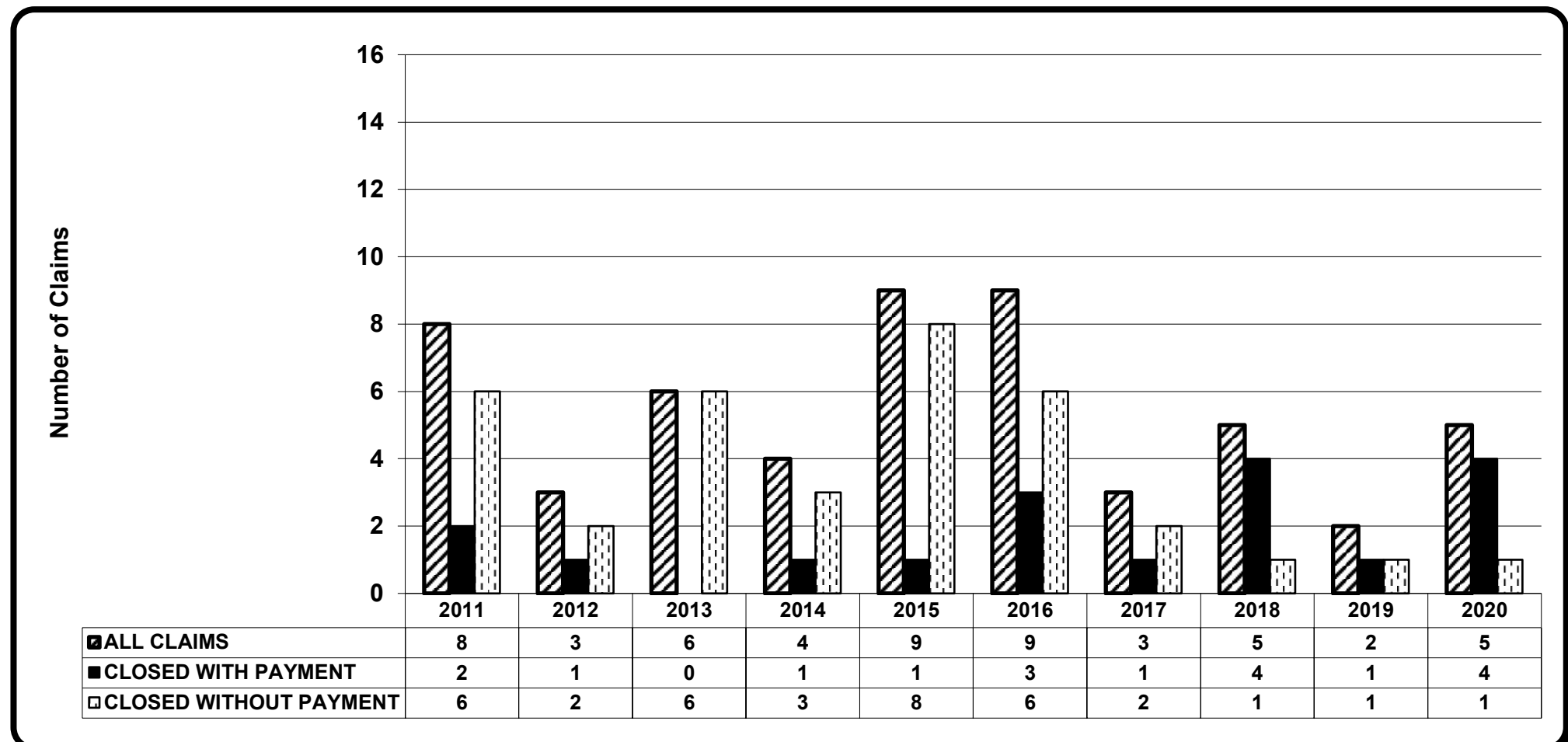


## WORKERS COMPENSATION

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

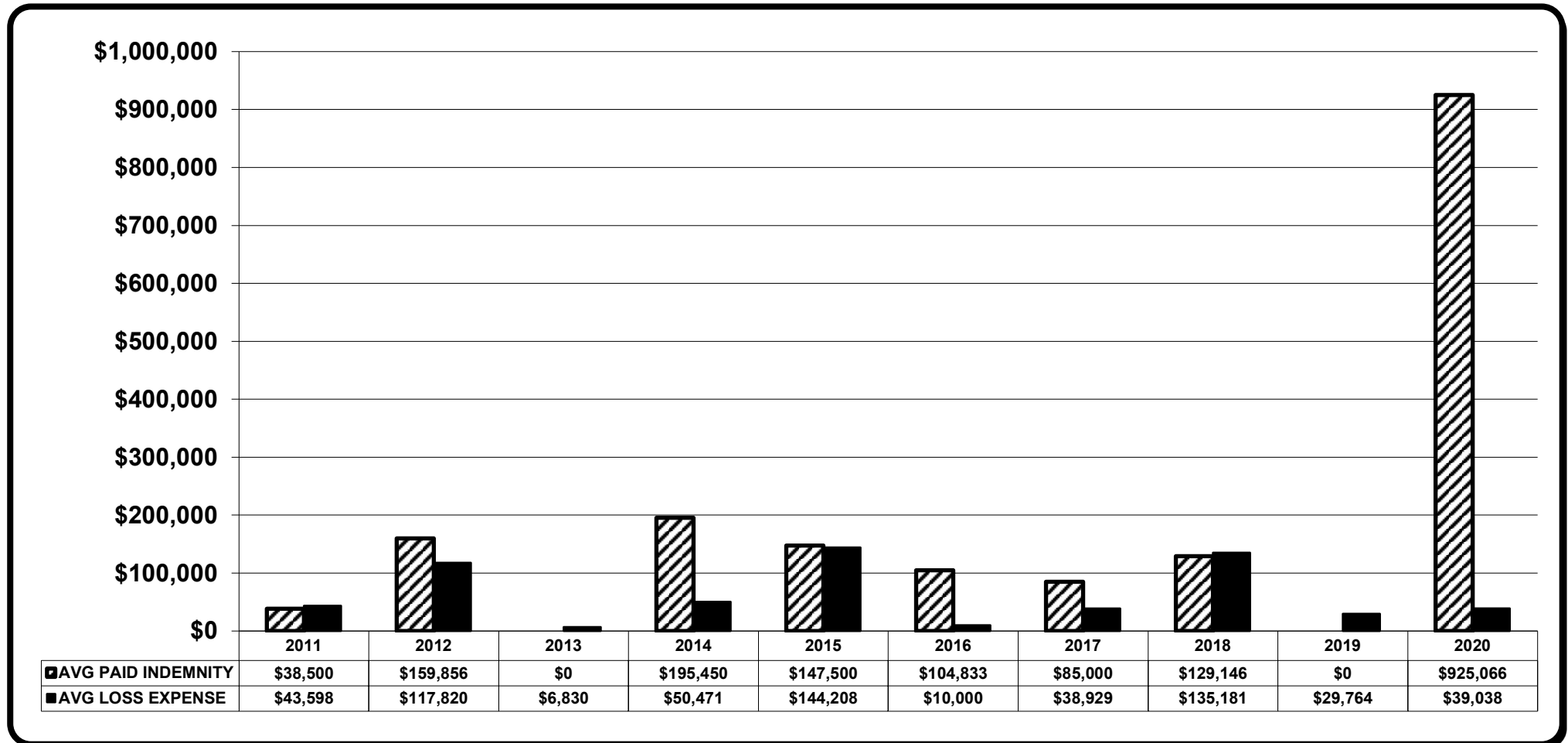


### CLAIM COUNT

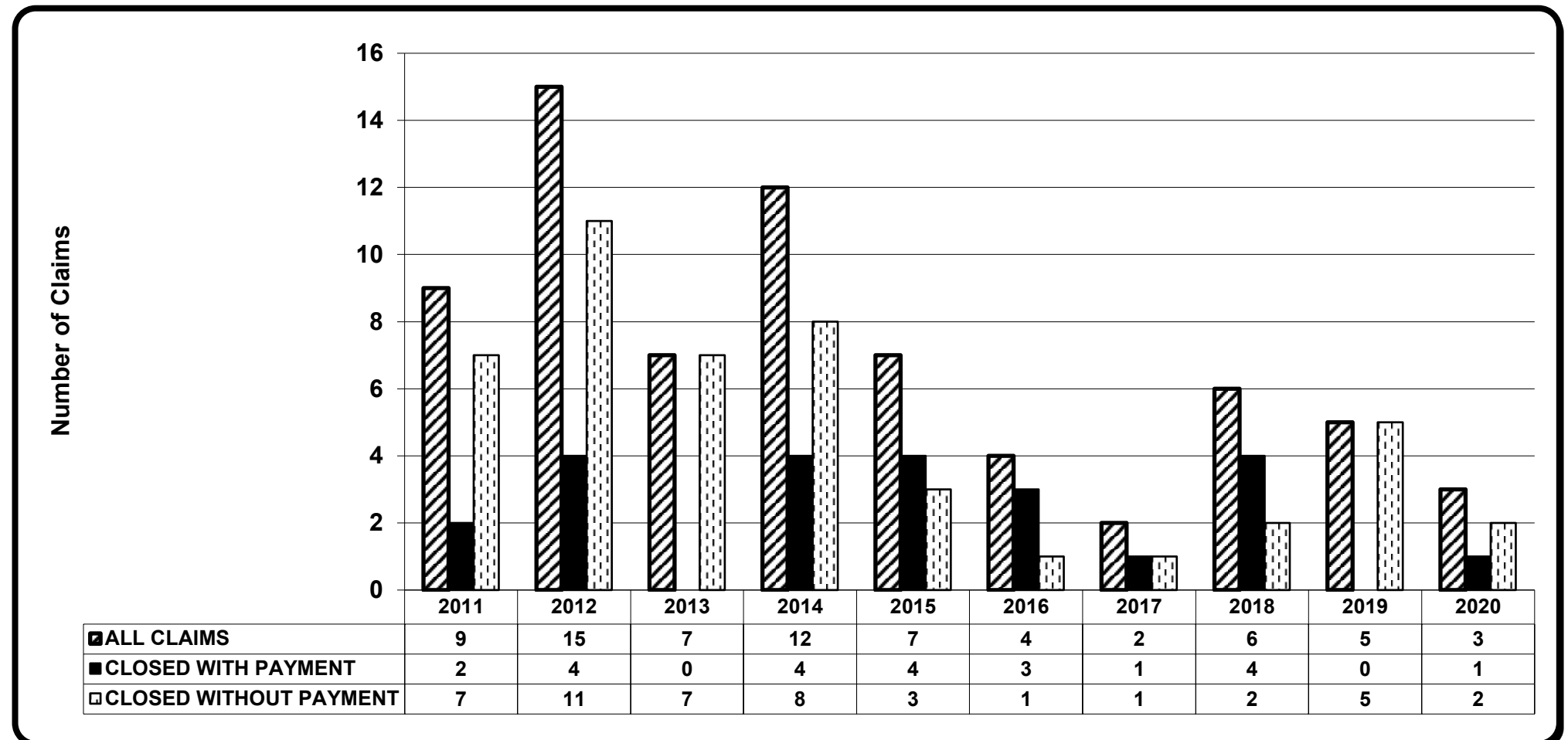


## BUSINESS TRANSACTION/COMMERCIAL LAW

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



### CLAIM COUNT





**TEN YEAR SUMMARY  
&  
2020 SUMMARY  
BY  
MAJOR ACTIVITY**



**LEGAL MALPRACTICE INSURANCE  
INDEMNITY ANALYSIS  
FOR YEARS 2011-2020**

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
COMMENCEMENT OF ACTION OR PROCEEDING	573	132	26.04%	\$136,295	\$17,990,893	22.21%	\$16,225
OTHER	450	95	18.74%	\$165,691	\$15,740,684	19.43%	\$18,604
PRE-TRIAL, PRE-HEARING	183	71	14.00%	\$175,626	\$12,469,470	15.40%	\$32,083
PREPARATION, TRANSMITTAL OR FILING	183	79	15.58%	\$97,842	\$7,729,504	9.54%	\$21,382
SETTLEMENT AND NEGOTIATION	111	43	8.48%	\$152,316	\$6,549,600	8.09%	\$16,876
CONSULTATION OR ADVICE	97	26	5.13%	\$195,896	\$5,093,285	6.29%	\$34,207
INVESTIGATION, OTHER THAN LITIGATION	46	13	2.56%	\$245,671	\$3,193,725	3.94%	\$22,384
TRIAL OR HEARING	46	18	3.55%	\$358,760	\$6,457,677	7.97%	\$33,179
OTHER WRITTEN OPINION	33	7	1.38%	\$133,447	\$934,128	1.15%	\$26,826
APPEAL ACTIVITIES	26	4	0.79%	\$54,651	\$218,602	0.27%	\$11,512
POST TRIAL OR HEARING	20	8	1.58%	\$404,081	\$3,232,650	3.99%	\$17,979
TAX REPORTING OR PAYMENT	11	4	0.79%	\$117,167	\$468,669	0.58%	\$71,040
EXPARTE PROCEEDINGS	10	2	0.39%	\$22,357	\$44,713	0.06%	\$14,074
REFERRAL TO ANOTHER PROFESSIONAL	7	3	0.59%	\$107,667	\$323,000	0.40%	\$14,362
TITLE OPINION	2	2	0.39%	\$275,000	\$550,000	0.68%	\$39,466
<b>TOTAL</b>	<b>1,798</b>	<b>507</b>	<b>100.00%</b>	<b>\$159,757</b>	<b>\$80,996,600</b>	<b>100.00%</b>	<b>\$21,049</b>

**LEGAL MALPRACTICE INSURANCE  
INDEMNITY ANALYSIS  
CLAIMS CLOSED IN 2020**

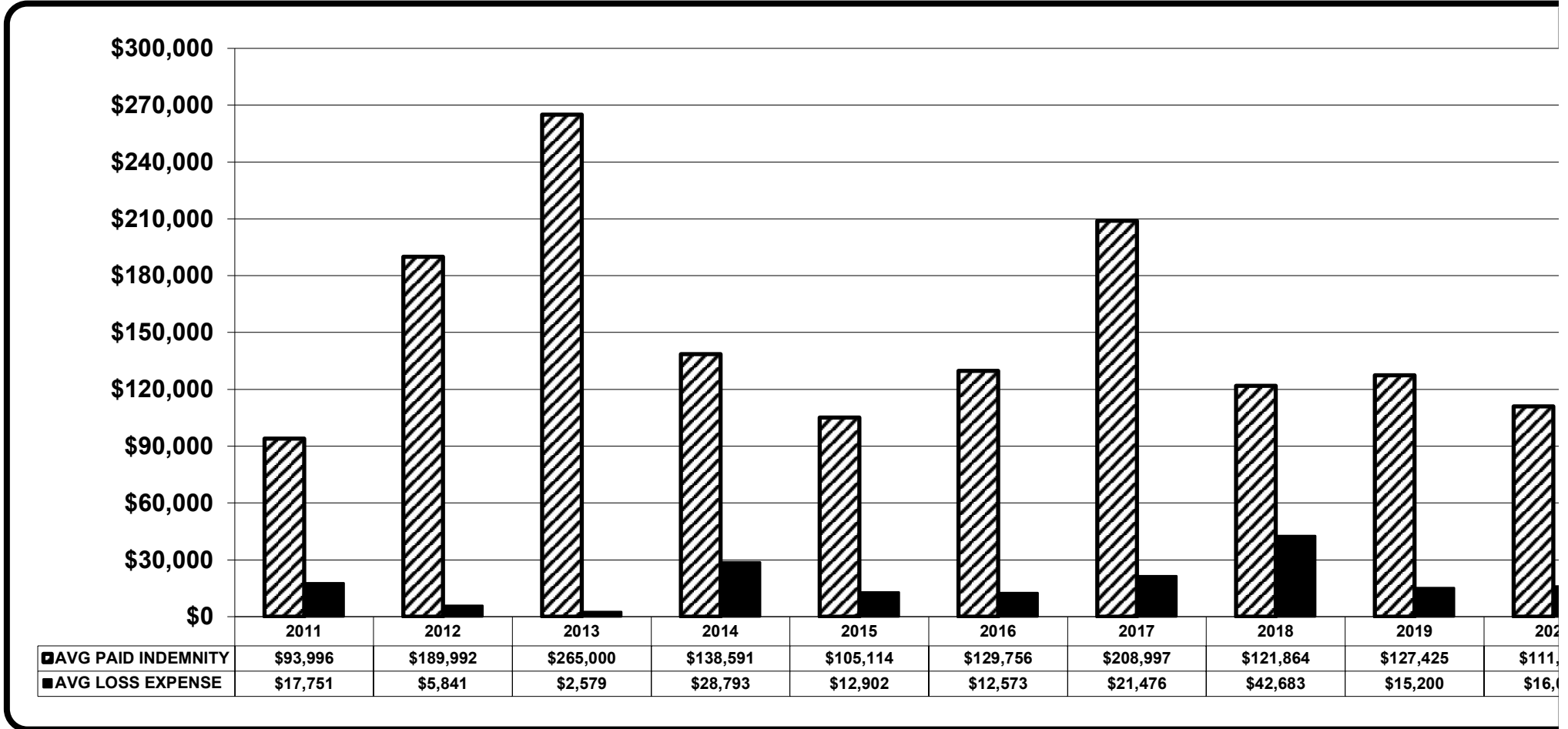
MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
COMMENCE OF ACTION OR PROCEEDING	42	18	28.57%	\$111,007	\$1,998,131	17.18%	\$16,044
PRE-TRIAL, PRE-HEARING	24	13	20.63%	\$194,589	\$2,529,660	21.75%	\$8,280
OTHER	16	4	6.35%	\$544,500	\$2,178,000	18.73%	\$58,724
SETTLEMENT AND NEGOTIATION	16	9	14.29%	\$51,346	\$462,114	3.97%	\$15,014
PREPARATION, TRANSMITTAL OR FILING	13	8	12.70%	\$74,586	\$596,684	5.13%	\$30,852
CONSULTATION OR ADVICE	10	4	6.35%	\$276,401	\$1,105,602	9.51%	\$5,074
INVESTIGATION, OTHER THAN LITIGATION	6	3	4.76%	\$656,667	\$1,970,000	16.94%	\$4,556
TRIAL OR HEARING	4	2	3.17%	\$20,000	\$40,000	0.34%	\$32,583
APPEAL ACTIVITIES	2	0	0.00%	N/A	\$0	0.00%	\$3,856
REFERRAL TO ANOTHER PROFESSIONAL	2	0	0.00%	N/A	\$0	0.00%	\$4,444
EX PARTE PROCEEDINGS	1	0	0.00%	N/A	\$0	0.00%	\$0
POST TRIAL OR HEARING	1	1	1.59%	\$500,000	\$500,000	4.30%	\$806
TAX REPORTING OR PAYMENT	1	1	1.59%	\$250,000	\$250,000	2.15%	\$650,225
<b>TOTAL</b>	<b>138</b>	<b>63</b>	<b>100.00%</b>	<b>\$184,606</b>	<b>\$11,630,191</b>	<b>100.00%</b>	<b>\$24,127</b>

**TRENDS  
OF THE TOP TEN  
MAJOR ACTIVITY  
OF 2020**

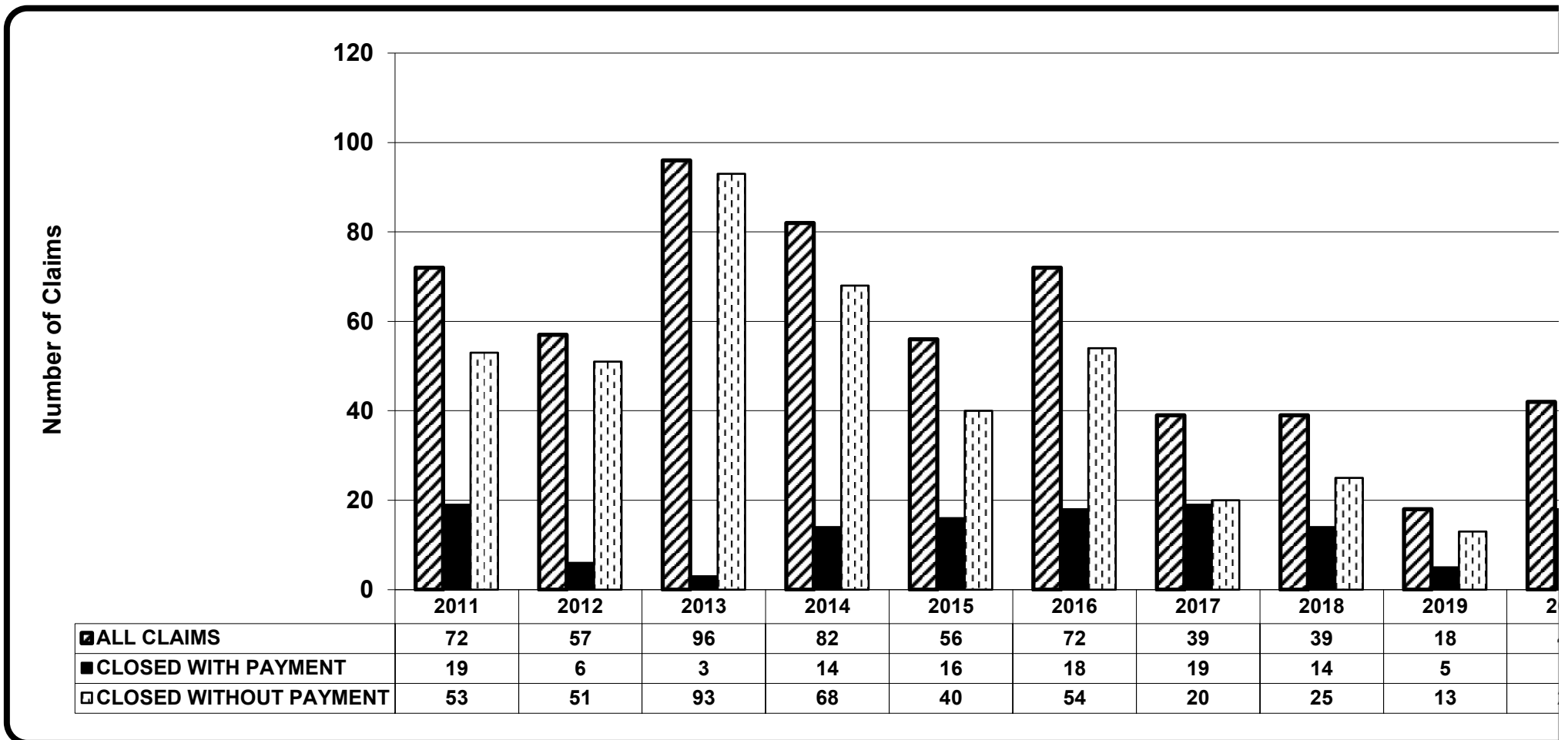


## COMMENCEMENT OF ACTION OR PROCEEDING

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

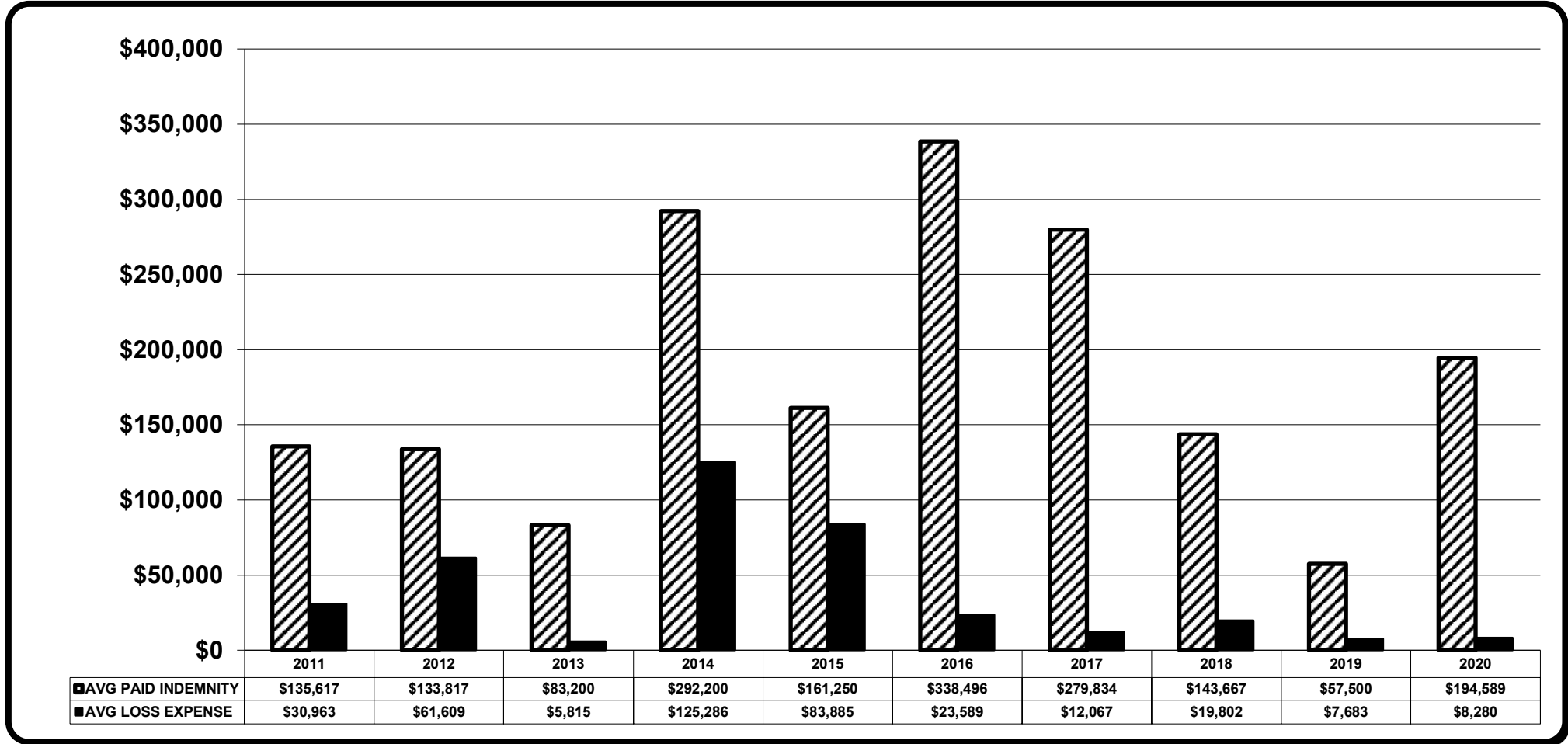


### CLAIM COUNT

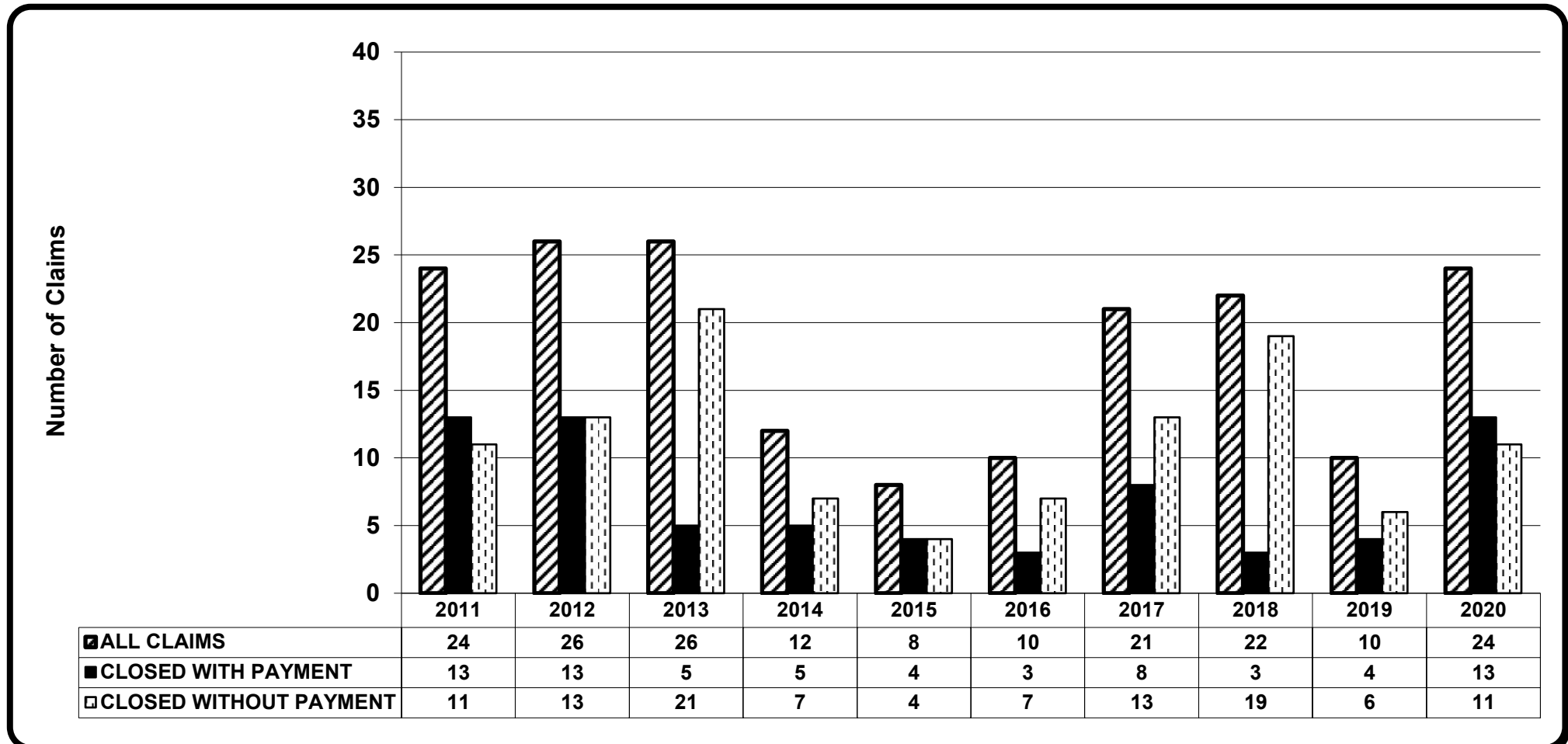


## PRE-TRIAL, PRE-HEARING

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



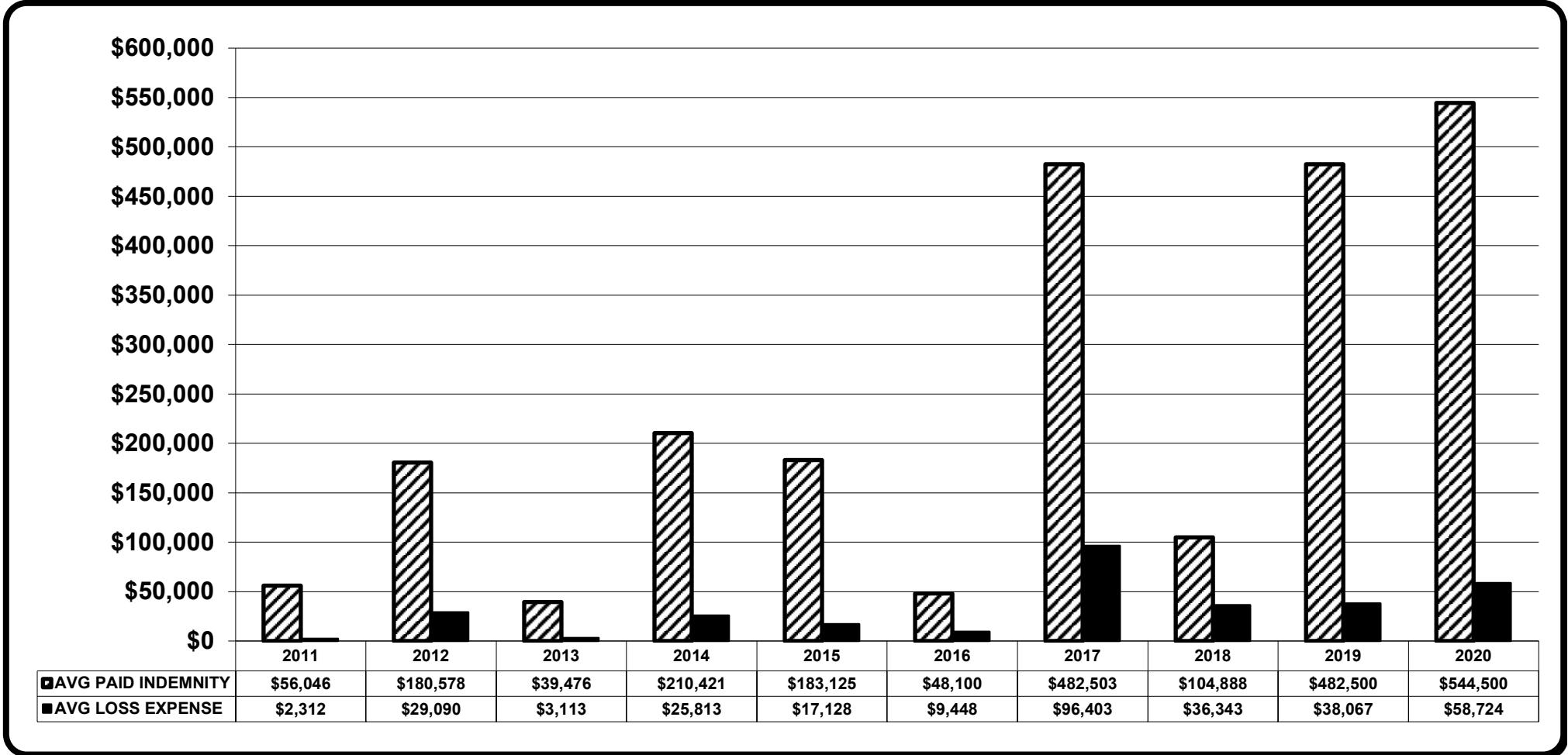
### CLAIM COUNT



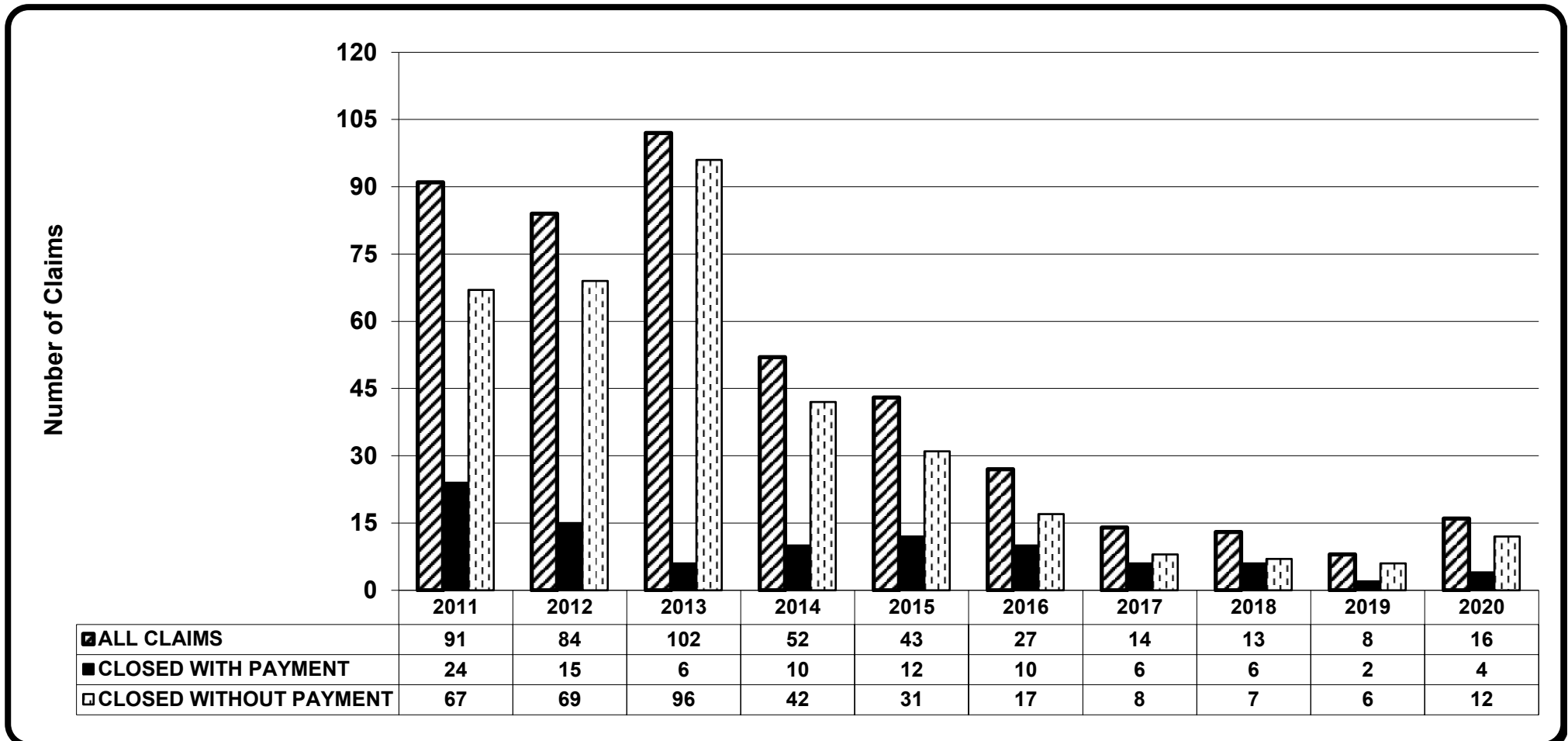


## OTHER

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

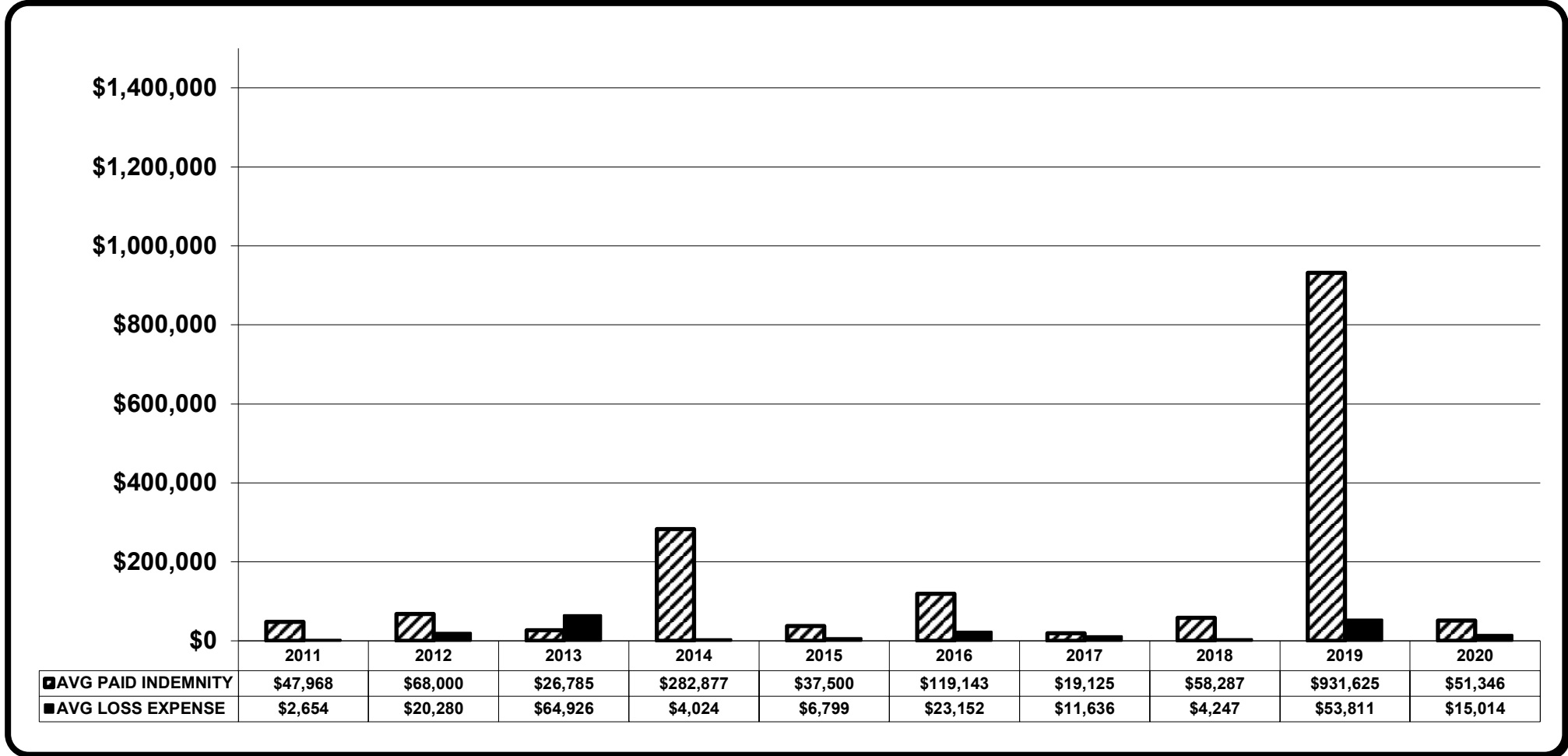


## CLAIM COUNT

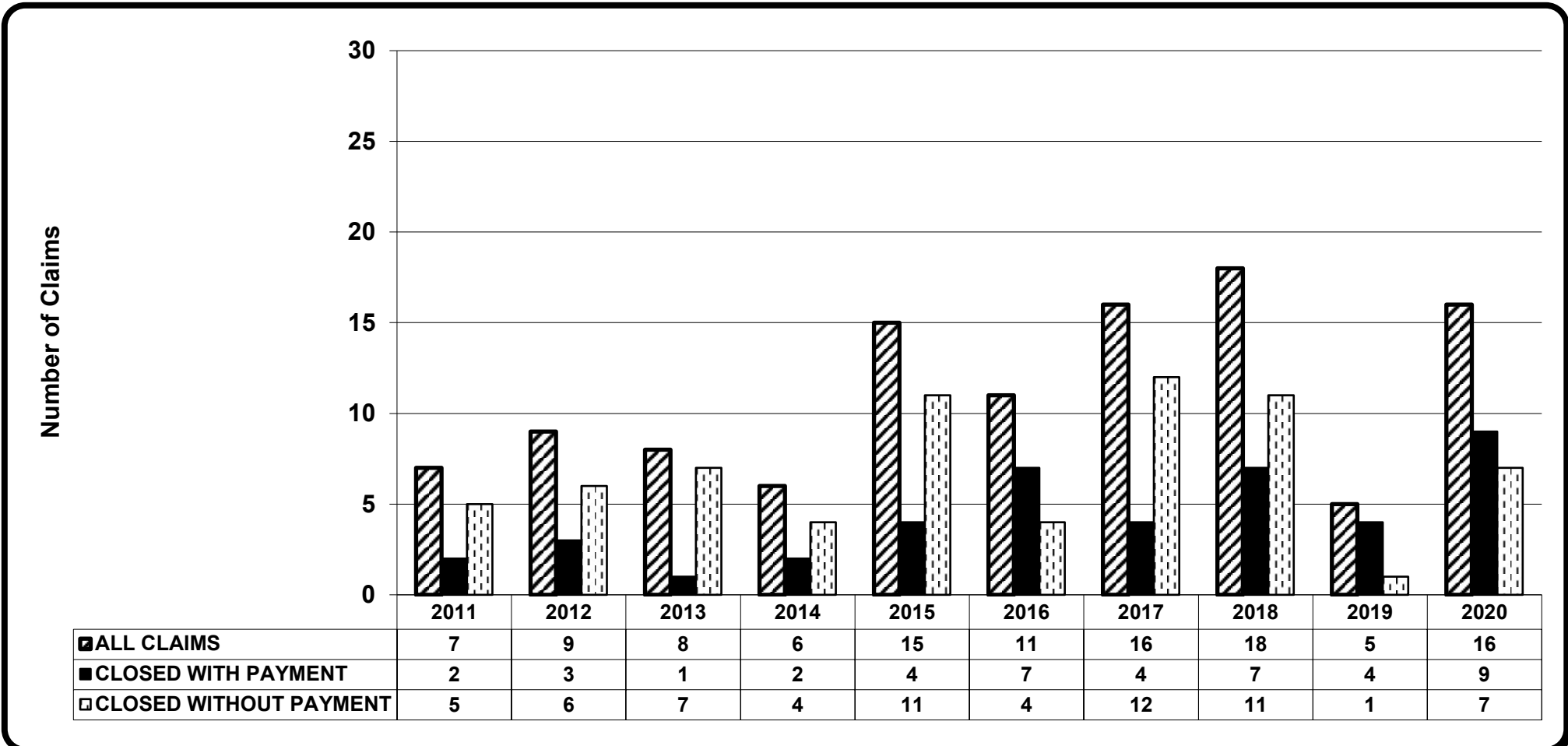


## SETTLEMENT & NEGOTIATION

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

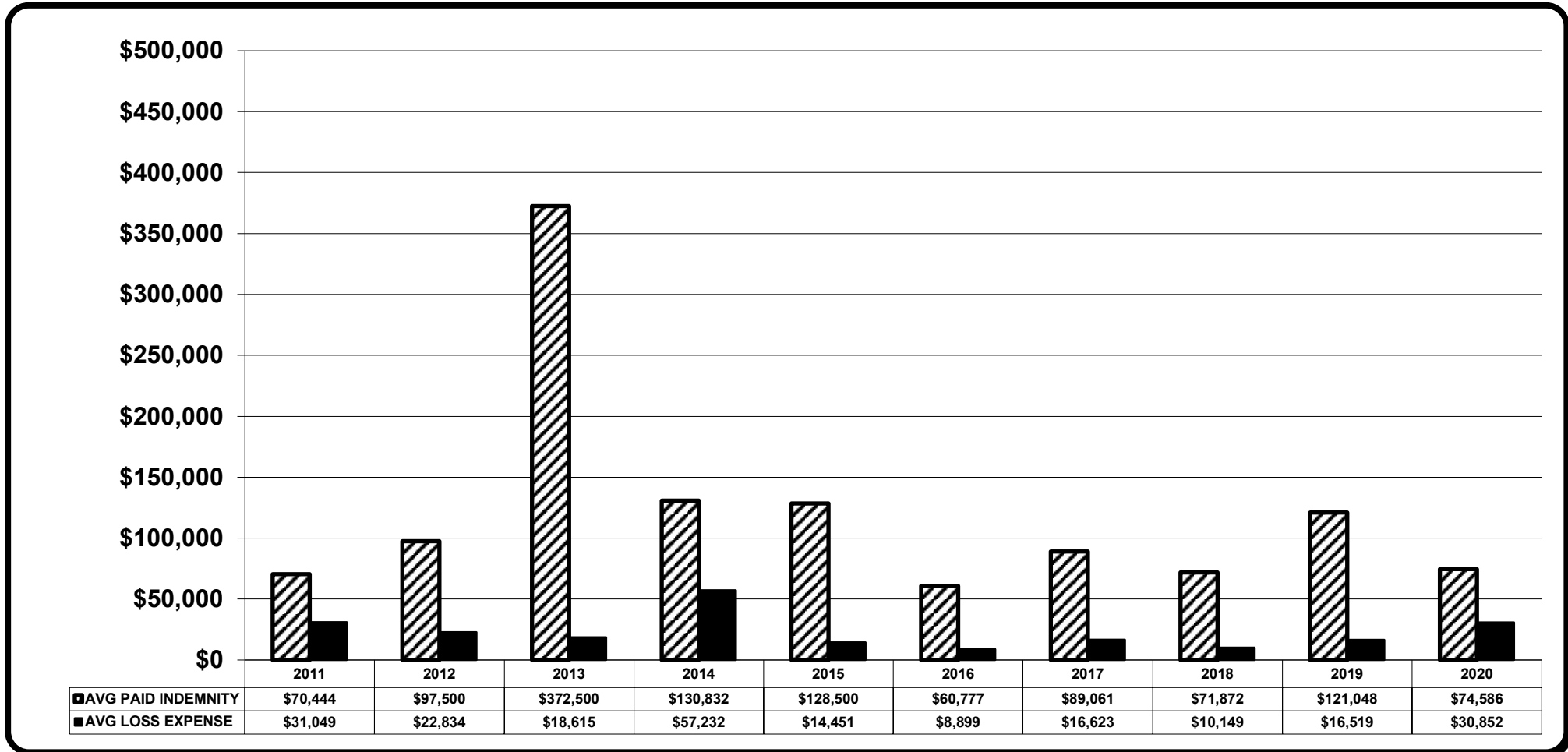


### CLAIM COUNT

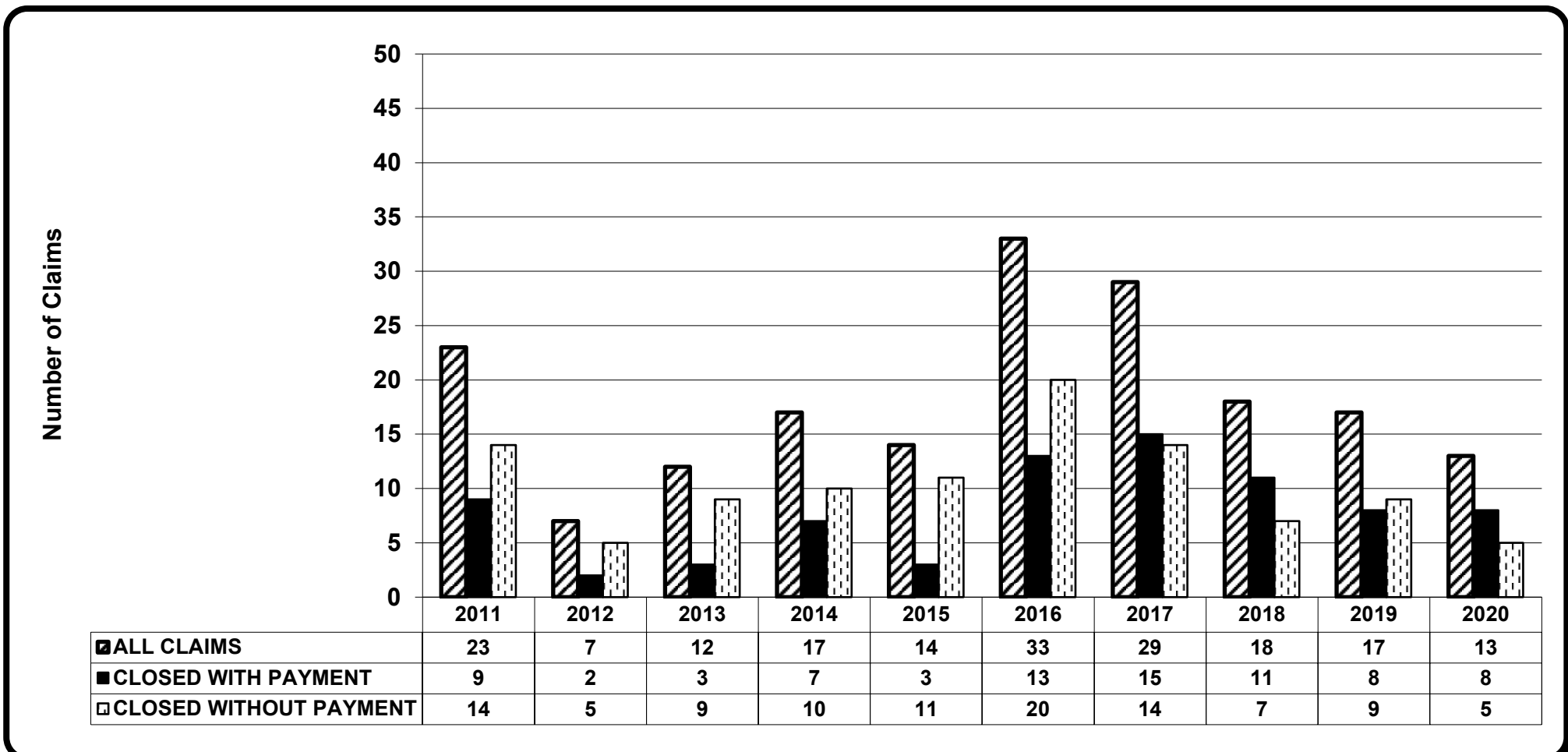


## PREPARATION, TRANSMITTAL OR FILING

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

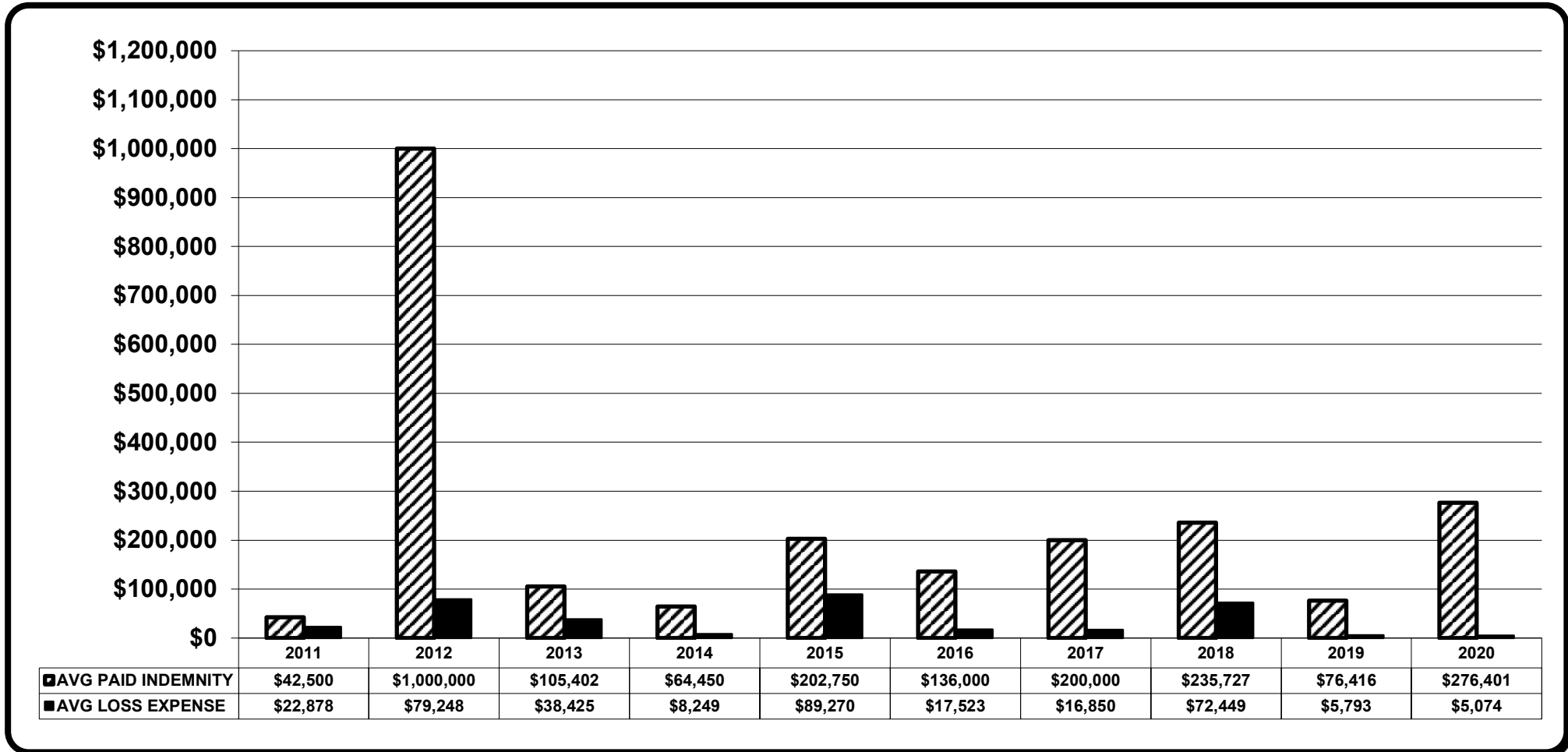


### CLAIM COUNT

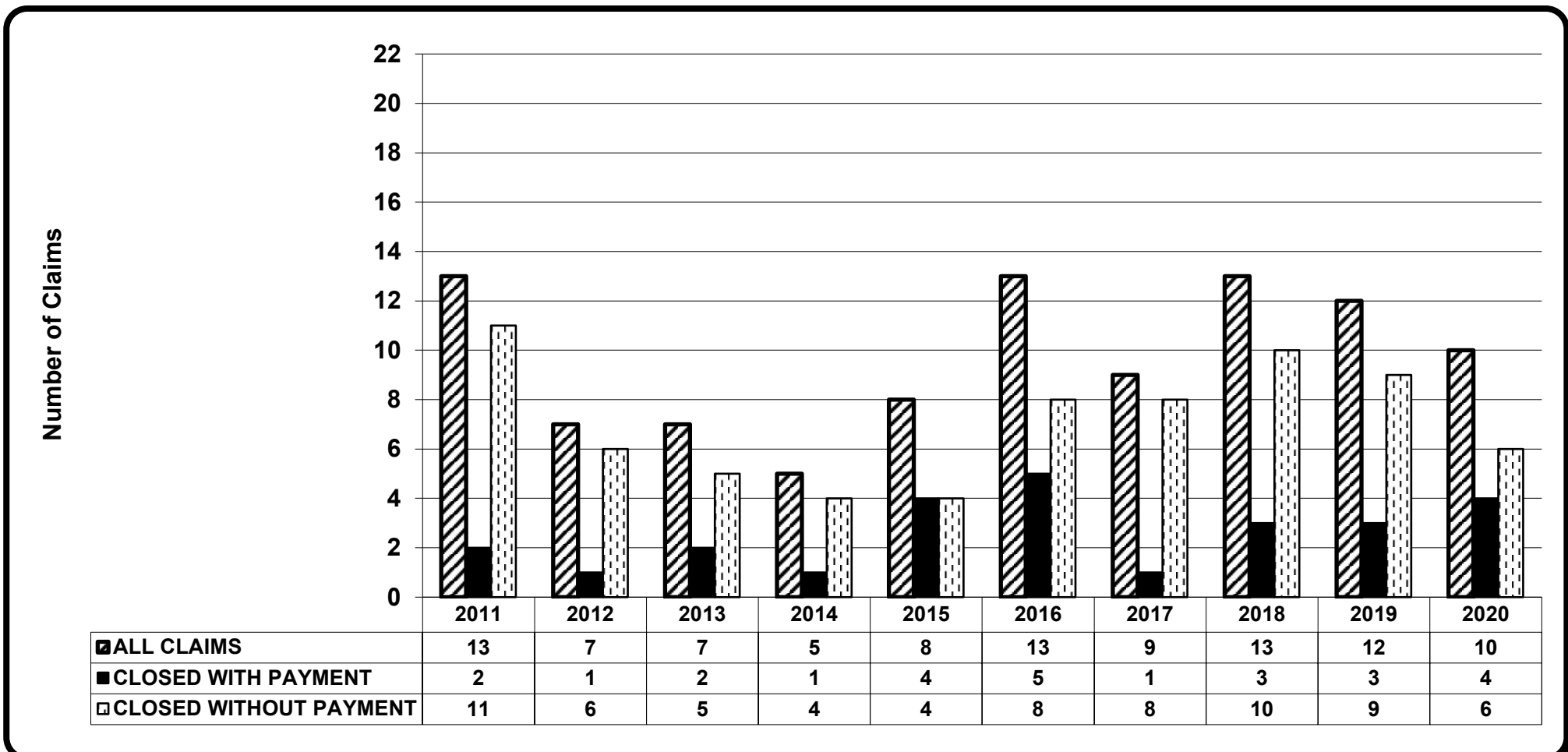


## CONSULTATION OR ADVICE

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

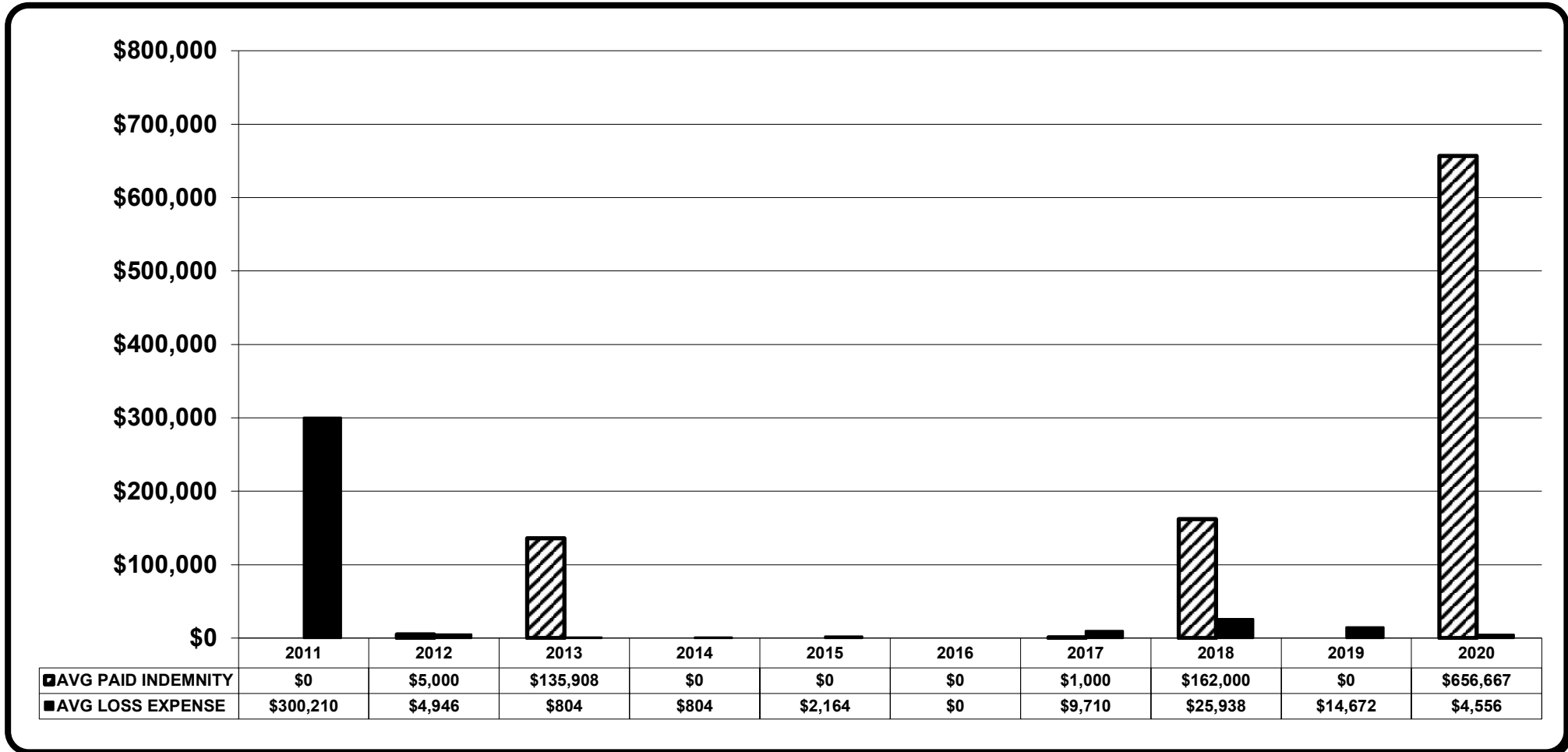


## CLAIM COUNT

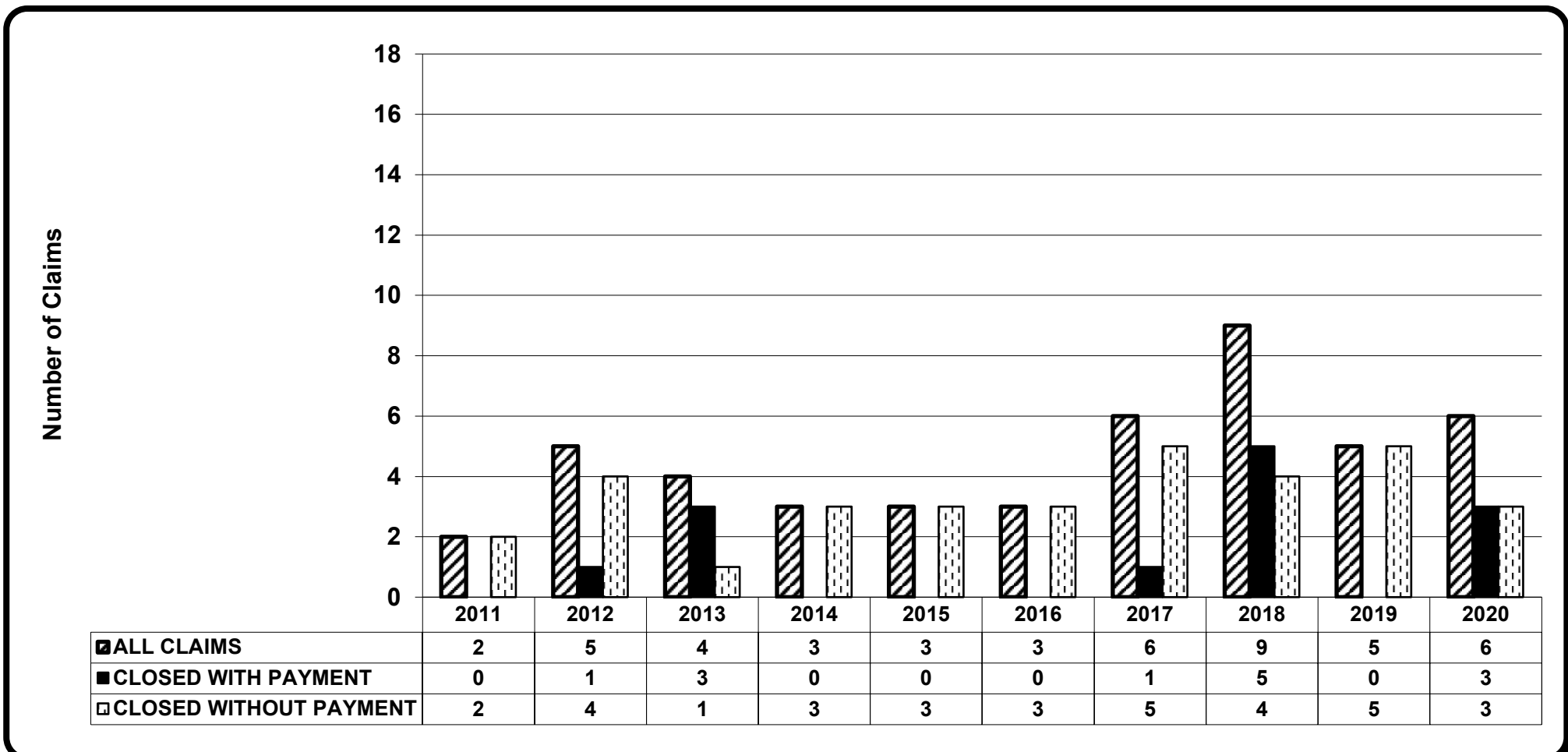


## INVESTIGATION, OTHER THAN LITIGATION

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

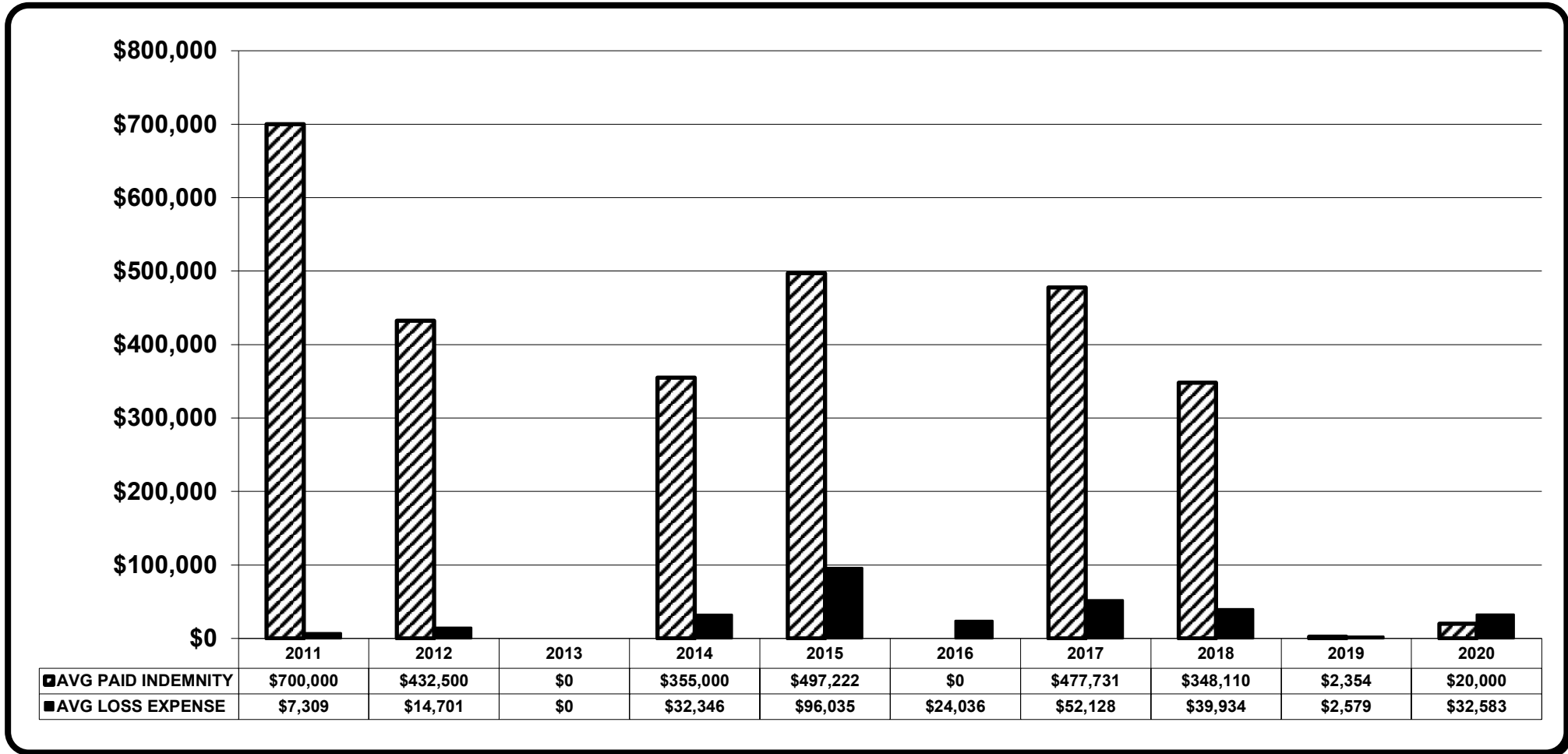


### CLAIM COUNT

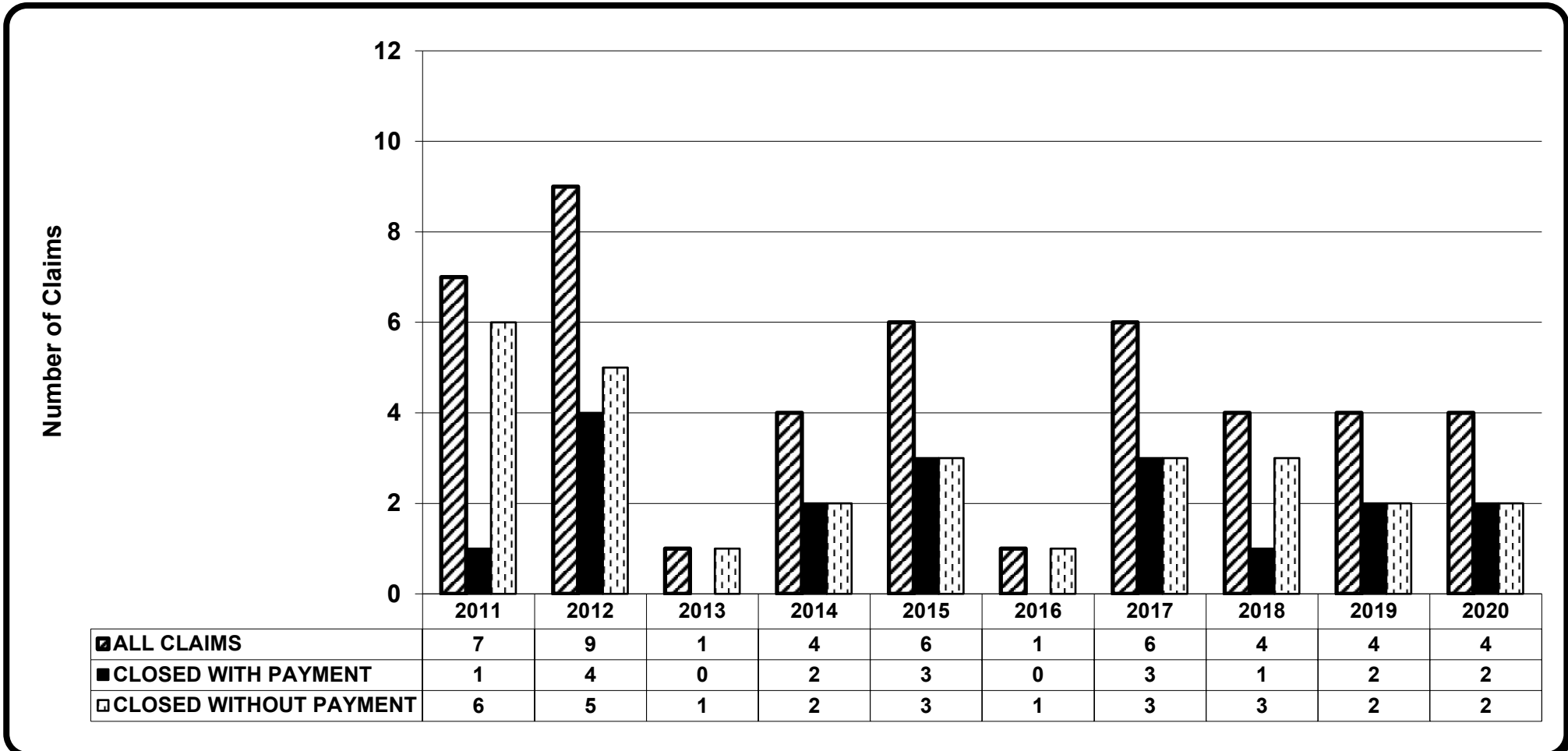


## TRIAL OR HEARING

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

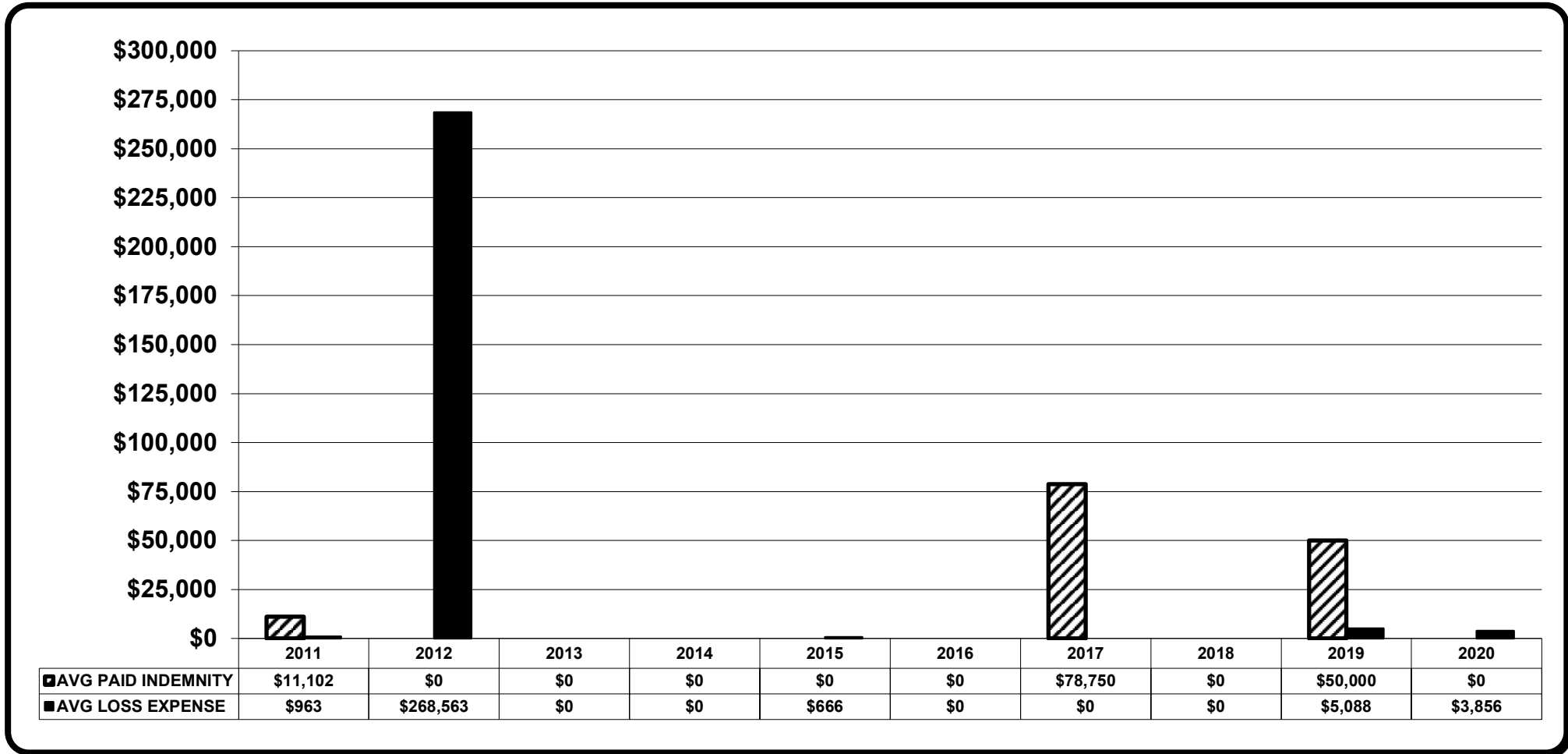


## CLAIM COUNT

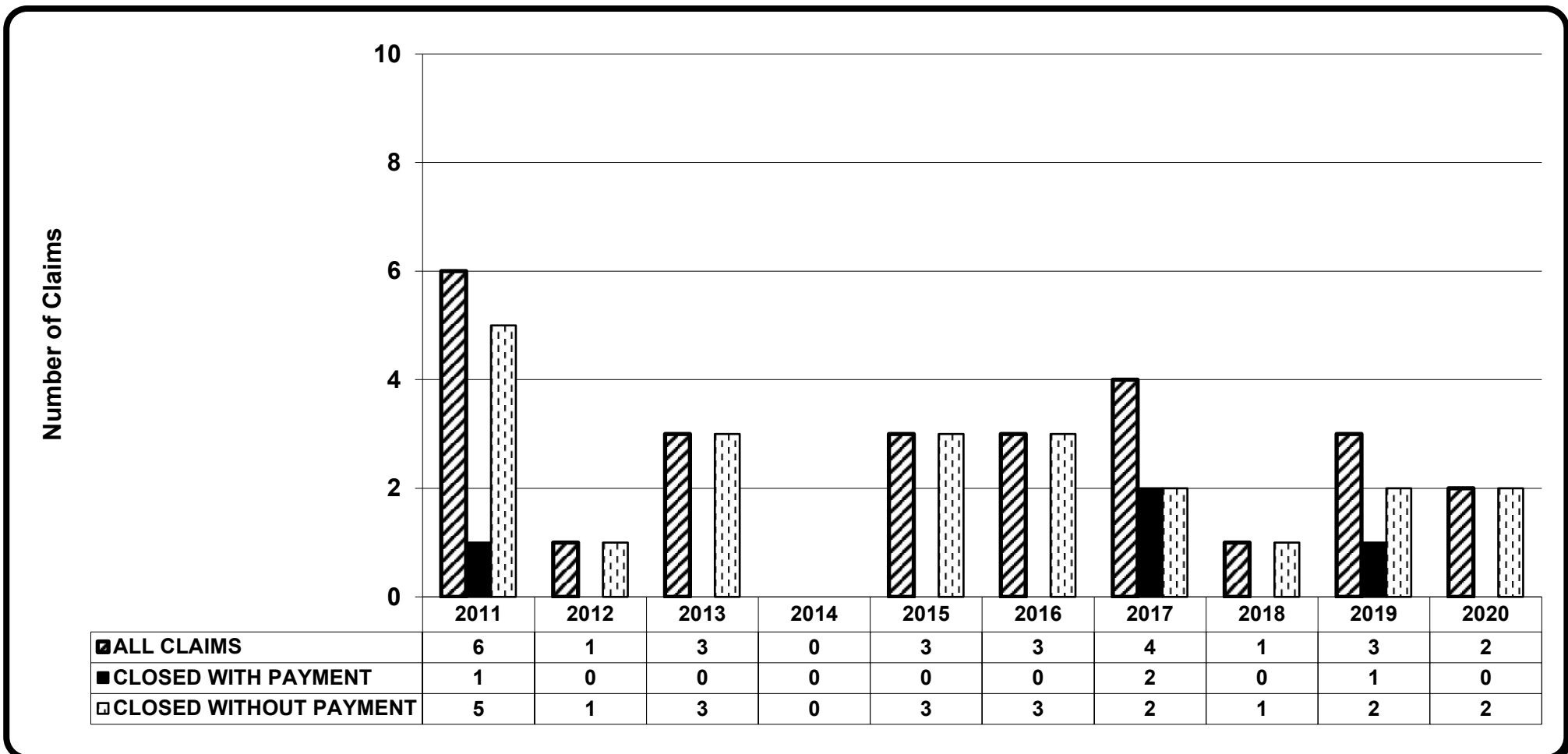


## APPEALS ACTIVITIES

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

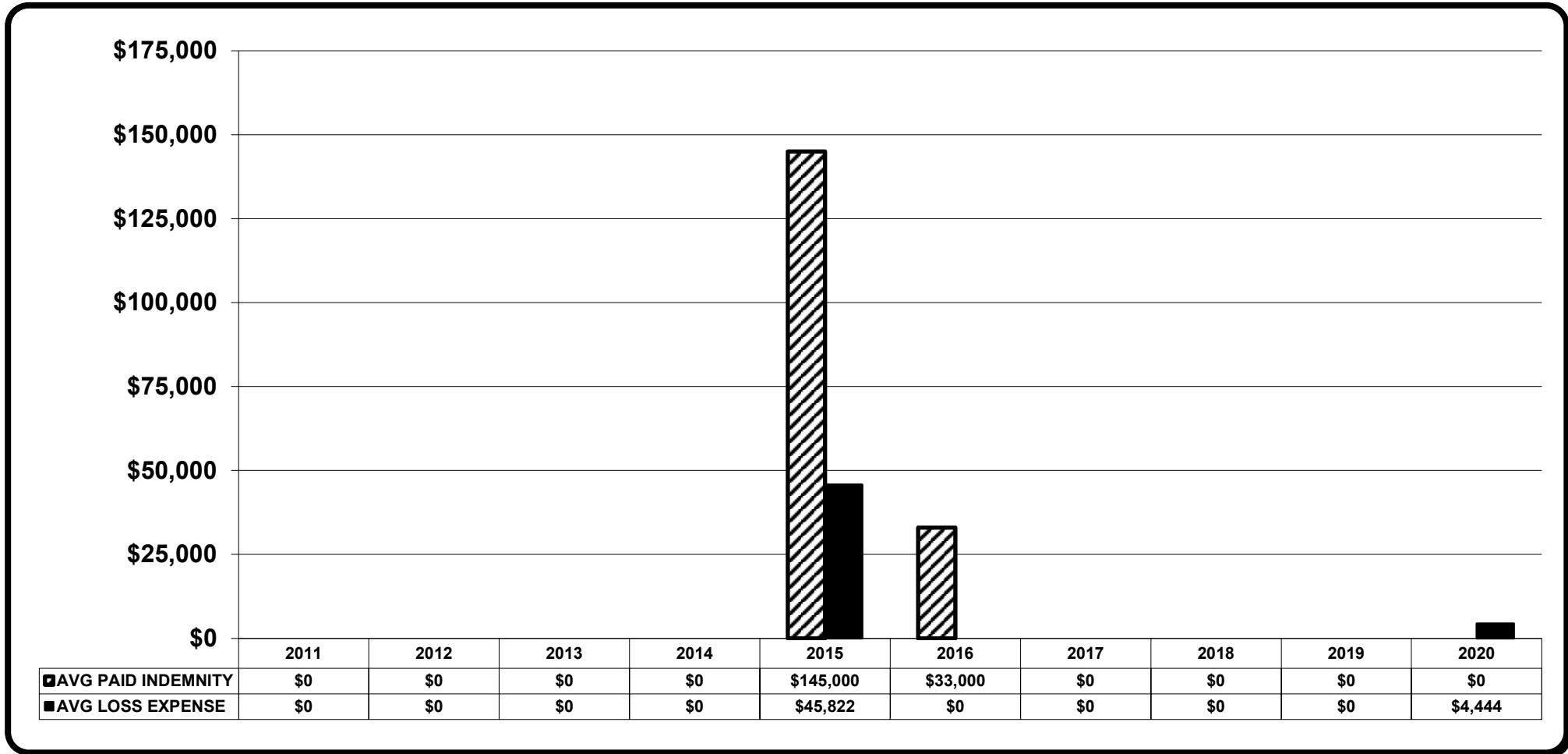


### CLAIM COUNT

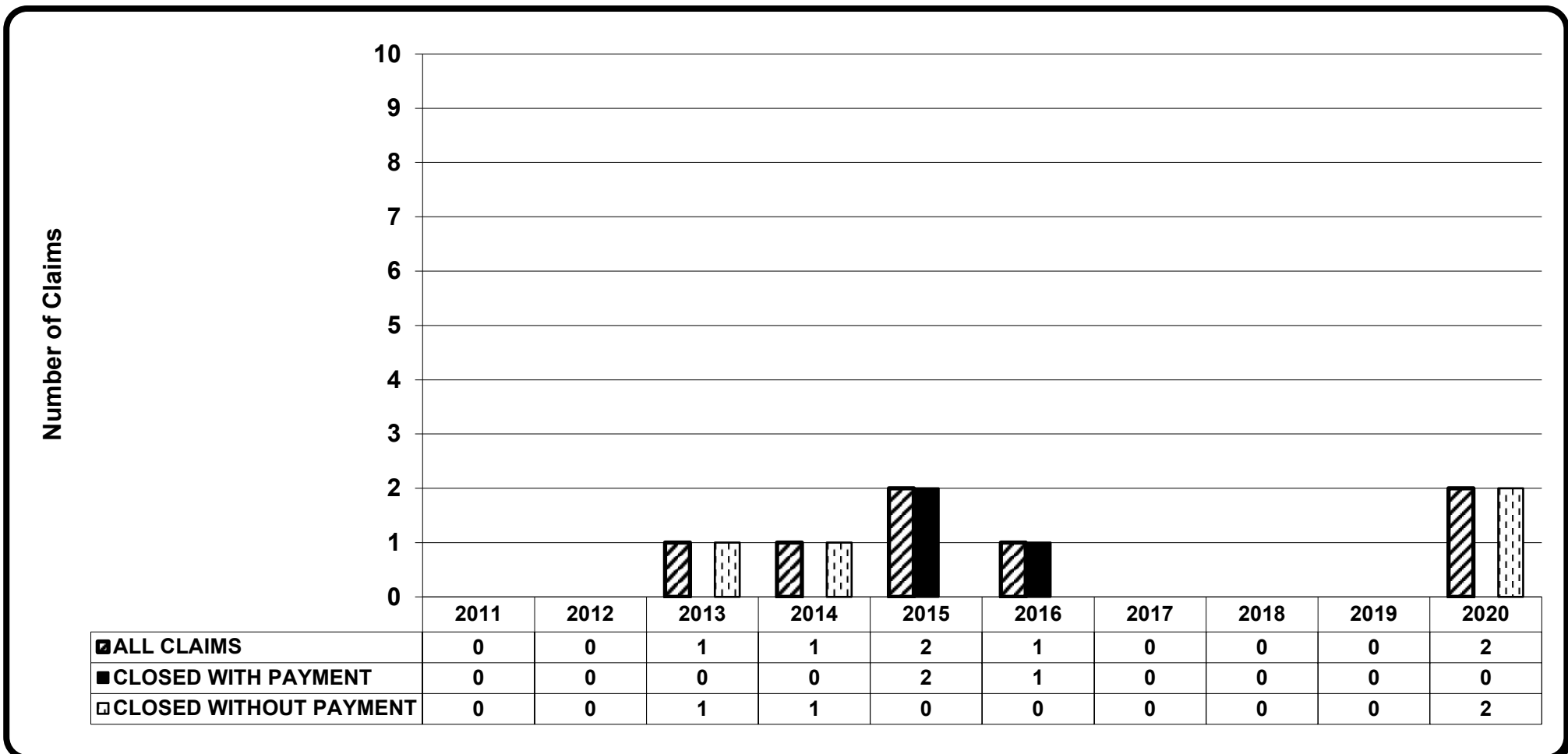


## REFERRAL TO ANOTHER PROFESSIONAL

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



### CLAIM COUNT





**TEN YEAR SUMMARY  
&  
2020 SUMMARY  
BY  
ALLEGED ERRORS OR OMISSIONS**



# LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2011-2020

ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OTHER	402	46	9.07%	\$139,251	\$6,405,529	7.91%	\$12,338
FAIL TO ASCERTAIN DEADLINE CORRECTLY	210	69	13.61%	\$161,500	\$11,143,474	13.76%	\$8,057
PLANNING OR STRATEGY ERROR	188	57	11.24%	\$240,530	\$13,710,224	16.93%	\$22,679
FAIL TO KNOW OR PROPERLY APPLY THE LAW	172	60	11.83%	\$146,405	\$8,784,316	10.85%	\$23,977
INADEQUATE INVESTIGATION	115	41	8.09%	\$148,183	\$6,075,516	7.50%	\$32,135
PROCRASTINATION OR LACK OF FOLLOW-UP	83	29	5.72%	\$199,646	\$5,789,747	7.15%	\$12,631
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	81	23	4.54%	\$172,356	\$3,964,183	4.89%	\$20,772
FRAUD	78	20	3.94%	\$111,438	\$2,228,766	2.75%	\$46,189
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	78	20	3.94%	\$58,842	\$1,176,833	1.45%	\$28,691
CONFLICT OF INTEREST	68	25	4.93%	\$259,402	\$6,485,051	8.01%	\$76,253
FAIL TO FILE DOCUMENTS WITH NO DEADLINE	62	25	4.93%	\$85,608	\$2,140,211	2.64%	\$15,439
FAILURE TO CALENDAR PROPERLY	56	32	6.31%	\$114,961	\$3,678,758	4.54%	\$12,461
FAIL TO OBTAIN CLIENTS CONSENT	43	13	2.56%	\$388,282	\$5,047,661	6.23%	\$43,949
CLERICAL ERROR	34	13	2.56%	\$72,624	\$944,107	1.17%	\$14,774
VIOLATION OF CIVIL RIGHTS	31	4	0.79%	\$62,650	\$250,600	0.31%	\$9,283
FAILURE TO REACT TO CALENDAR	29	11	2.17%	\$90,846	\$999,307	1.23%	\$4,288
IMPROPER WITHDRAWAL FROM REPRESENTATION	18	2	0.39%	\$23,750	\$47,500	0.06%	\$4,902
ERROR IN MATHEMATICAL CALCULATION	16	9	1.78%	\$38,628	\$347,648	0.43%	\$11,439
LIBEL OR SLANDER	13	2	0.39%	\$35,000	\$70,000	0.09%	\$10,099
FAIL TO ANTICIPATE TAX CONSEQUENCES	12	3	0.59%	\$492,890	\$1,478,669	1.83%	\$34,912
ERROR IN PUBLIC RECORD SEARCH	6	2	0.39%	\$16,750	\$33,500	0.04%	\$5,937
LOST FILE, DOCUMENT OR EVIDENCE	3	1	0.20%	\$195,000	\$195,000	0.24%	\$12,477
<b>TOTAL</b>	<b>1,798</b>	<b>507</b>	<b>100.00%</b>	<b>\$159,757</b>	<b>\$80,996,600</b>	<b>100.00%</b>	<b>\$21,049</b>

# LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2020

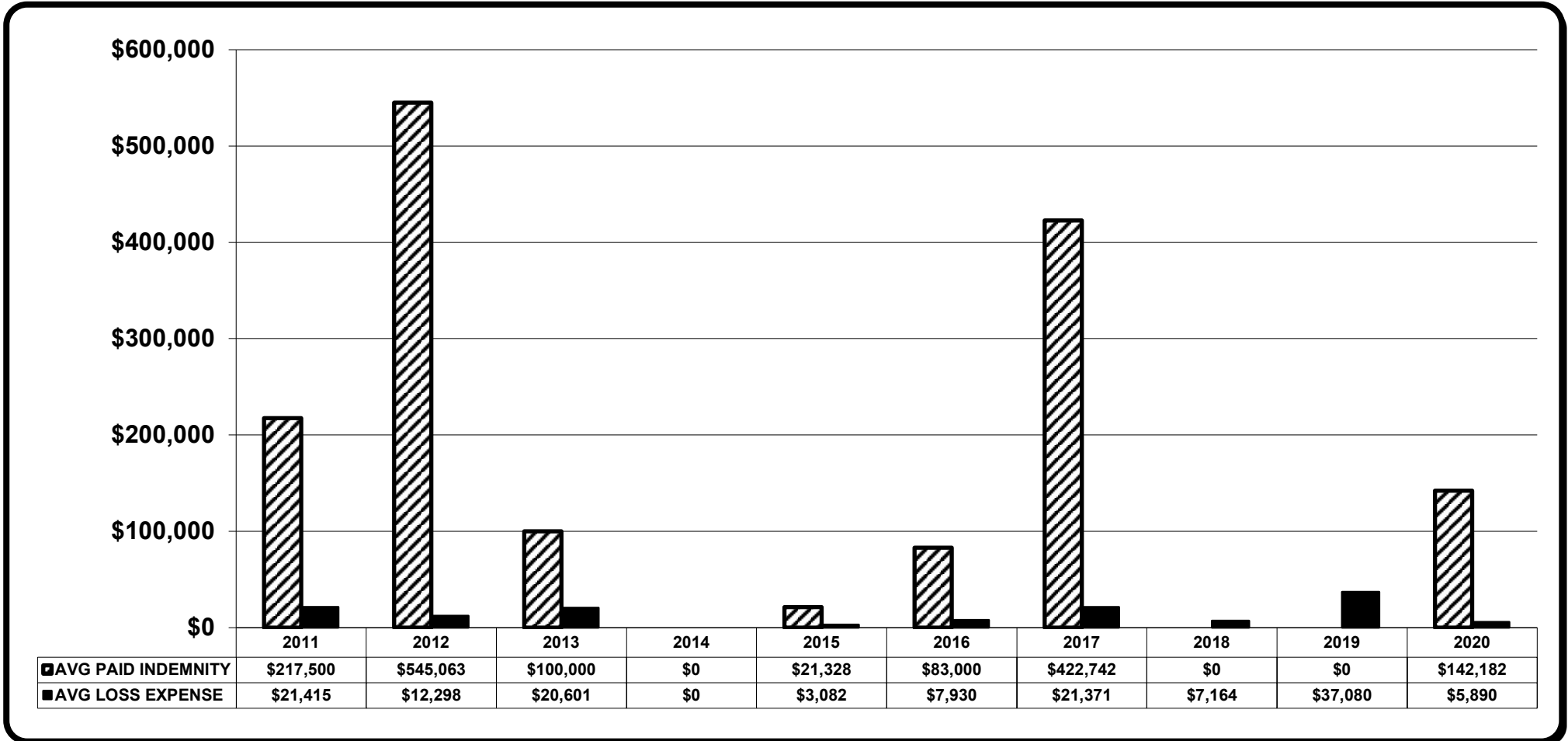
ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
PROCRASTINATION OR LACK OF FOLLOW-UP	19	11	17.46%	\$142,182	\$1,564,000	13.45%	\$5,890
OTHER	16	3	4.76%	\$675,001	\$2,025,002	17.41%	\$35,211
FAIL TO KNOW OR PROPERLY APPLY THE LAW	15	7	11.11%	\$251,912	\$1,763,381	15.16%	\$28,423
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	13	4	6.35%	\$122,375	\$489,500	4.21%	\$27,365
FAIL TO ASCERTAIN DEADLINE CORRECTLY	10	6	9.52%	\$95,333	\$572,000	4.92%	\$2,098
PLANNING OR STRATEGY ERROR	9	6	9.52%	\$178,193	\$1,069,160	9.19%	\$17,779
FAIL TO OBTAIN CLIENTS CONSENT	8	7	11.11%	\$303,929	\$2,127,500	18.29%	\$115,556
FAILURE TO CALENDAR PROPERLY	8	4	6.35%	\$22,500	\$90,000	0.77%	\$2,385
INADEQUATE INVESTIGATION	8	3	4.76%	\$49,450	\$148,350	1.28%	\$14,755
FAIL TO FILE DOCUMENTS WITH NO DEADLINE	7	4	6.35%	\$291,605	\$1,166,419	10.03%	\$37,626
CLERICAL ERROR	6	3	4.76%	\$122,755	\$368,265	3.17%	\$4,947
CONFLICT OF INTEREST	4	1	1.59%	\$39,000	\$39,000	0.34%	\$19,997
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	4	2	3.17%	\$62,807	\$125,614	1.08%	\$1,119
FRAUD	3	1	1.59%	\$75,000	\$75,000	0.64%	\$77,766
IMPROPER WITHDRAWAL FROM REPRESENTATION	2	0	0.00%	N/A	\$0	0.00%	\$2,810
VIOLATION OF CIVIL RIGHTS	2	0	0.00%	N/A	\$0	0.00%	\$2,100
ERROR IN MATHEMATICAL CALCULATION	1	1	1.59%	\$7,000	\$7,000	0.06%	\$0
ERROR IN PUBLIC RECORD SEARCH	1	0	0.00%	N/A	\$0	0.00%	\$0
FAIL TO ANTICIPATE TAX CONSEQUENCES	1	0	0.00%	N/A	\$0	0.00%	\$8,888
FAILURE TO REACT TO CALENDAR	1	0	0.00%	N/A	\$0	0.00%	\$0
<b>TOTAL</b>	<b>138</b>	<b>63</b>	<b>100.00%</b>	<b>\$184,606</b>	<b>\$11,630,191</b>	<b>100.00%</b>	<b>\$24,127</b>

**TRENDS  
OF THE TOP TEN  
ERRORS OR OMISSIONS  
OF 2020**

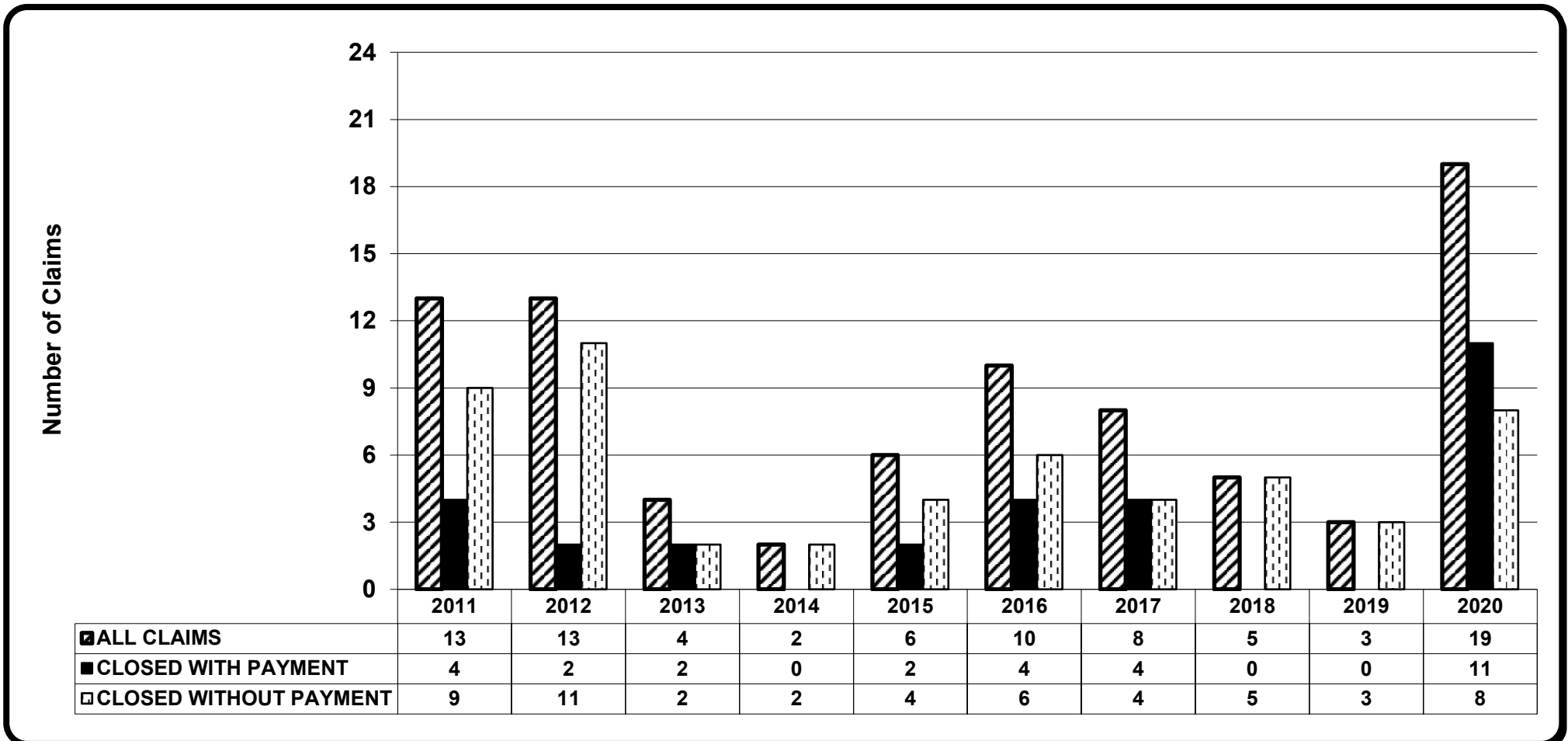


## PROCRASTINATION OR LACK OF FOLLOW-UP

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

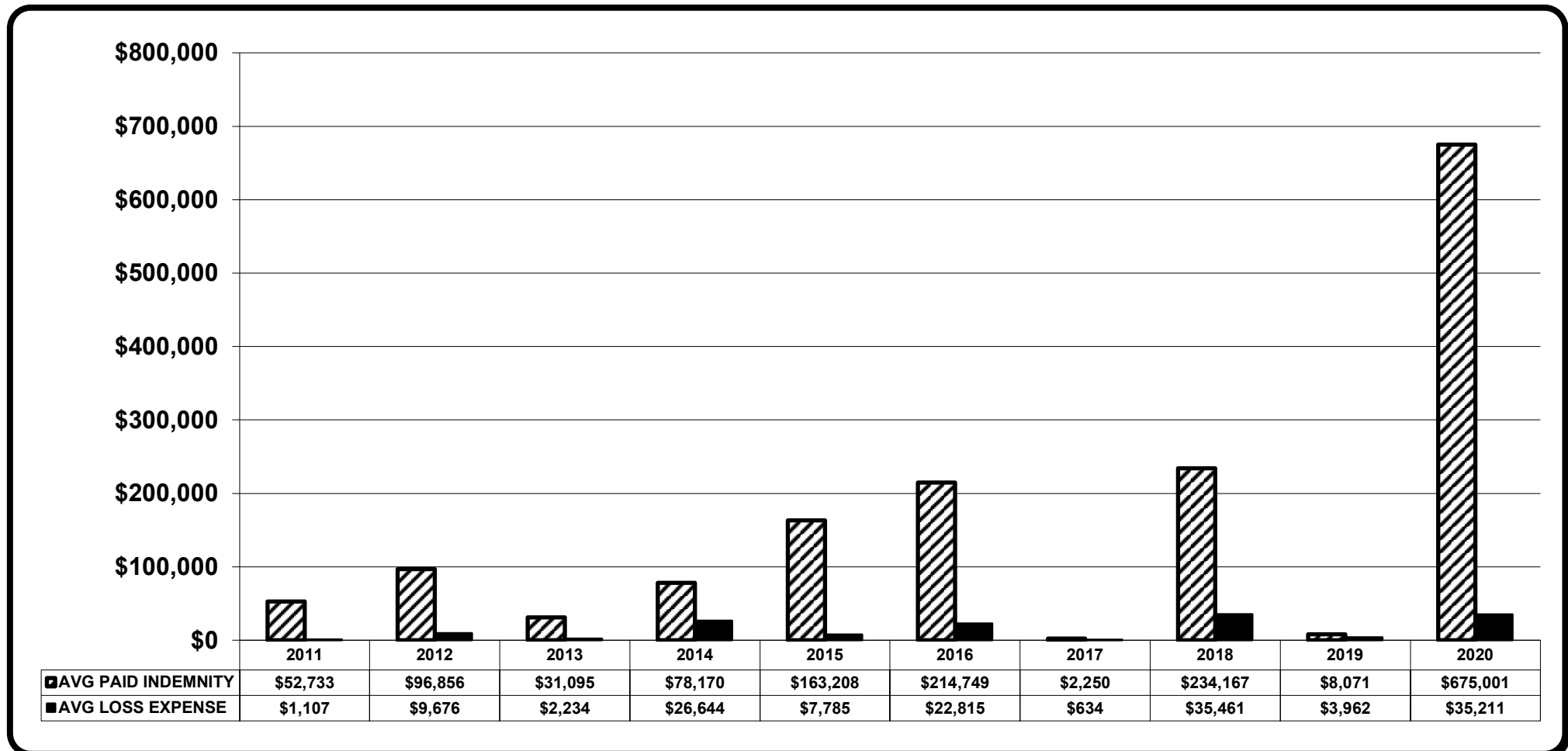


### CLAIM COUNT

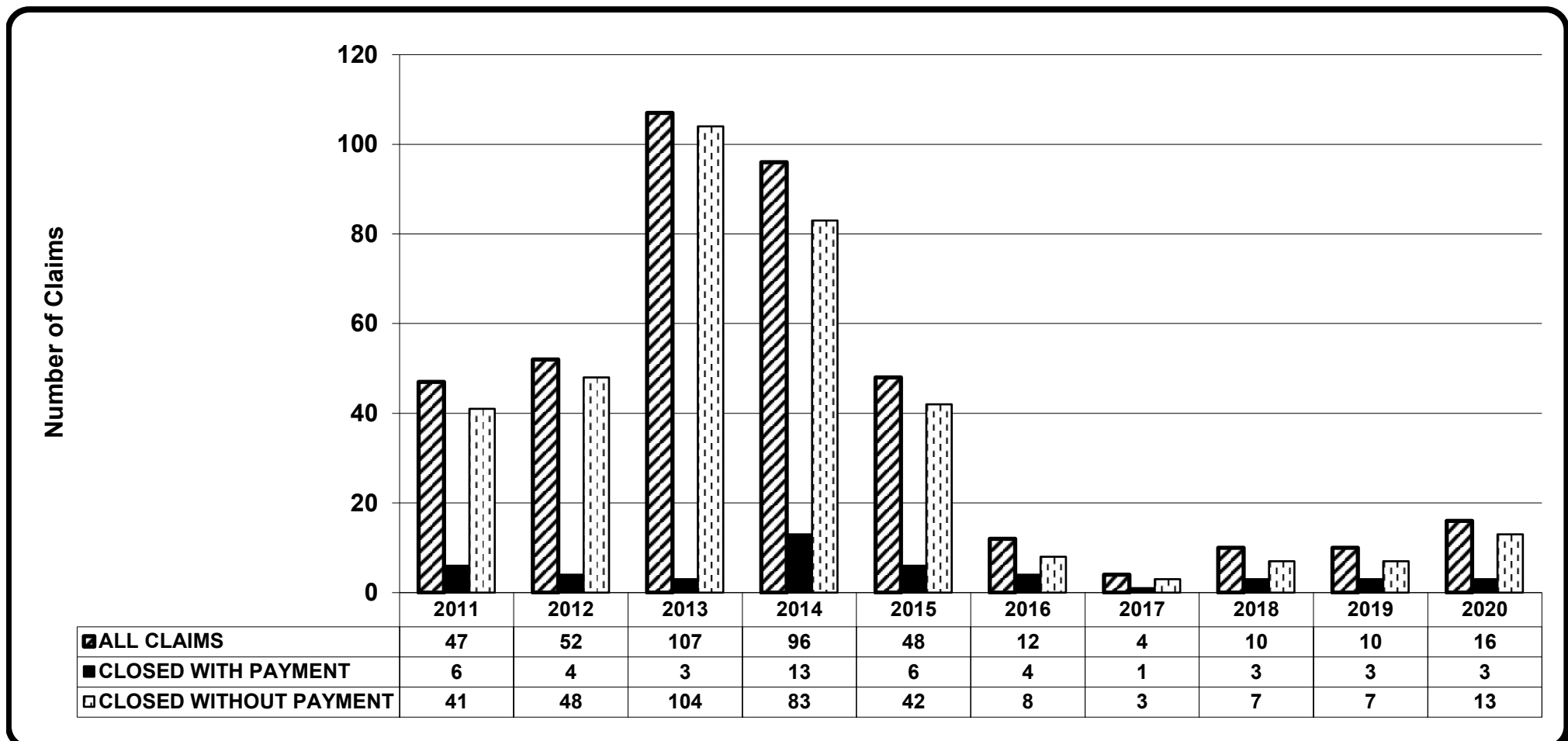


## OTHER

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



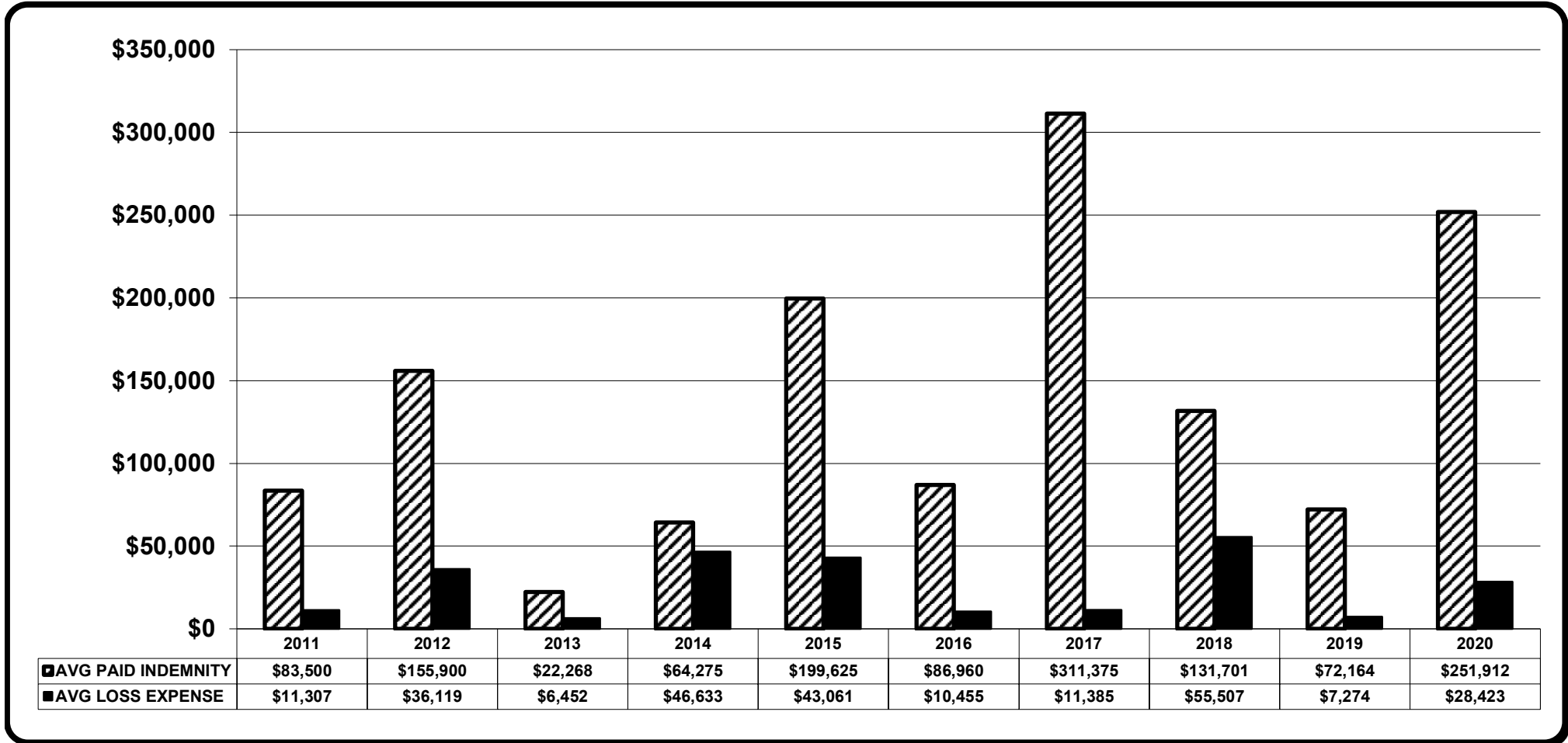
## CLAIM COUNT



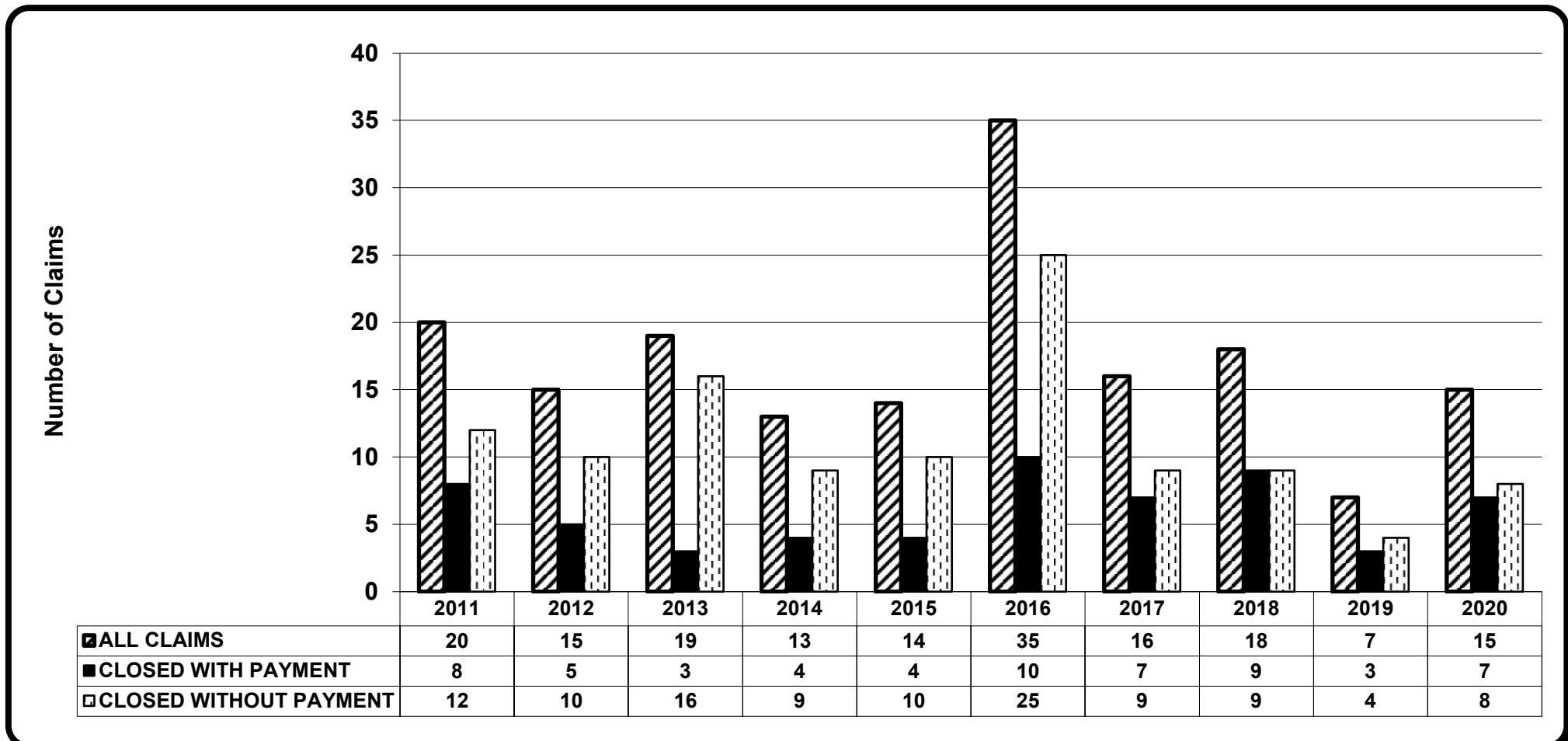


## FAILURE TO KNOW OR PROPERLY APPLY THE LAW

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

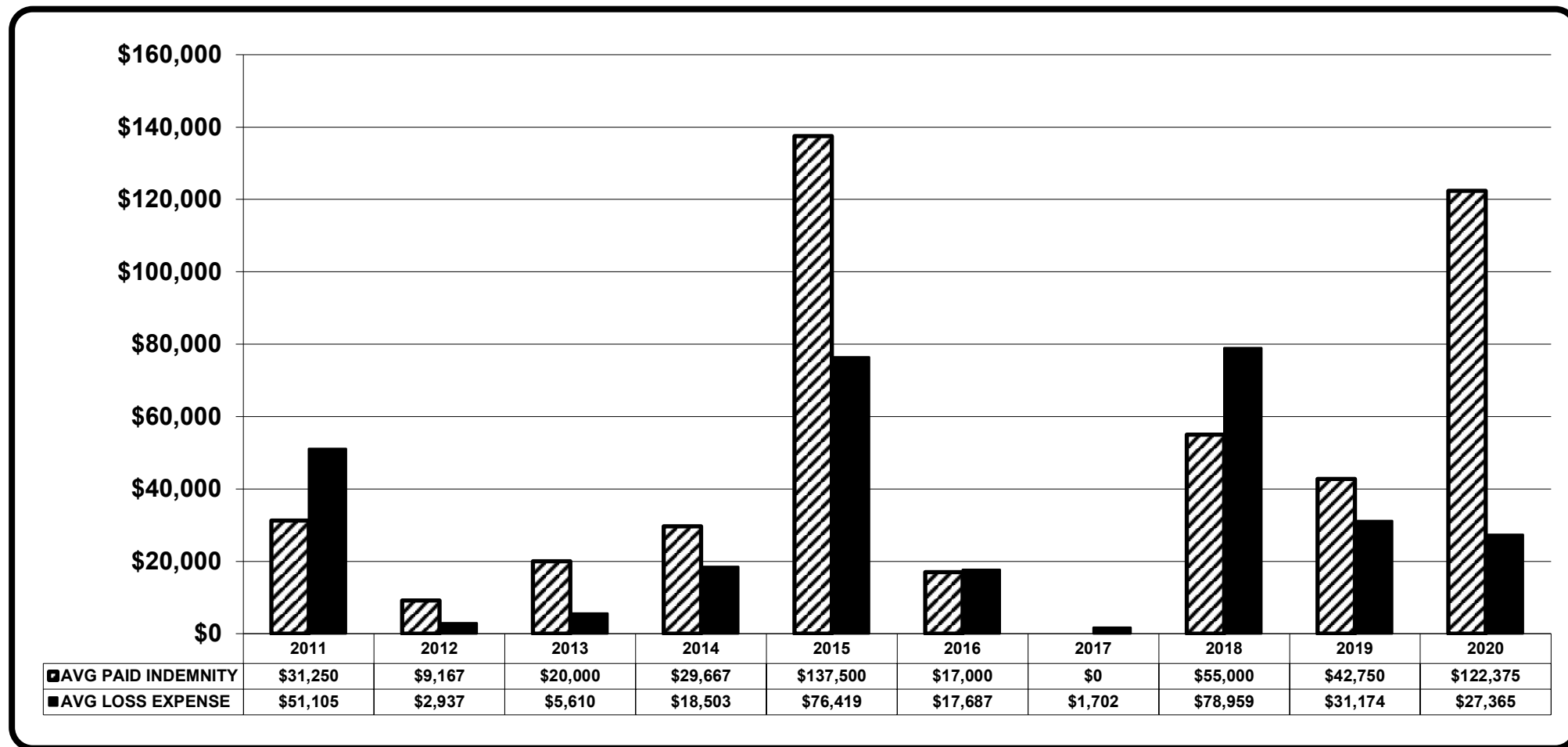


### CLAIM COUNT

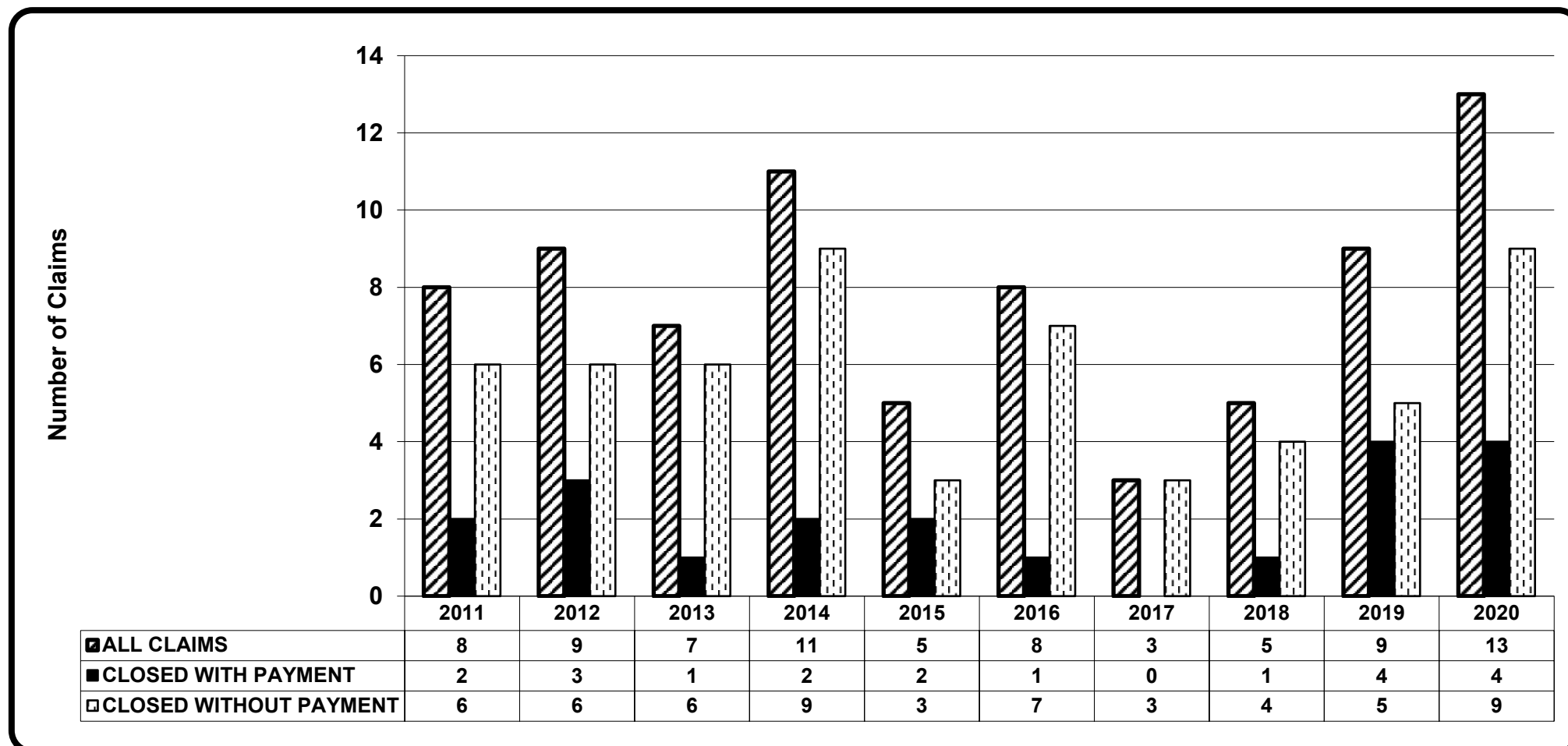


## MALICIOUS PROSECUTION OR ABUSE OF PROCESS

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

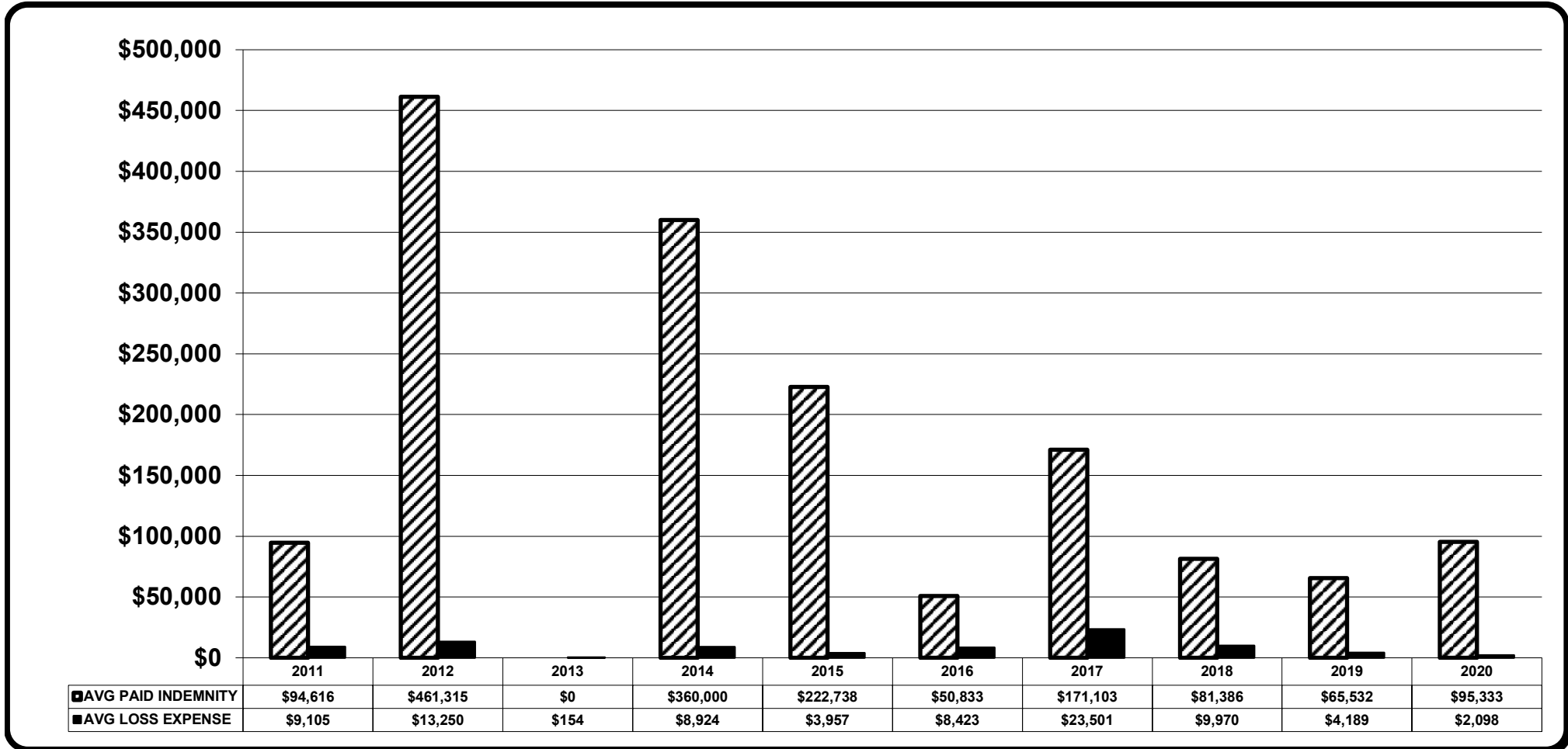


### CLAIM COUNT

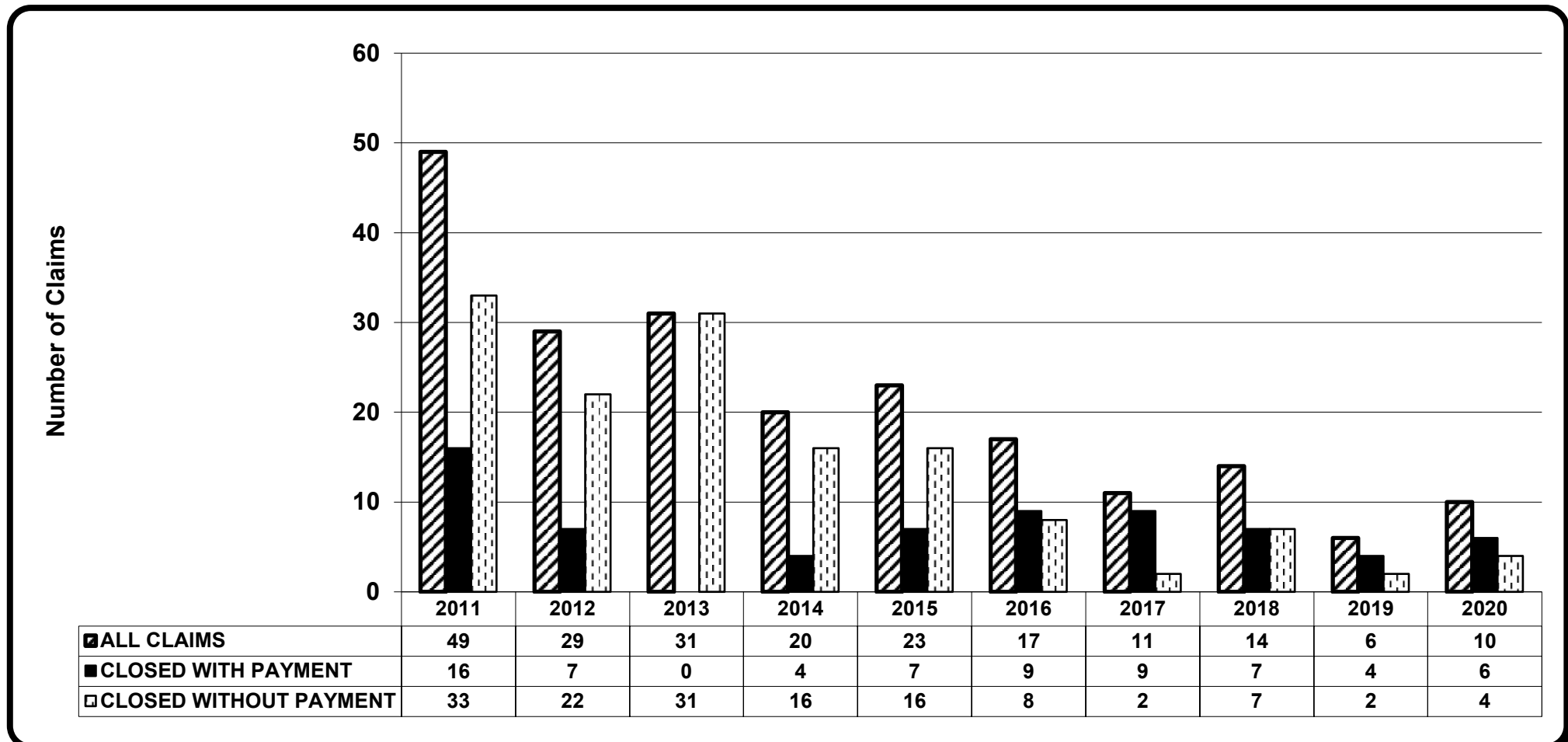


## FAILURE TO ASCERTAIN DEADLINE CORRECTLY

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

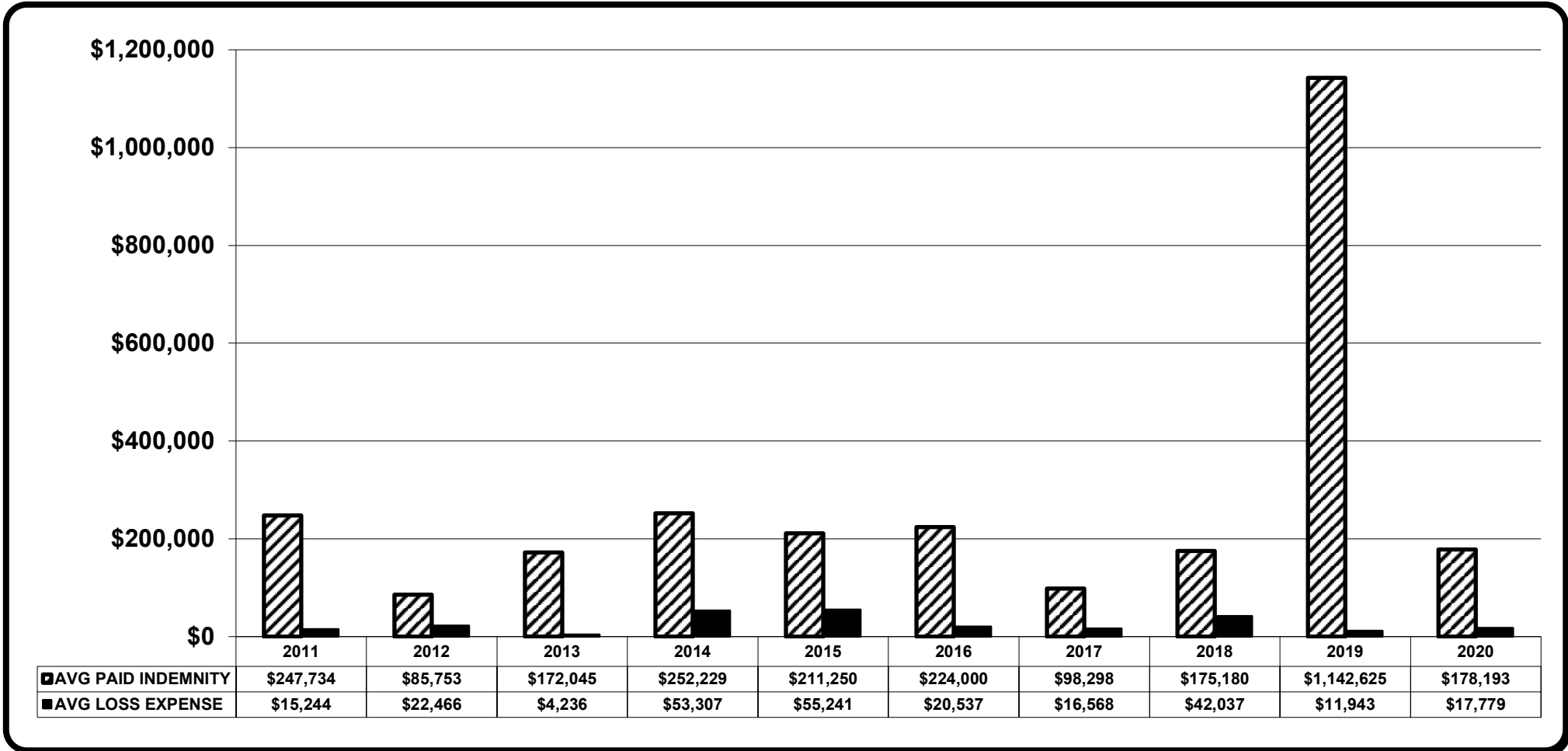


### CLAIM COUNT

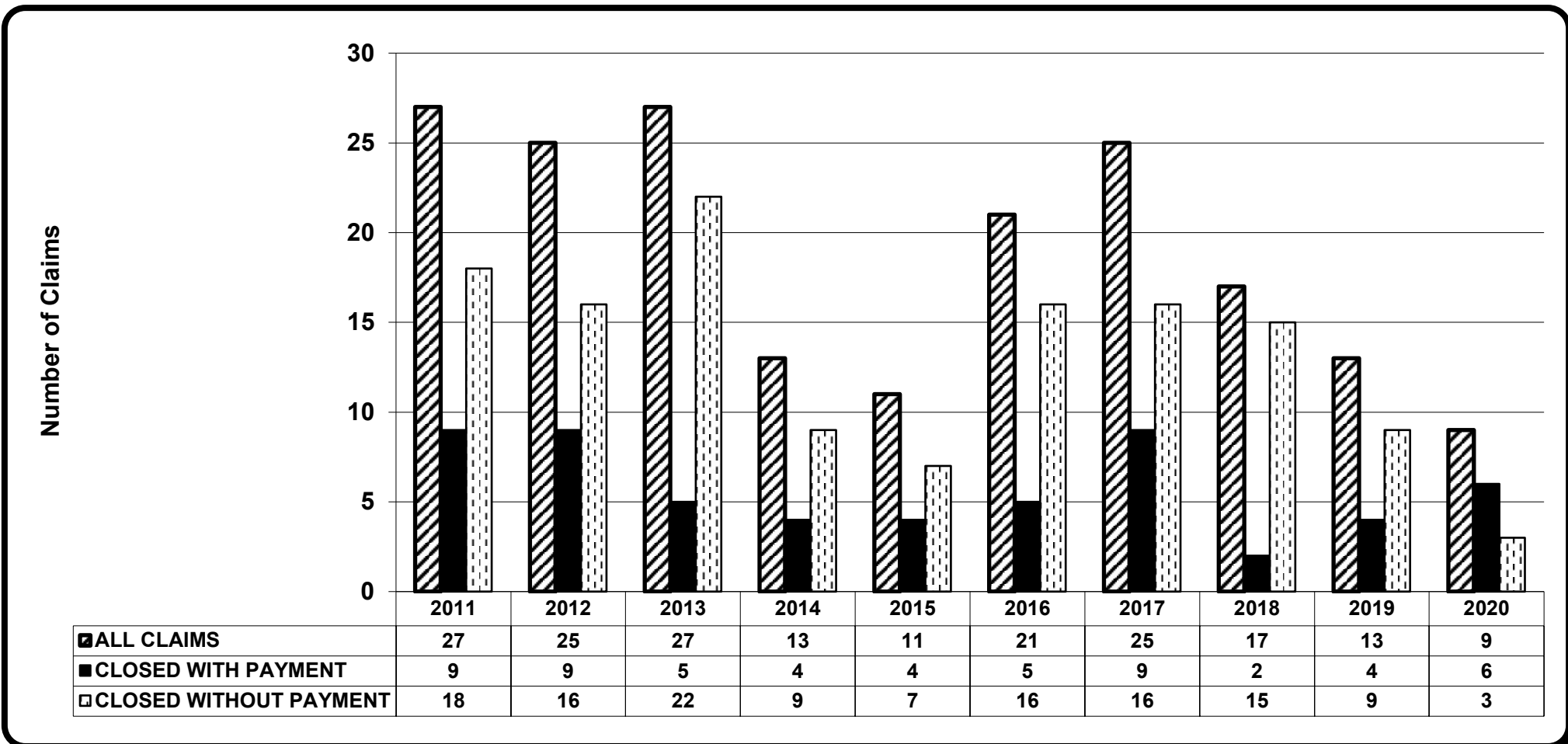


## PLANNING OR STRATEGY ERROR

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

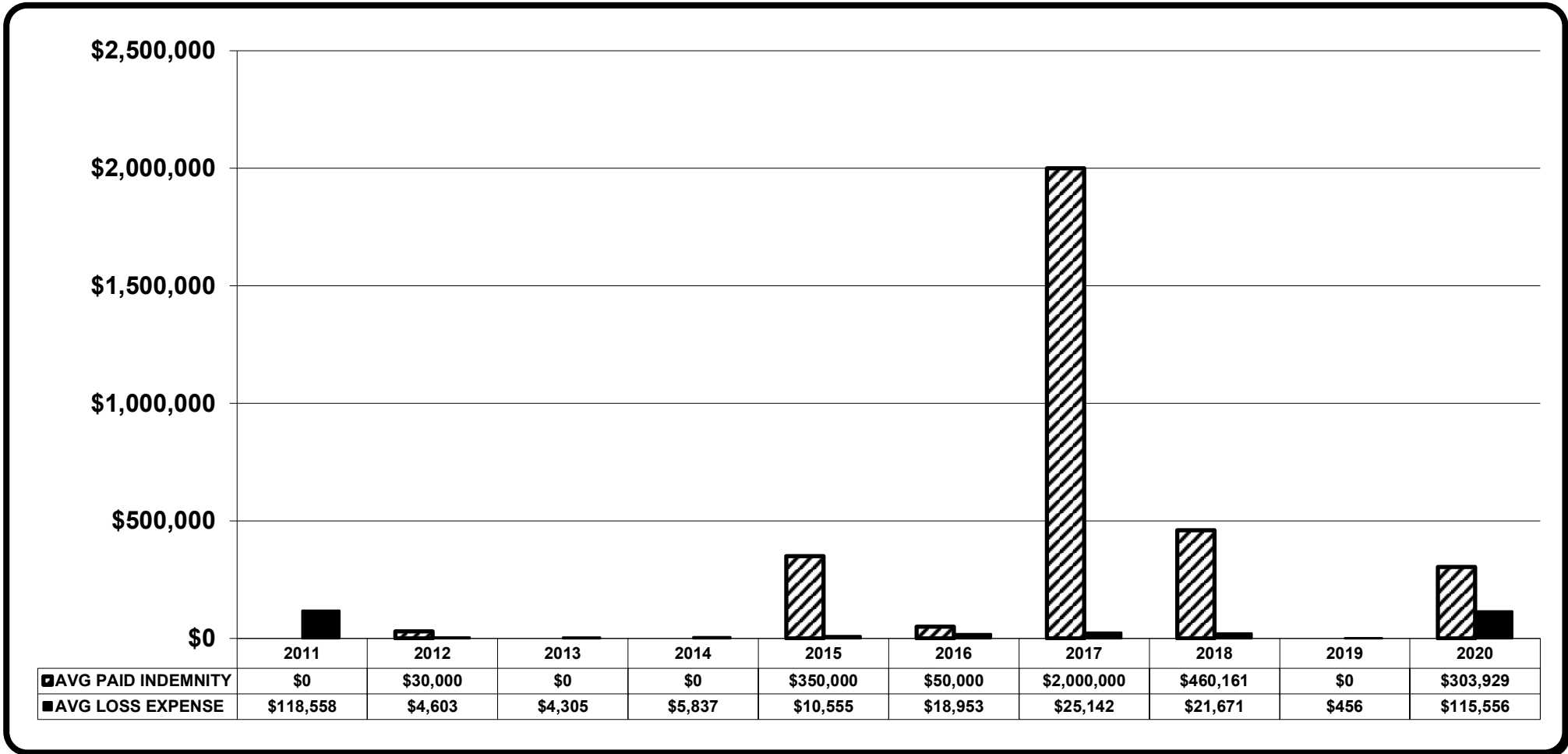


### CLAIM COUNT

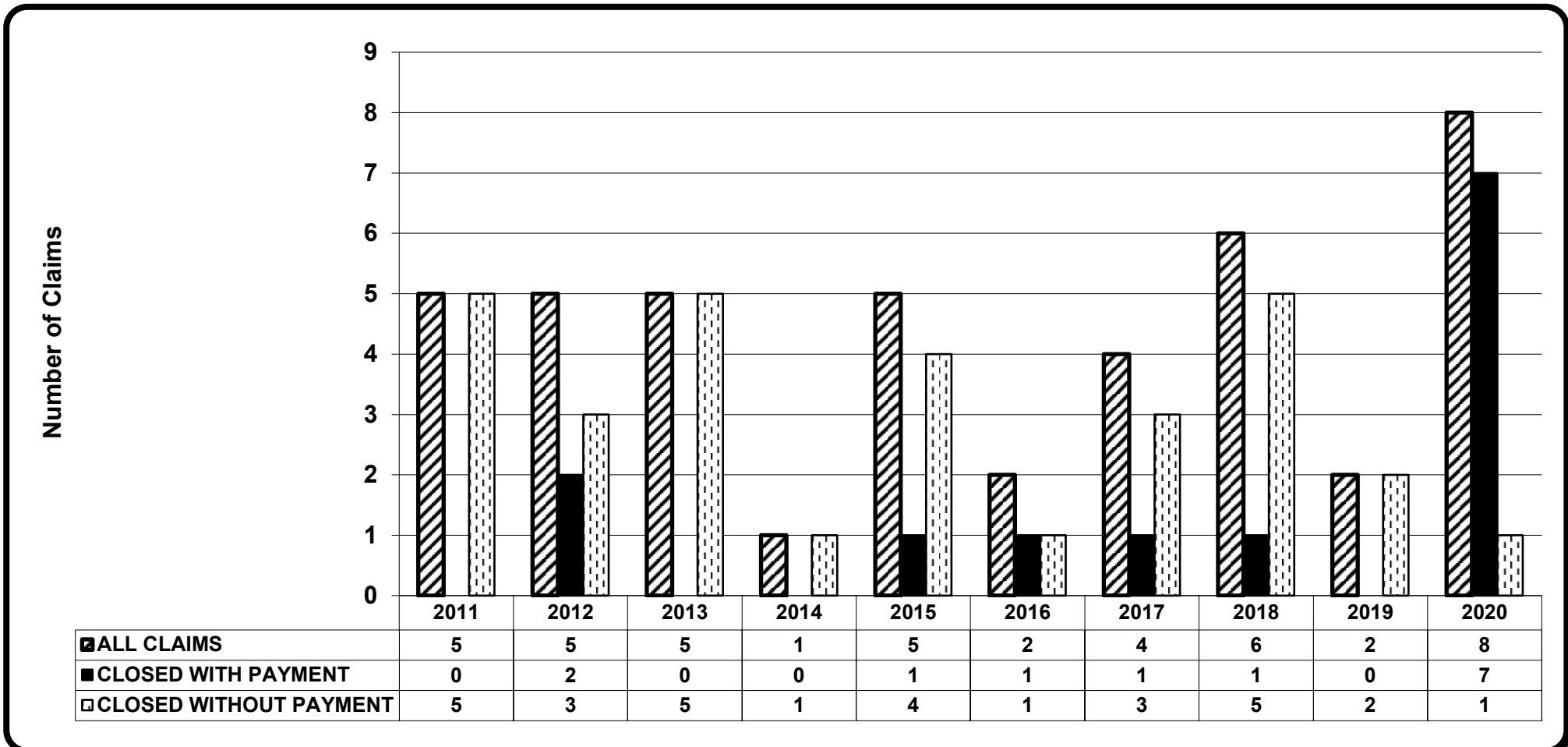


## FAILURE TO OBTAIN CLIENTS CONSENT

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

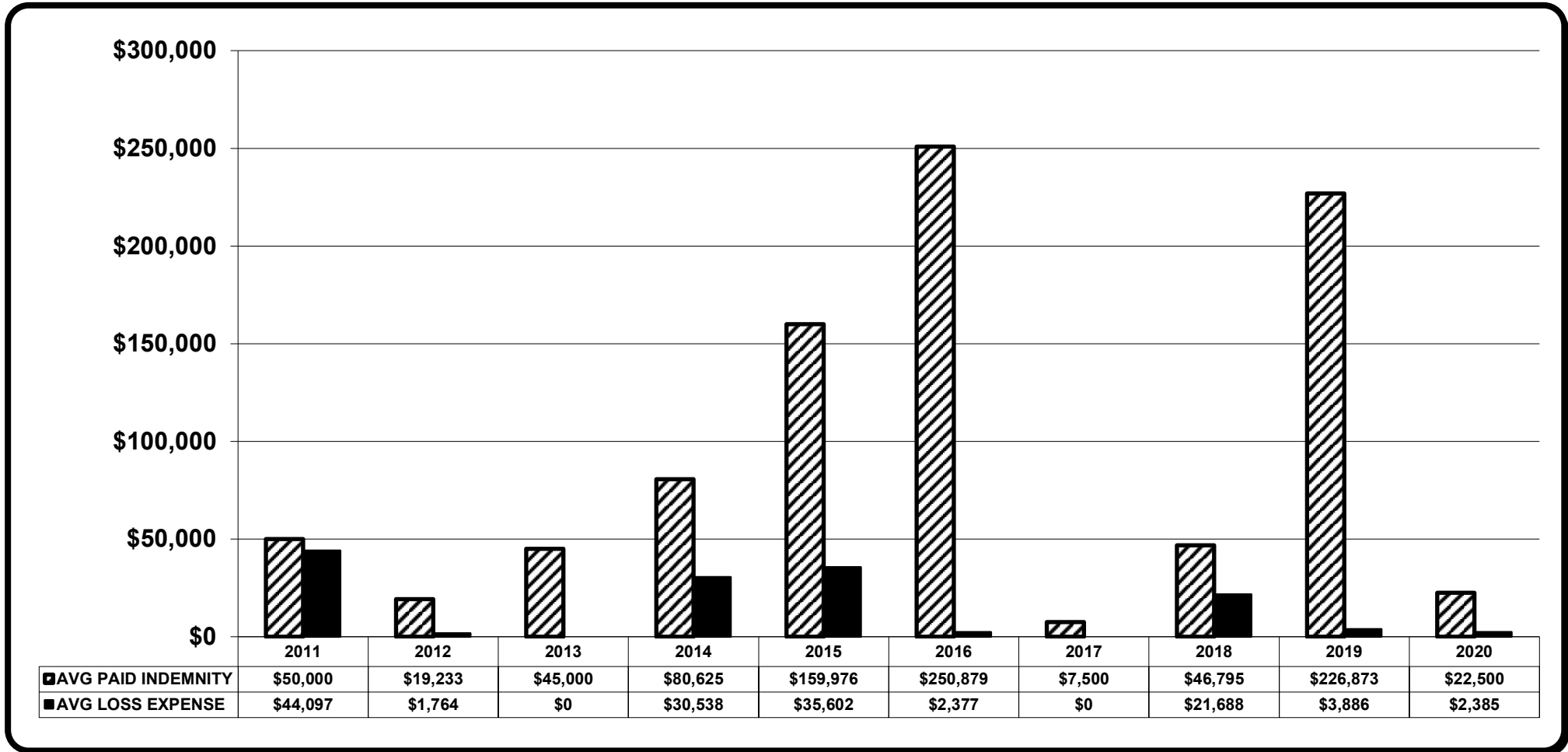


### CLAIM COUNT

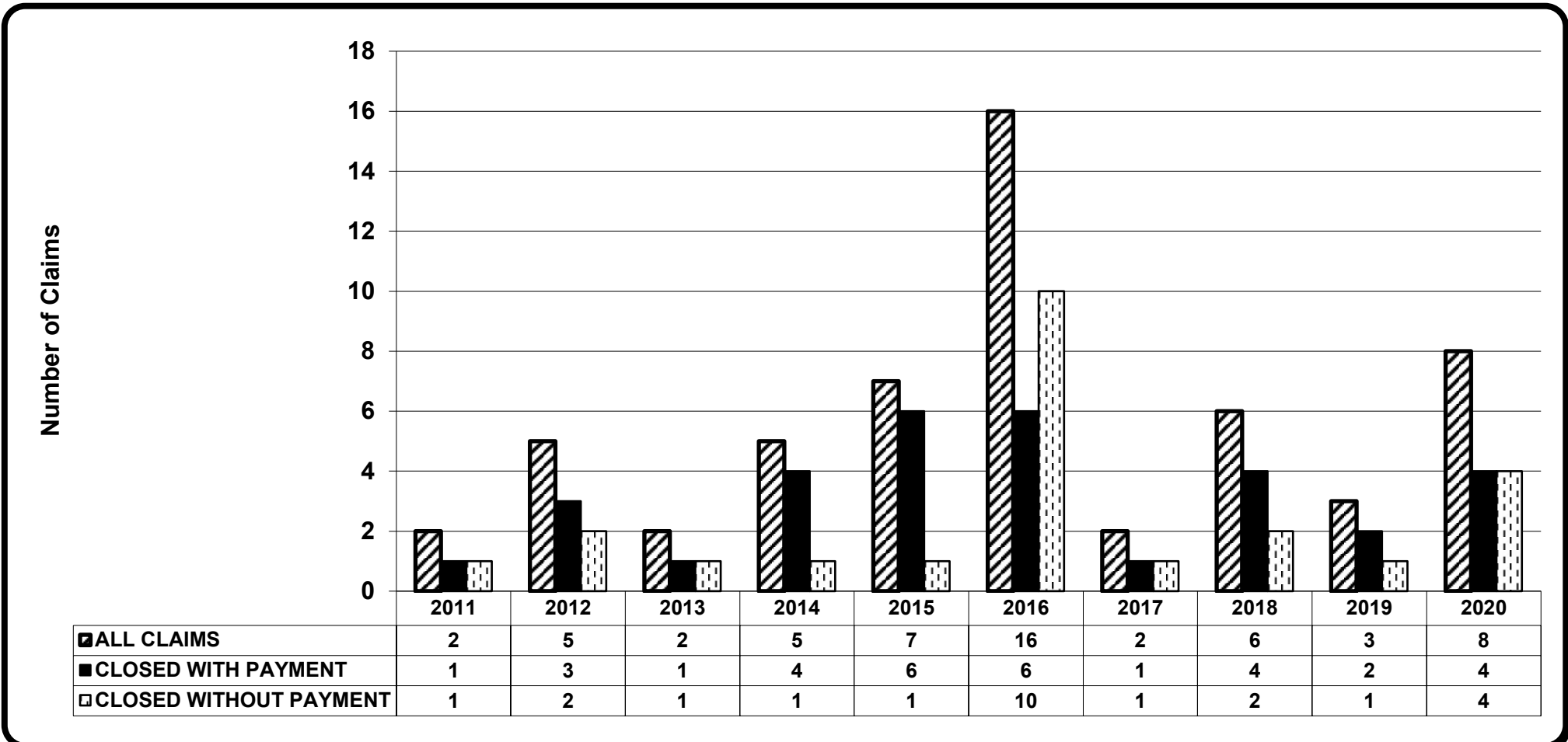


## FAILURE TO CALENDAR PROPERLY

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

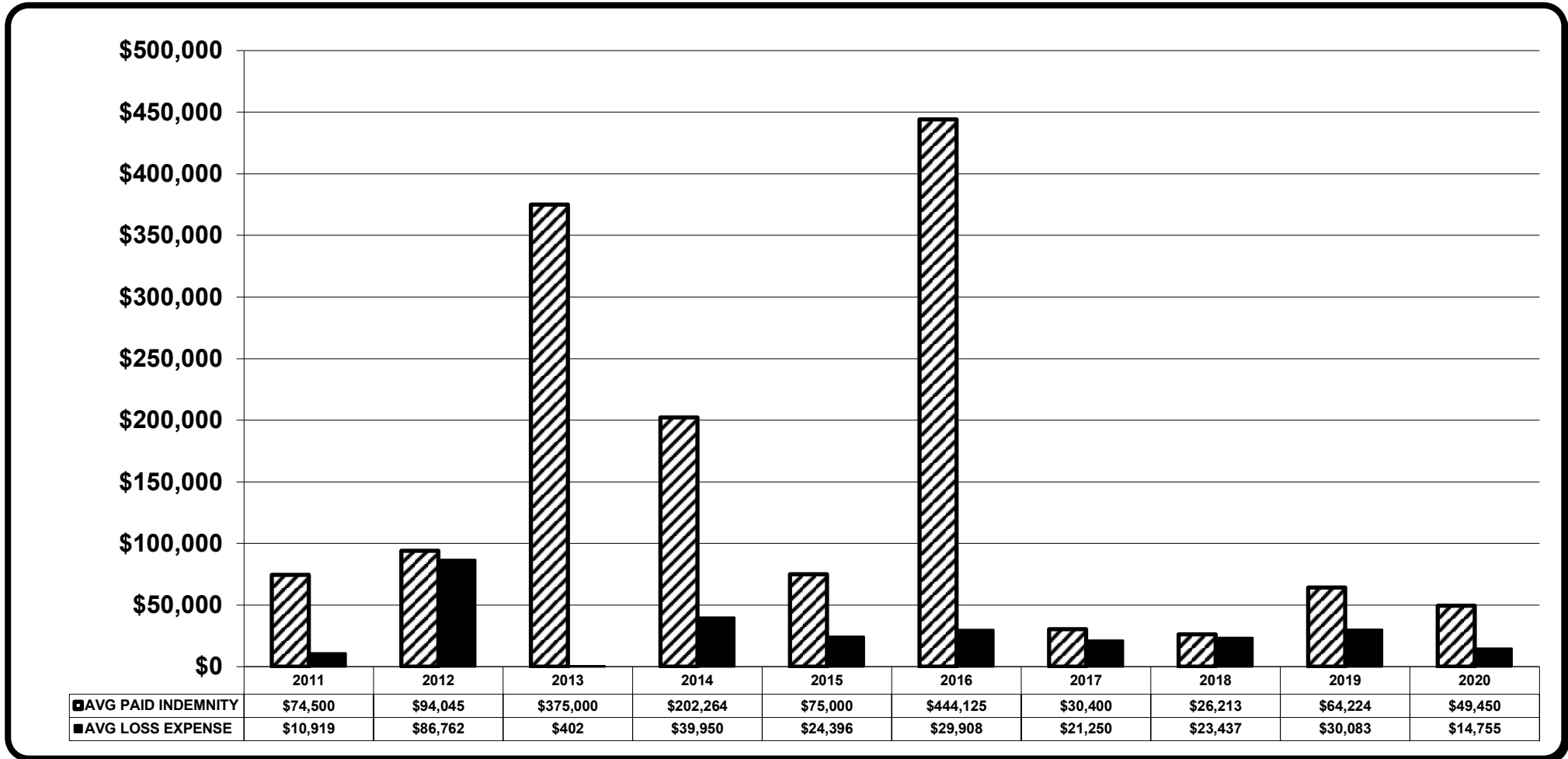


### CLAIM COUNT

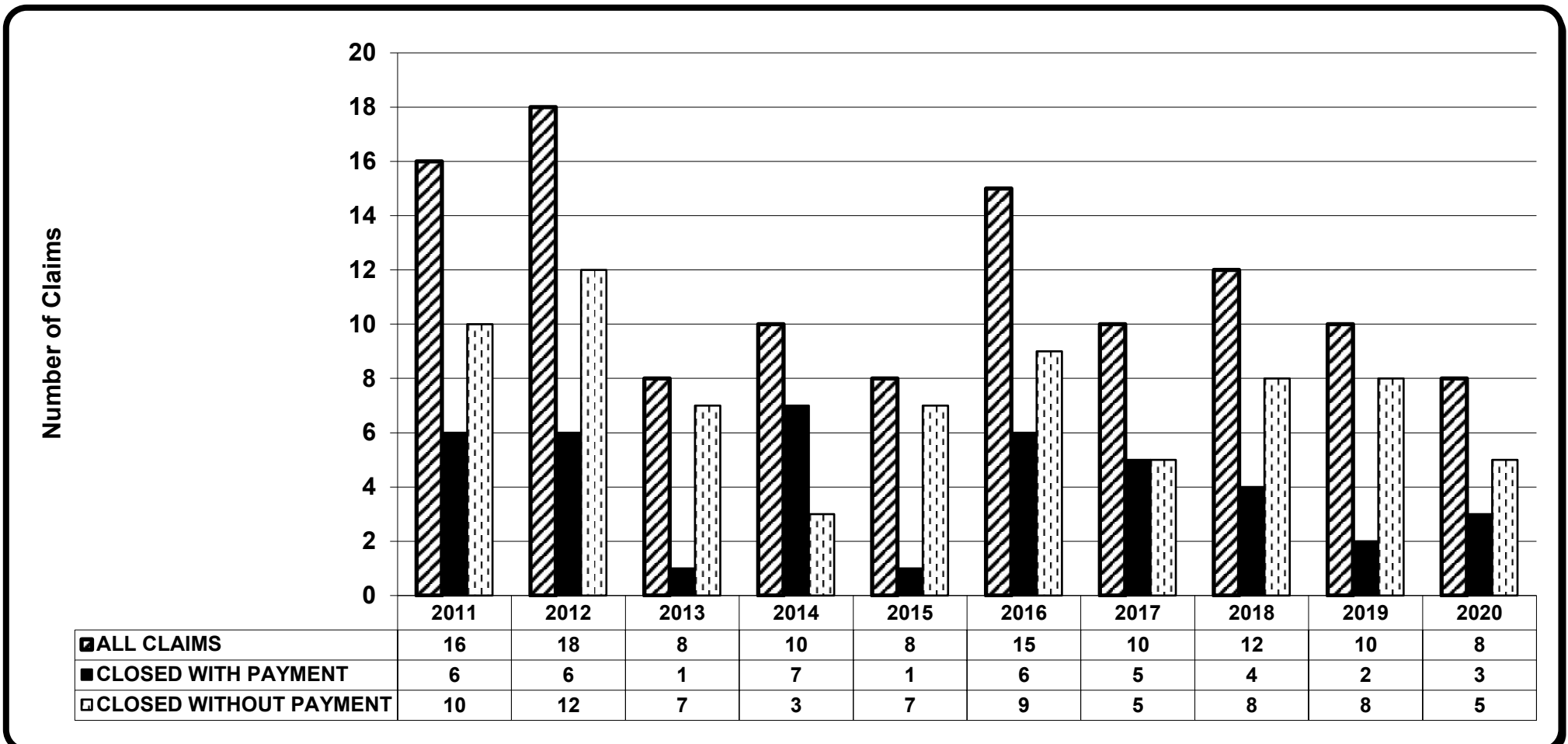


## INADEQUATE INVESTIGATION

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

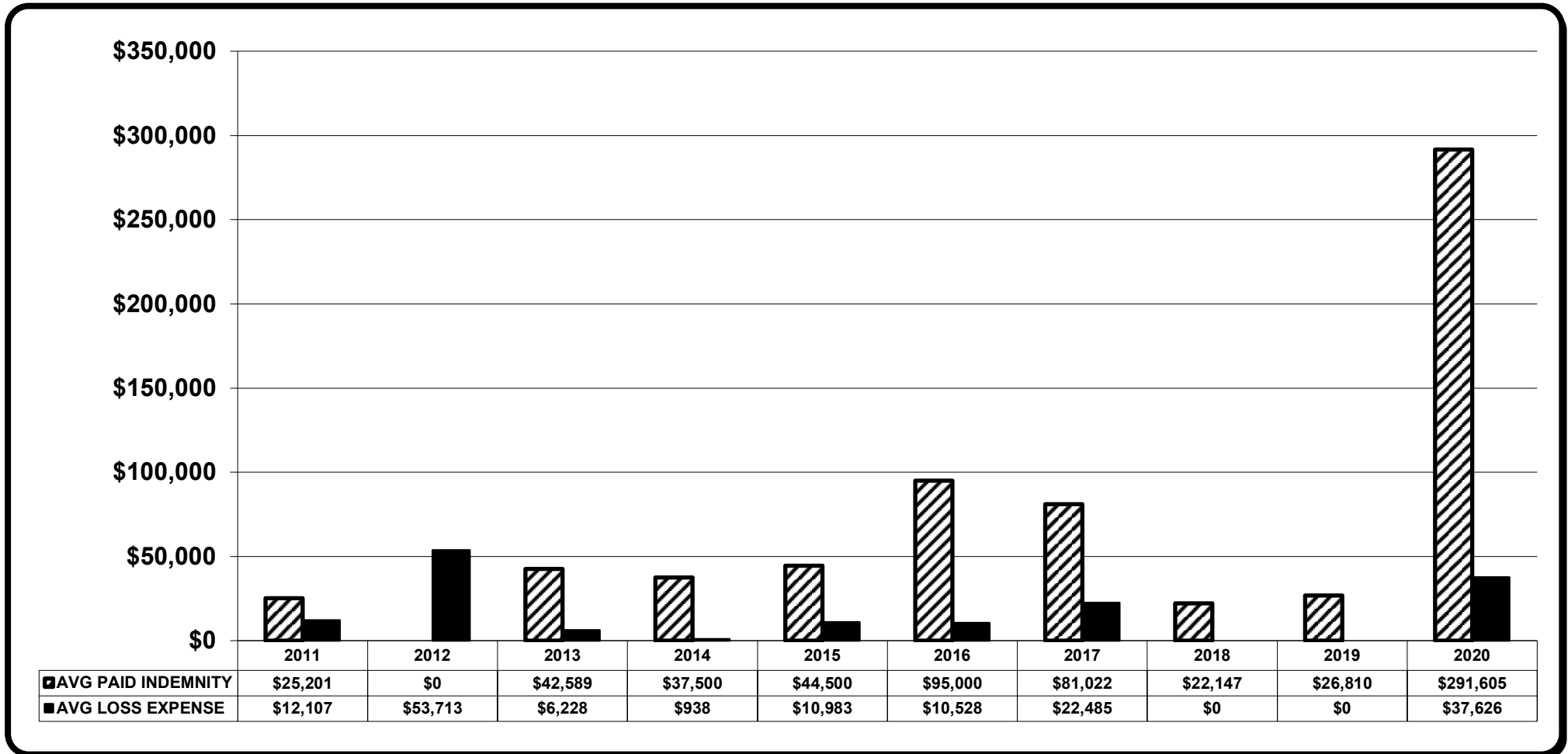


### CLAIM COUNT

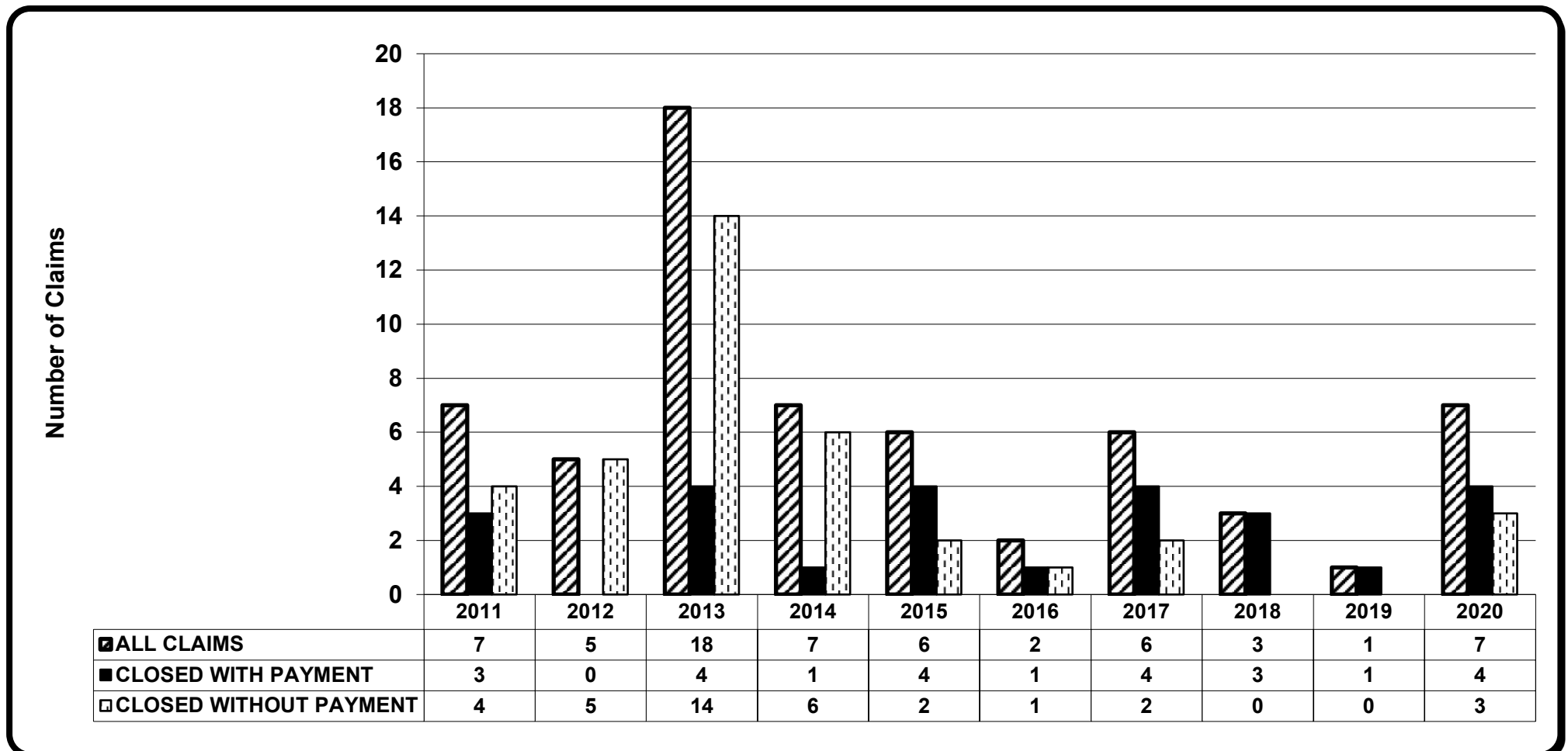


## FAILURE TO FILE DOCUMENTS WITH NO DEADLINE

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



### CLAIM COUNT





**TEN YEAR SUMMARY  
&  
2020 SUMMARY  
BY  
CLAIM DISPOSITIONS**



**LEGAL MALPRACTICE INSURANCE  
INDEMNITY ANALYSIS  
FOR YEARS 2011-2020**

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BEFORE TRIAL OR HEARING	807	293	57.79%	\$181,039	\$53,044,457	65.49%	\$32,555
BEFORE FILING SUIT OR DEMANDING HEARING	688	197	38.86%	\$124,712	\$24,568,226	30.33%	\$4,356
CLAIM OR SUIT ABANDONED	152	1	0.20%	\$6,500	\$6,500	0.01%	\$2,971
AFTER APPEAL	48	1	0.20%	\$25,000	\$25,000	0.03%	\$67,051
AFTER JUDGMENT, BEFORE APPEAL	39	6	1.18%	\$126,564	\$759,383	0.94%	\$48,019
AFTER TRIAL OR HEARING, BEFORE JUDGMENT	23	2	0.39%	\$119,713	\$239,425	0.30%	\$21,109
DURING TRIAL OR HEARING	22	5	0.99%	\$378,700	\$1,893,499	2.34%	\$73,379
DURING APPEAL	13	2	0.39%	\$230,055	\$460,110	0.57%	\$60,231
DURING REVIEW PANEL	6	0	0.00%	N/A	\$0	0.00%	\$25,181
<b>TOTAL</b>	<b>1,798</b>	<b>507</b>	<b>100.00%</b>	<b>\$159,757</b>	<b>\$80,996,600</b>	<b>100.00%</b>	<b>\$21,049</b>

**LEGAL MALPRACTICE INSURANCE  
INDEMNITY ANALYSIS  
CLAIMS CLOSED IN 2020**

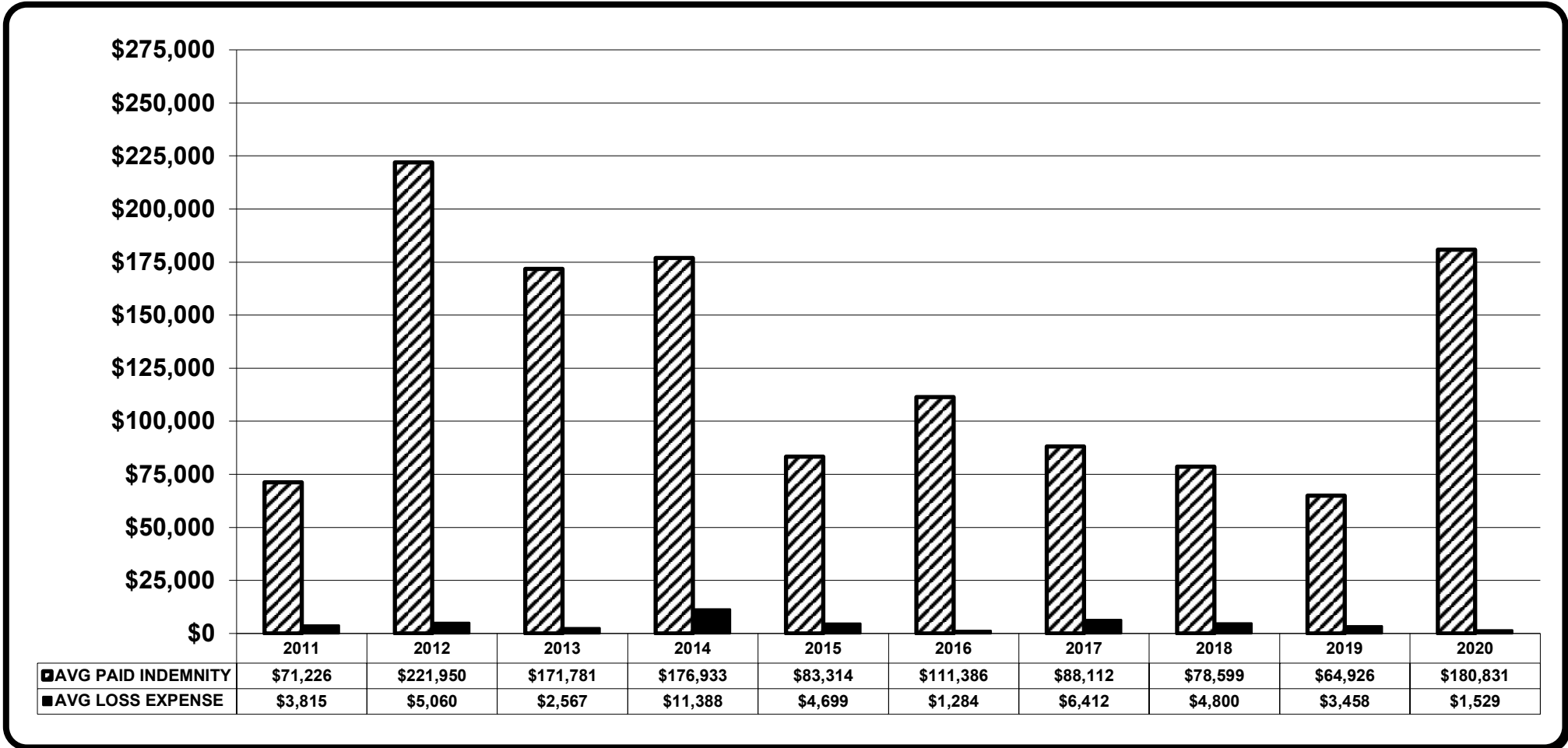
CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BEFORE FILING SUIT OR DEMANDING HEARING	74	38	60.32%	\$180,831	\$6,871,567	59.08%	\$1,529
BEFORE TRIAL OR HEARING	49	24	38.10%	\$197,522	\$4,740,530	40.76%	\$54,216
AFTER JUDGMENT, BEFORE APPEAL	5	1	1.59%	\$18,094	\$18,094	0.16%	\$19,452
AFTER APPEAL	4	0	0.00%	N/A	\$0	0.00%	\$89,642
CLAIM OR SUIT ABANDONED	4	0	0.00%	N/A	\$0	0.00%	\$6,487
DURING REVIEW PANEL	2	0	0.00%	N/A	\$0	0.00%	\$38,988
<b>TOTAL</b>	<b>138</b>	<b>63</b>	<b>100.00%</b>	<b>\$184,606</b>	<b>\$11,630,191</b>	<b>100.00%</b>	<b>\$24,127</b>

**TRENDS OF  
CLAIM DISPOSITIONS  
OF 2020**

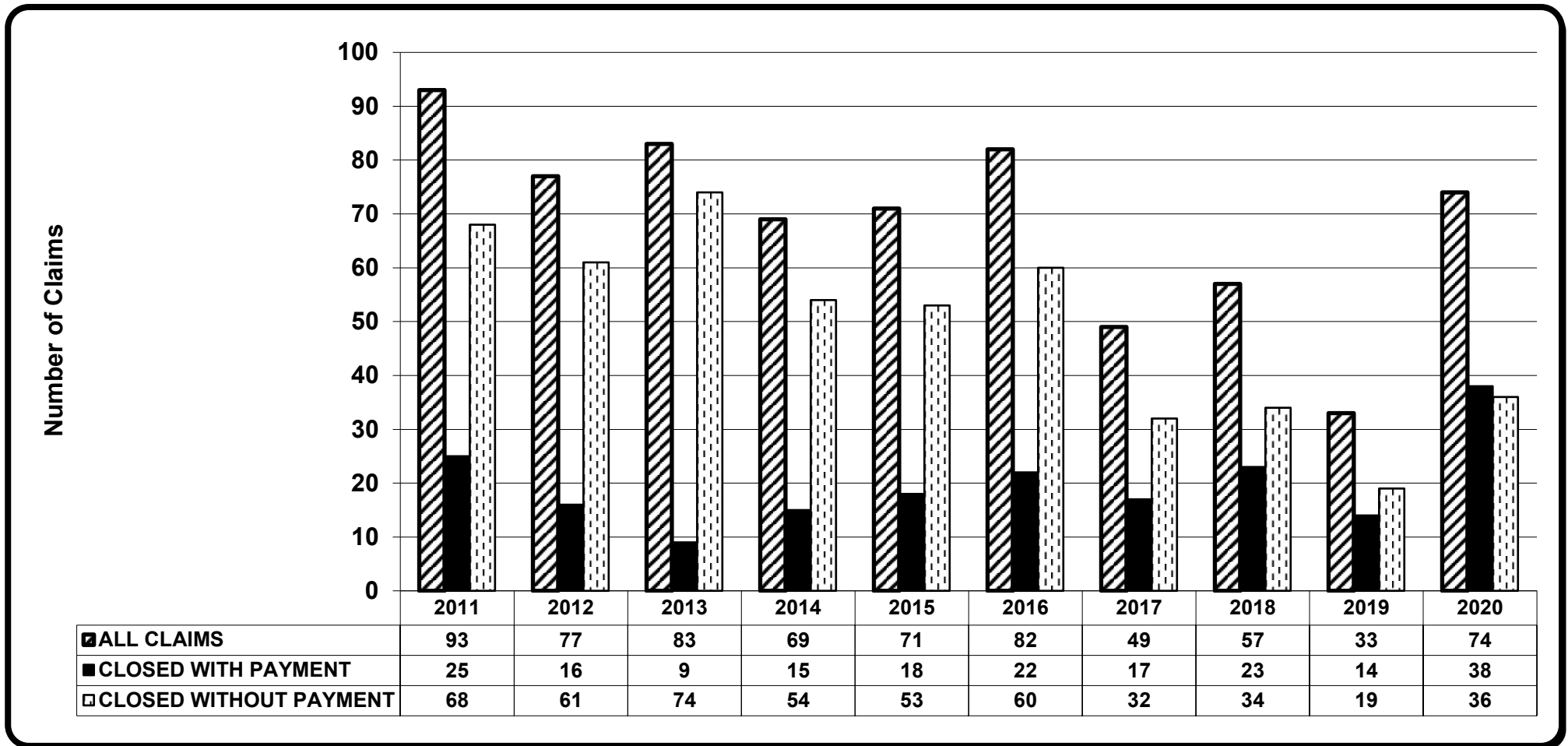


## BEFORE FILING SUIT OR DEMANDING HEARING

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

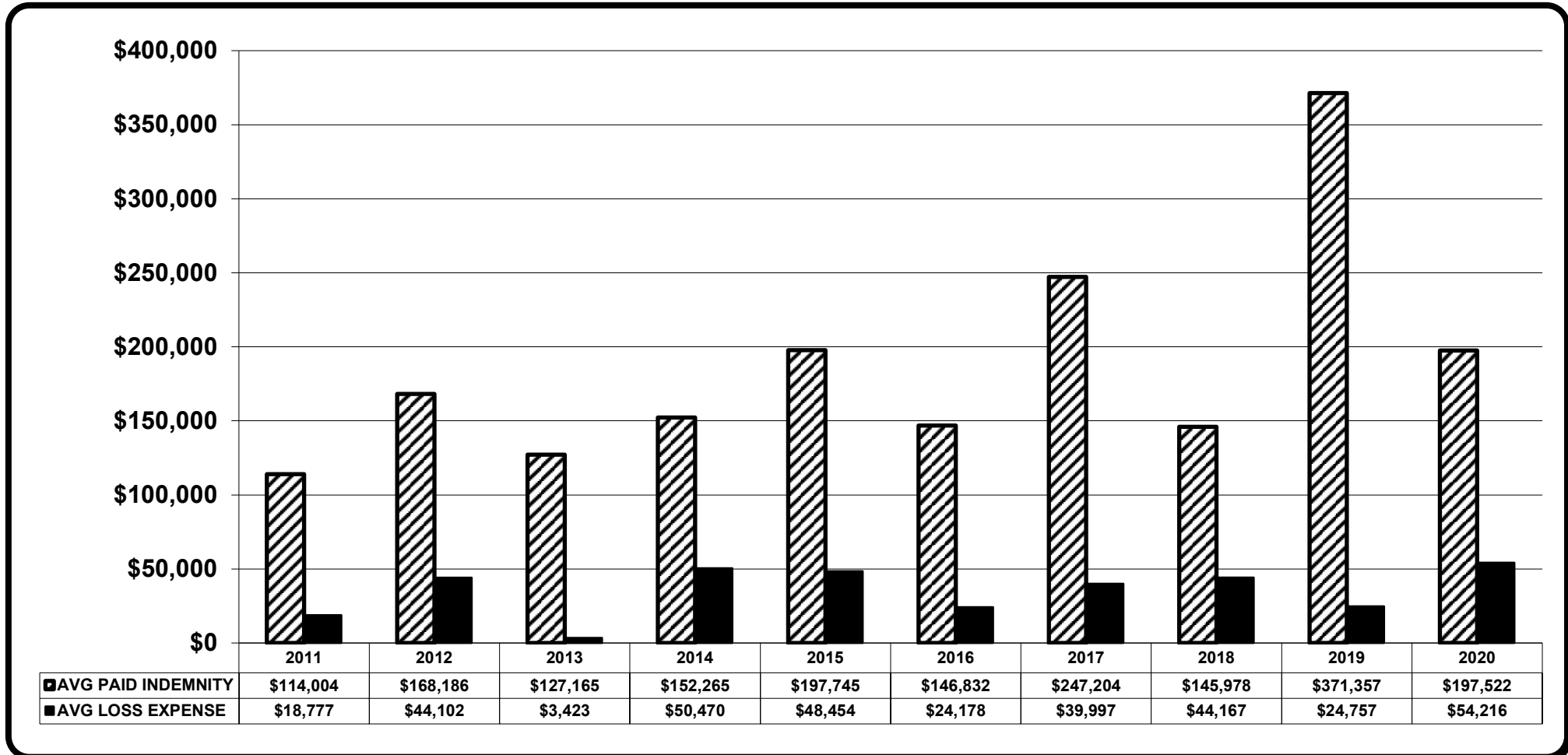


### CLAIM COUNT

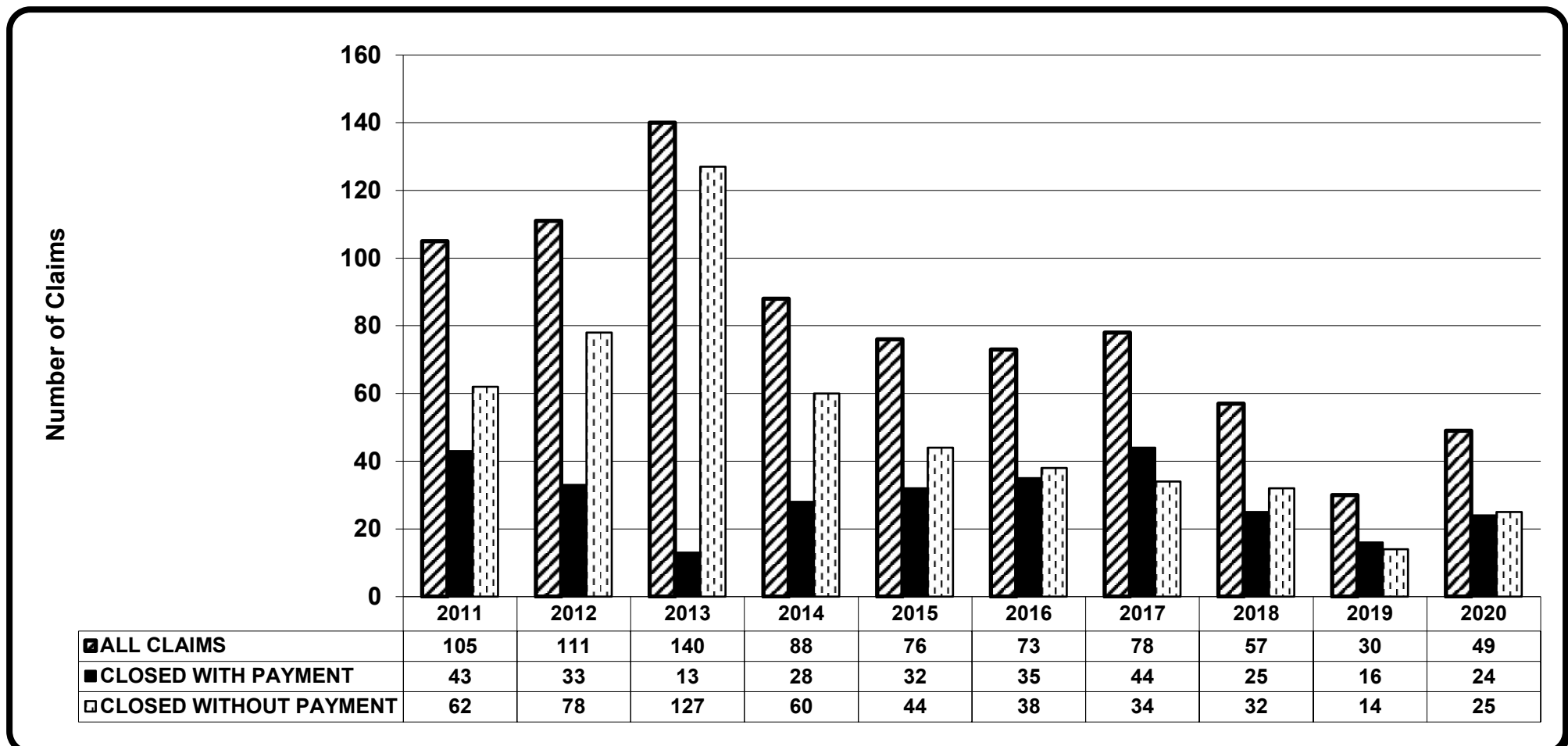


## BEFORE TRIAL OR HEARING

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



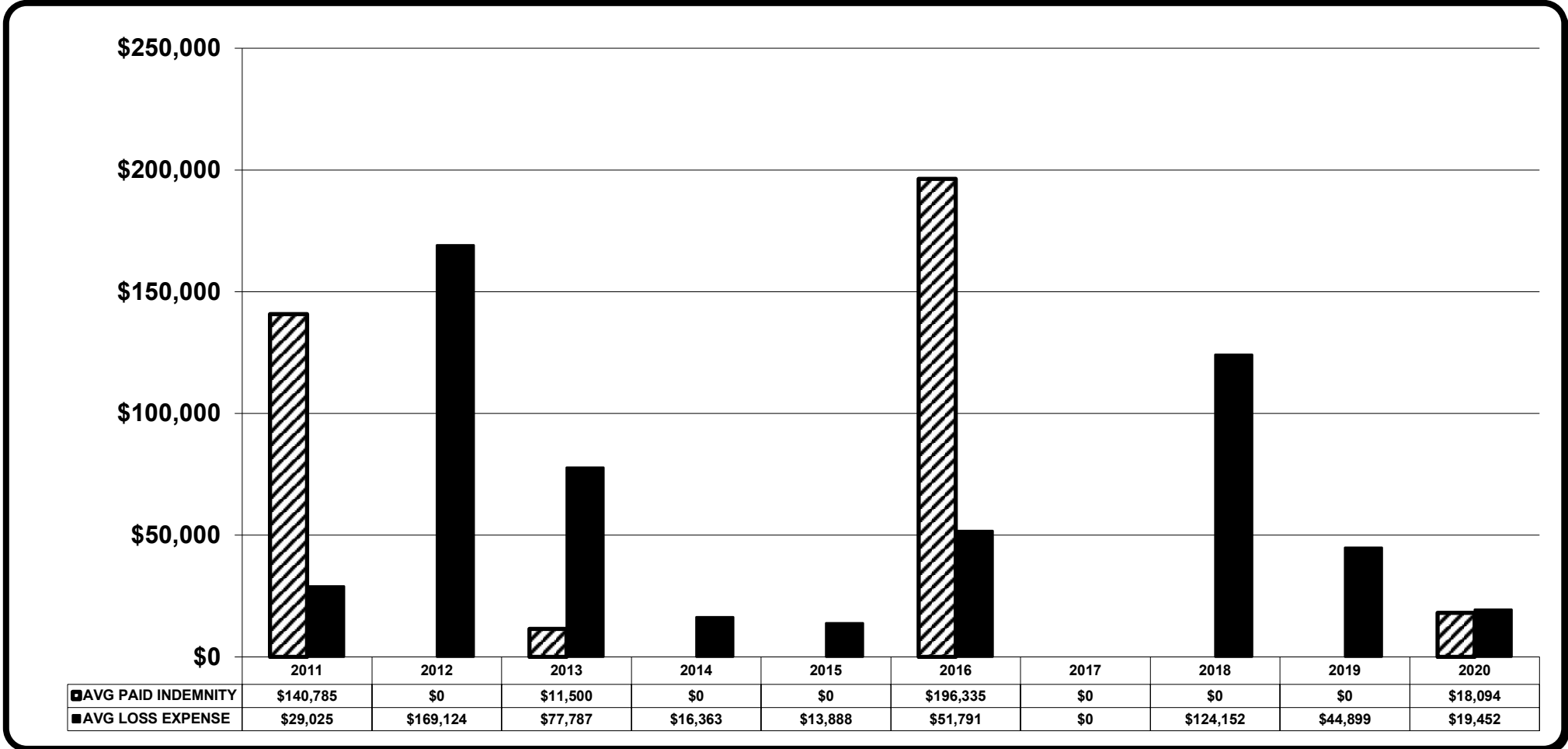
### CLAIM COUNT



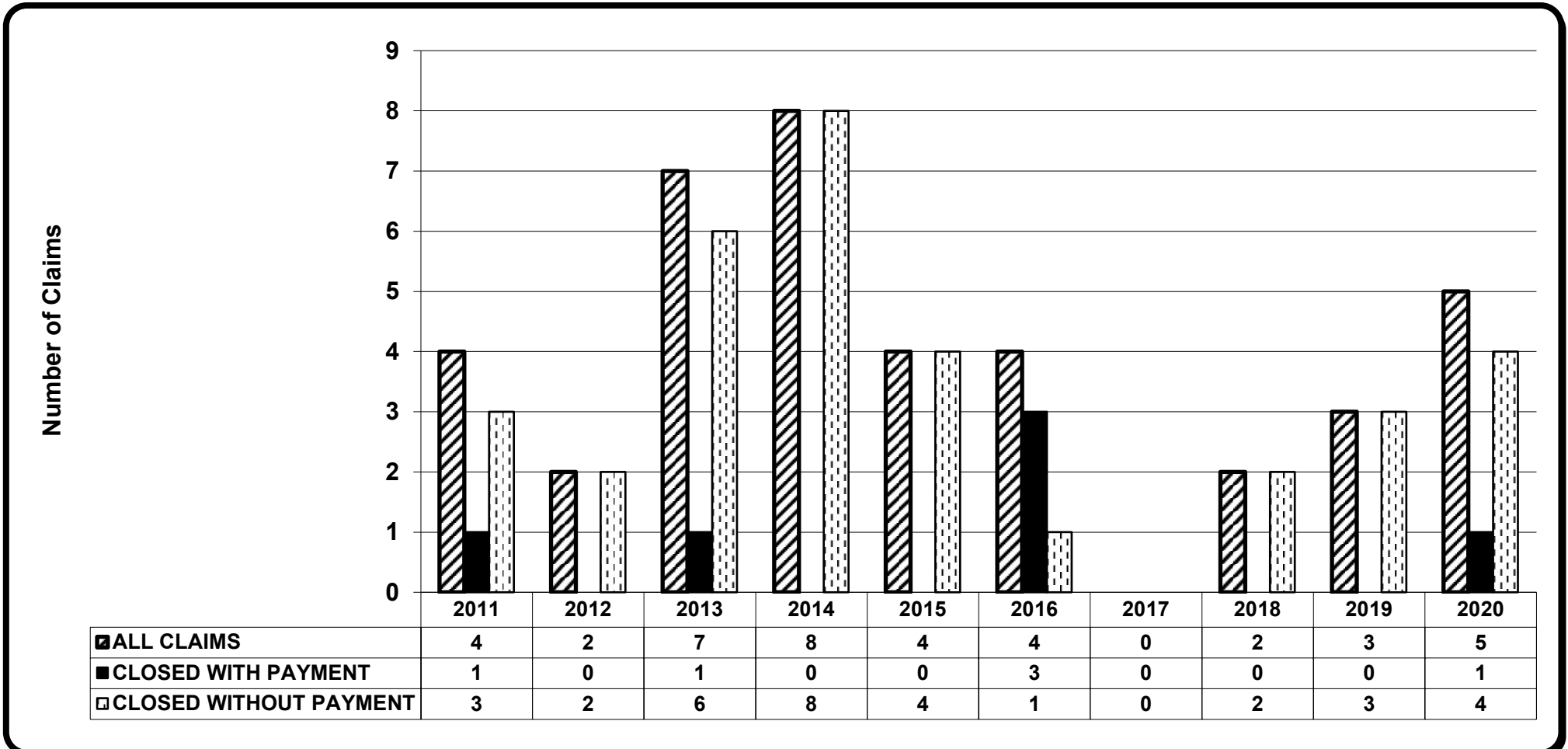


## AFTER JUDGMENT, BEFORE APPEAL

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

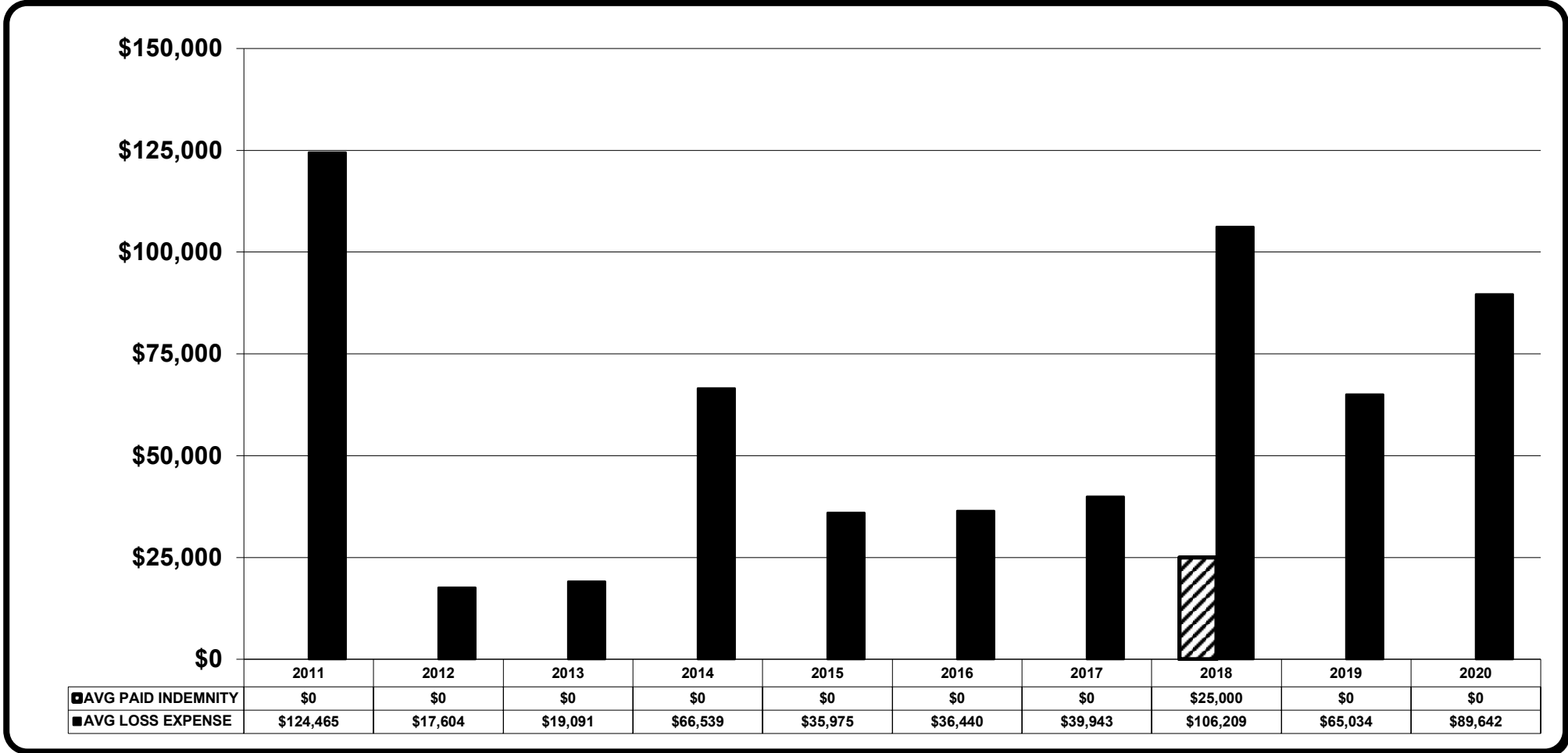


### CLAIM COUNT

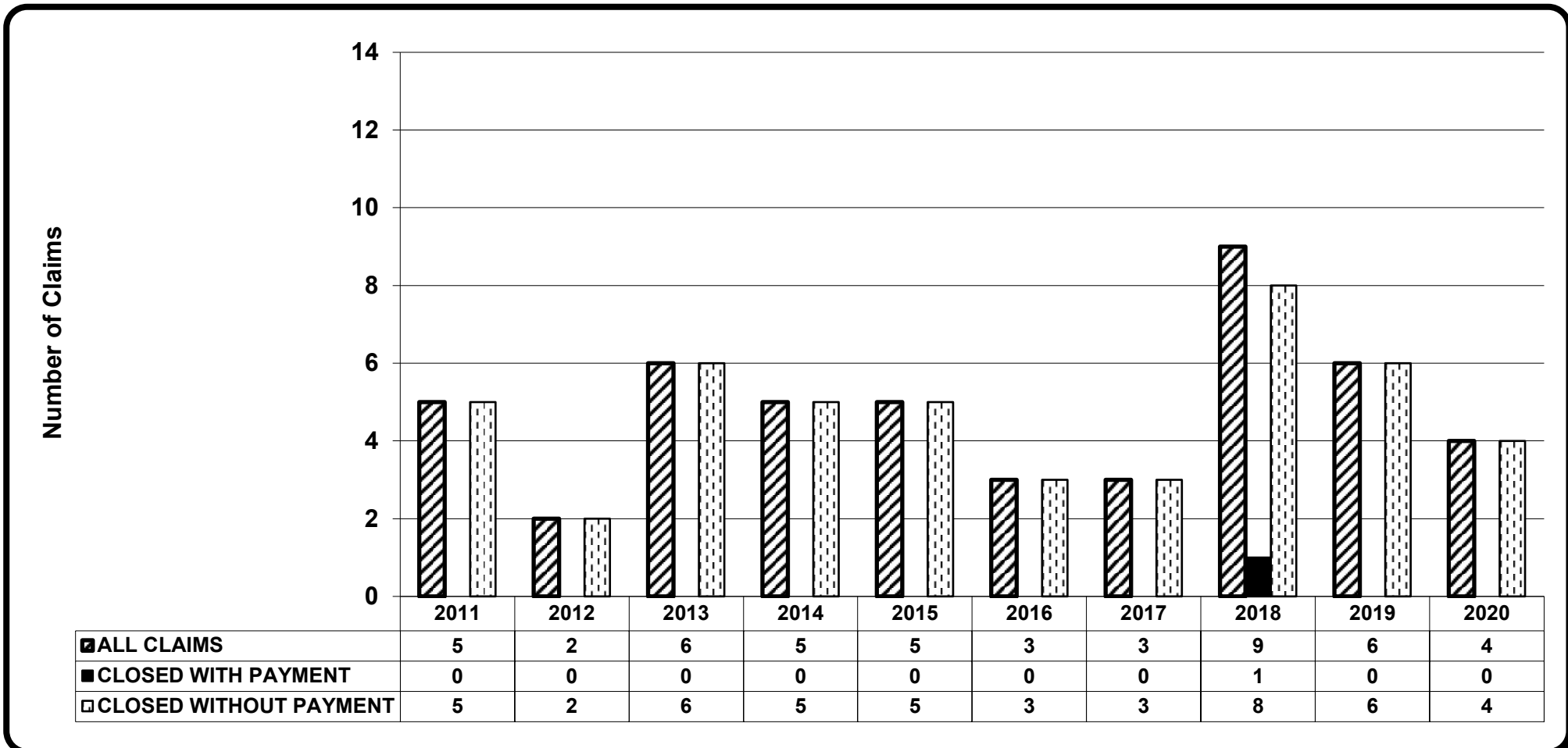


## AFTER APPEAL

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

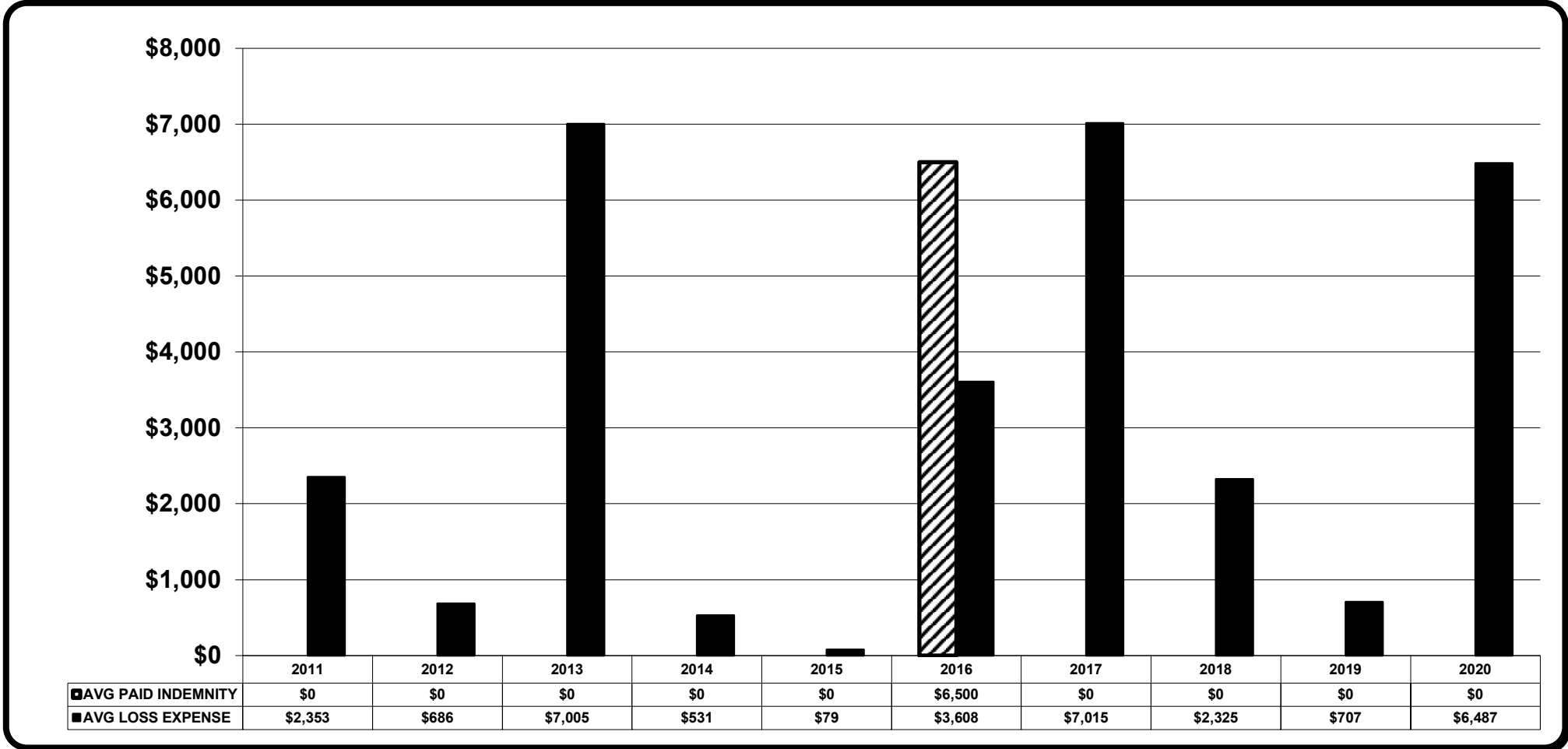


### CLAIM COUNT

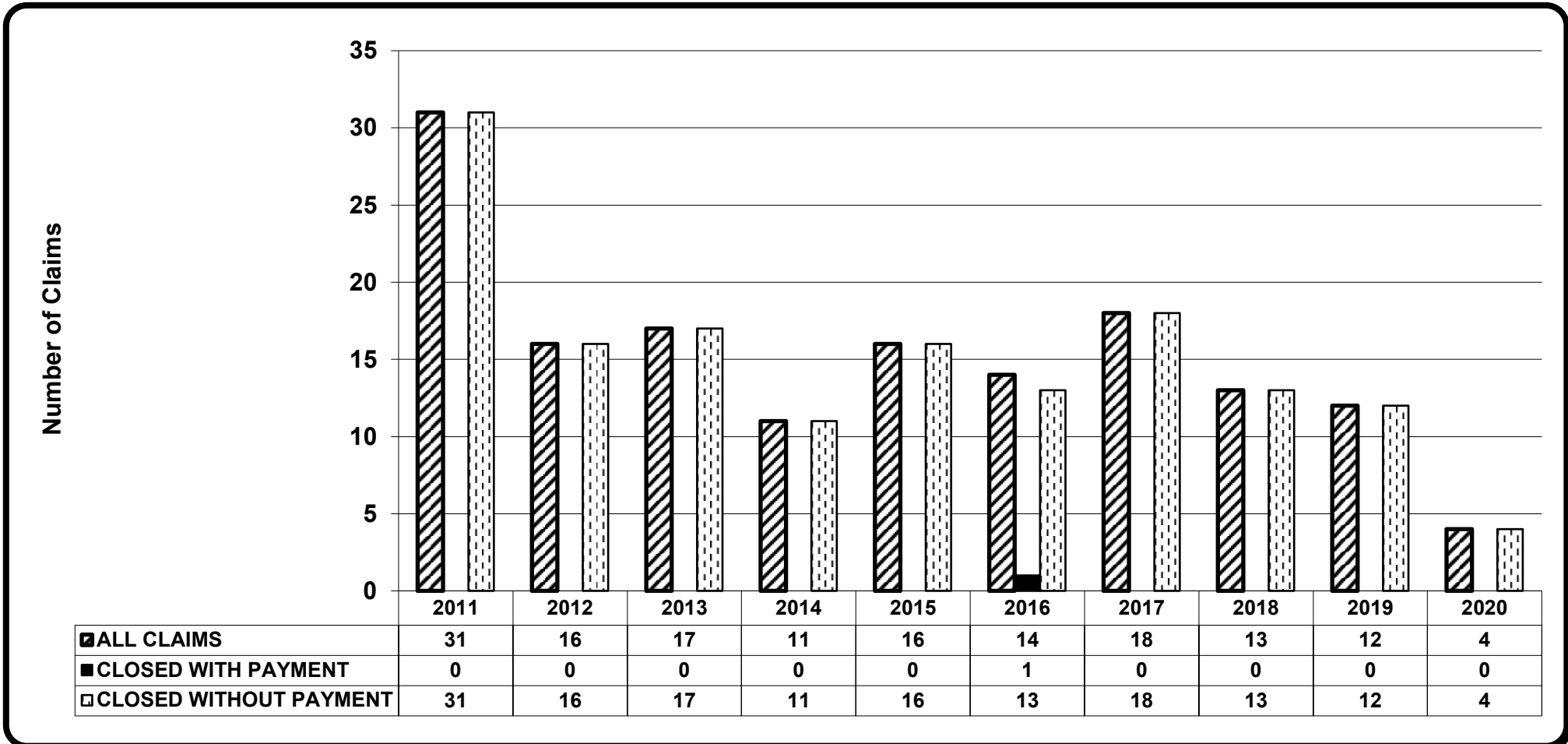


## CLAIM OR SUIT ABANDONED

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

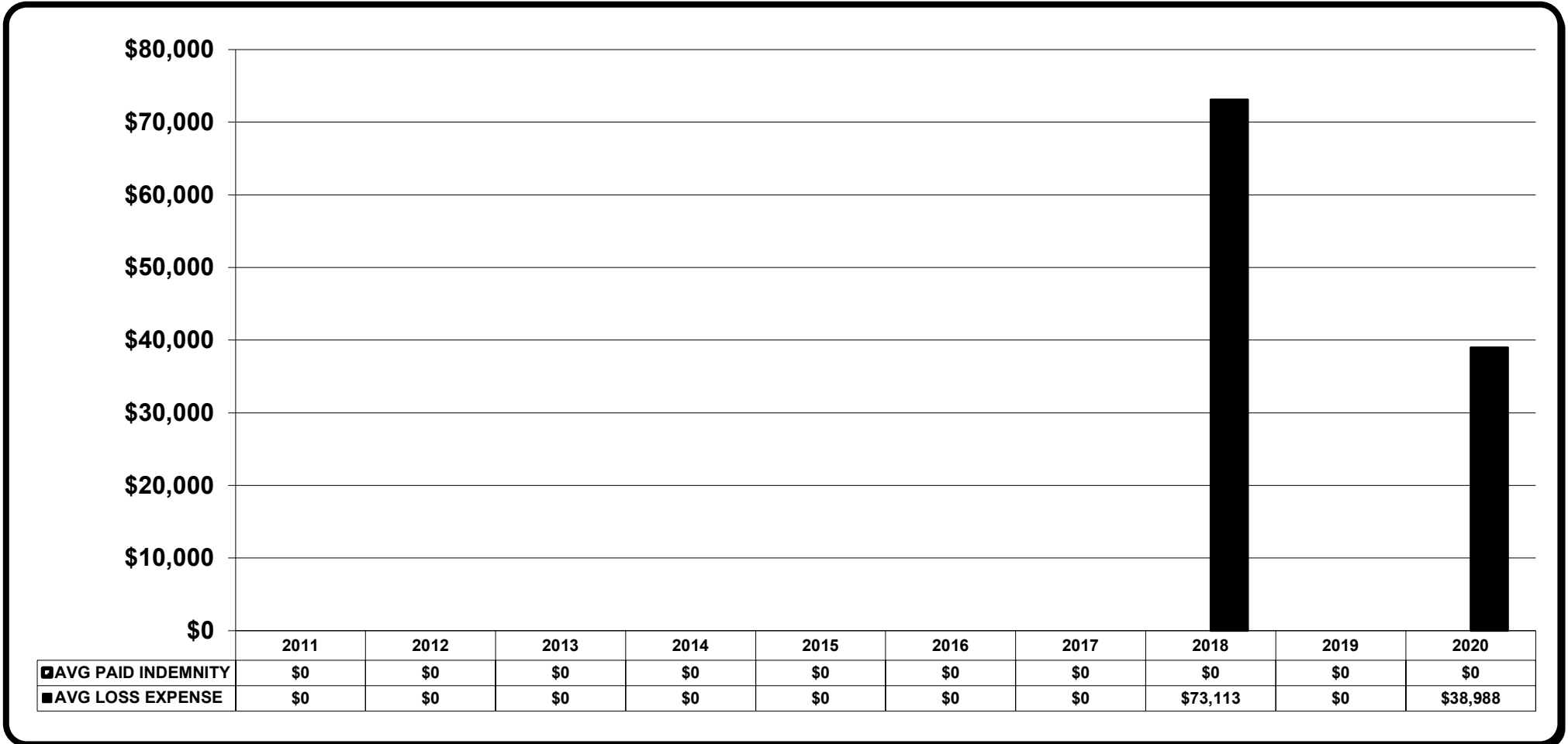


## CLAIM COUNT

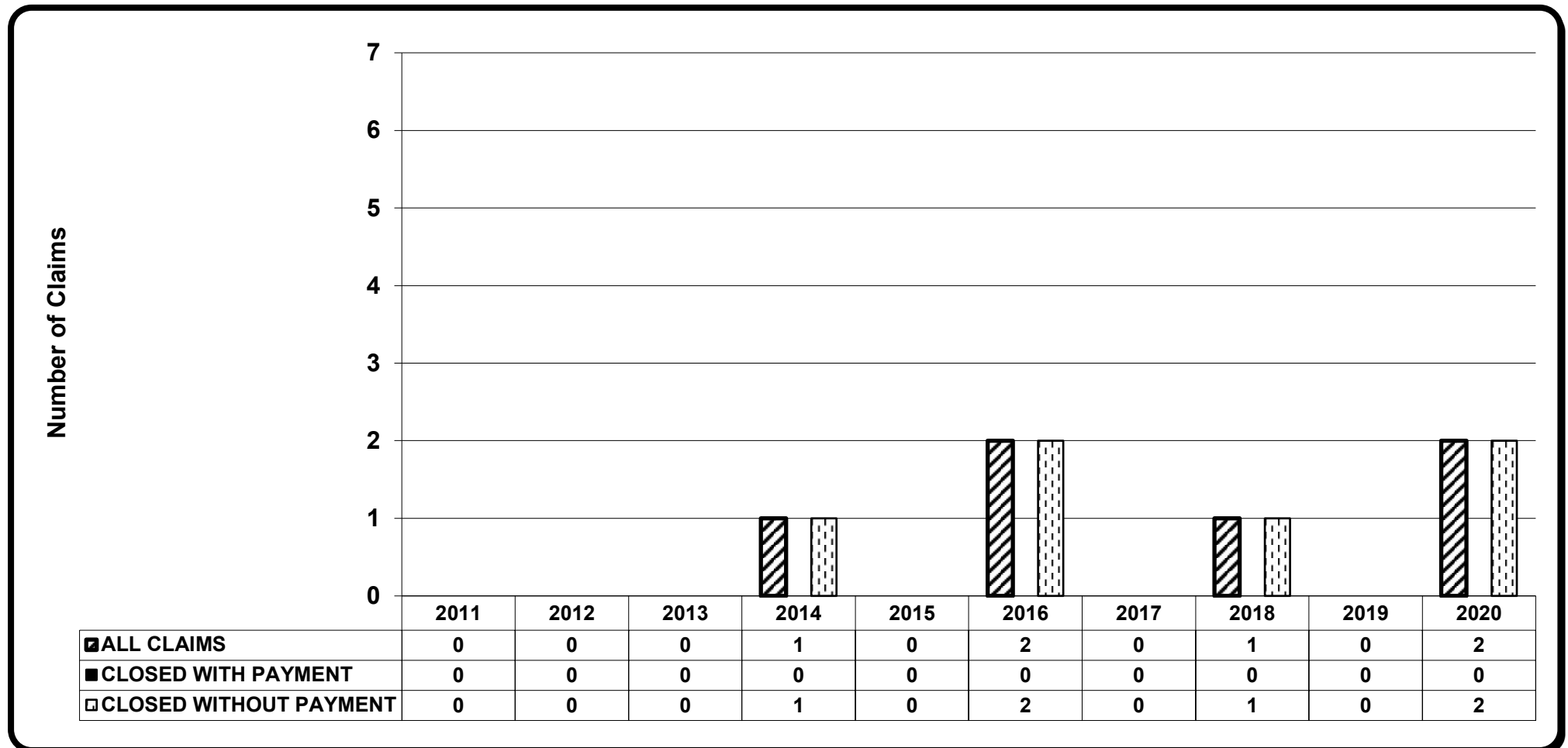


## DURING REVIEW PANEL

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



### CLAIM COUNT



**TEN YEAR SUMMARY  
&  
2020 SUMMARY  
BY  
YEARS ADMITTED TO PRACTICE**



**LEGAL MALPRACTICE INSURANCE  
INDEMNITY ANALYSIS  
FOR YEARS 2011-2020**

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	1,694	468	92.31%	\$164,251	\$76,869,363	94.90%	\$21,447
4 TO 10 YEARS	91	34	6.71%	\$87,254	\$2,966,623	3.66%	\$14,913
UNDER 4 YEARS	13	5	0.99%	\$232,123	\$1,160,614	1.43%	\$12,104
<b>TOTAL</b>	<b>1,798</b>	<b>507</b>	<b>100.00%</b>	<b>\$159,757</b>	<b>\$80,996,600</b>	<b>100.00%</b>	<b>\$21,049</b>

**LEGAL MALPRACTICE INSURANCE  
INDEMNITY ANALYSIS  
CLAIMS CLOSED IN 2020**

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	129	61	96.83%	\$188,788	\$11,516,077	99.02%	\$21,279
4 TO 10 YEARS	8	1	1.59%	\$16,000	\$16,000	0.14%	\$72,826
UNDER 4 YEARS	1	1	1.59%	\$98,114	\$98,114	0.84%	\$1,887
<b>TOTAL</b>	<b>138</b>	<b>63</b>	<b>100.00%</b>	<b>\$184,606</b>	<b>\$11,630,191</b>	<b>100.00%</b>	<b>\$24,127</b>

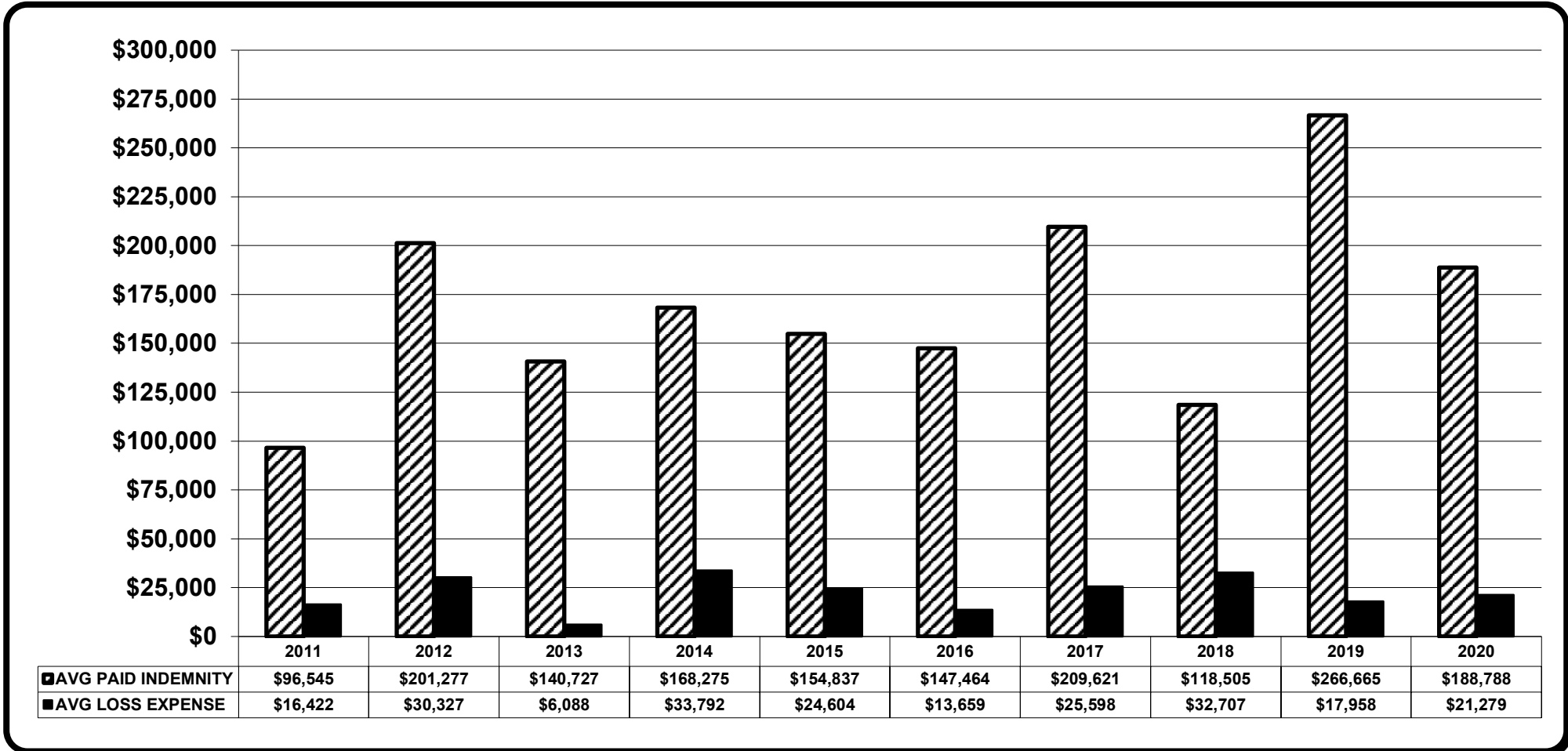


**TRENDS  
OF  
YEARS ADMITTED TO PRACTICE  
FOR 2020**

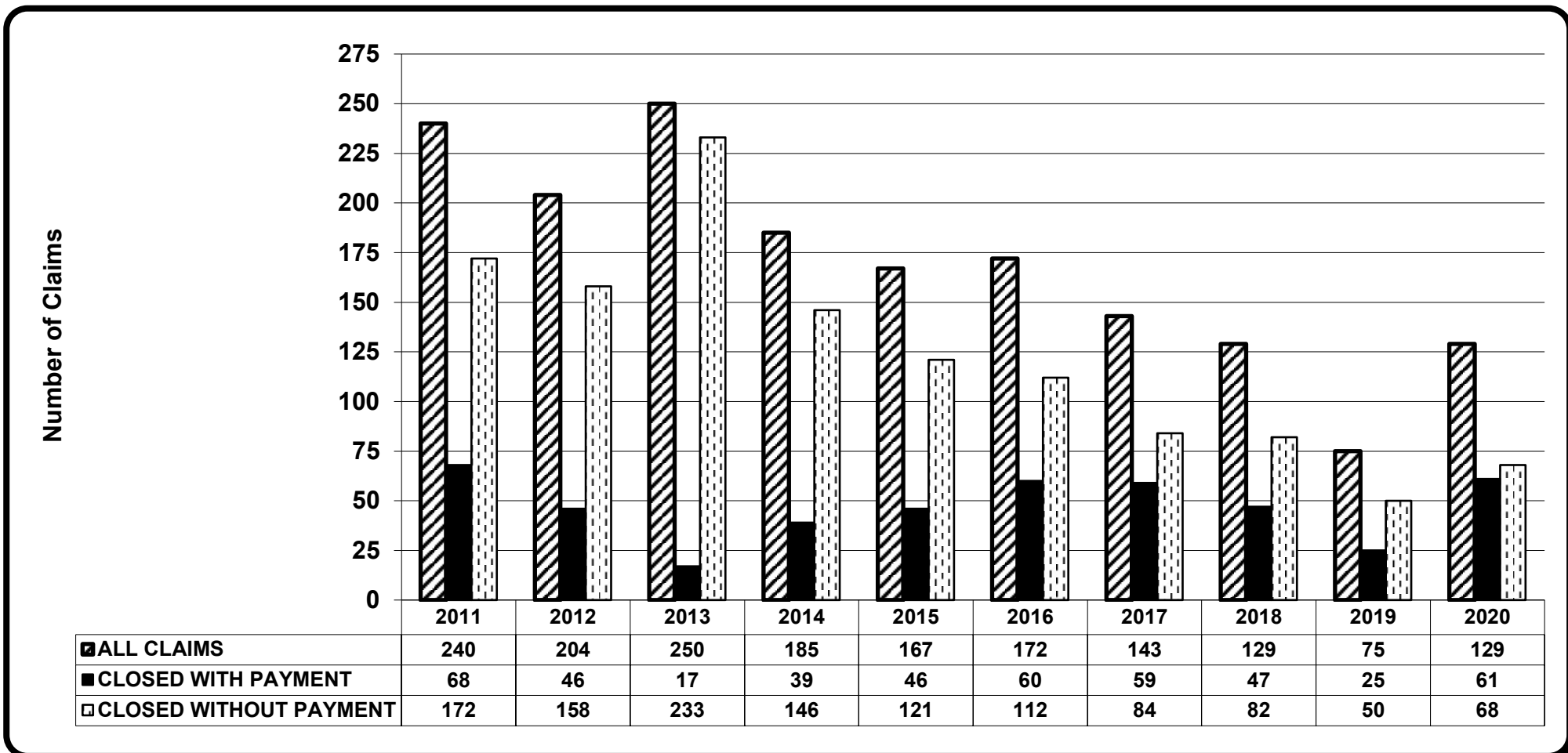


## OVER 10 YEARS

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

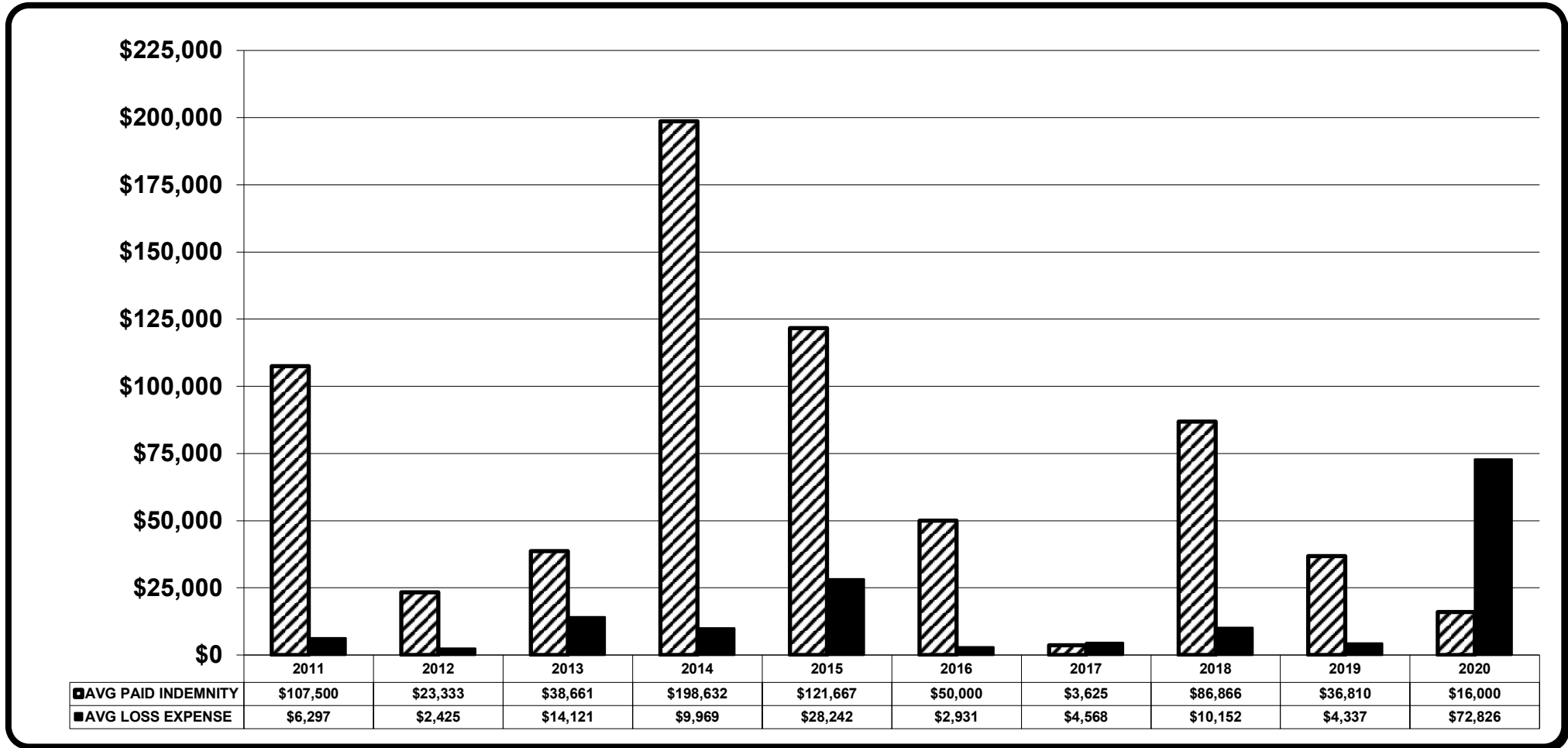


### CLAIM COUNT

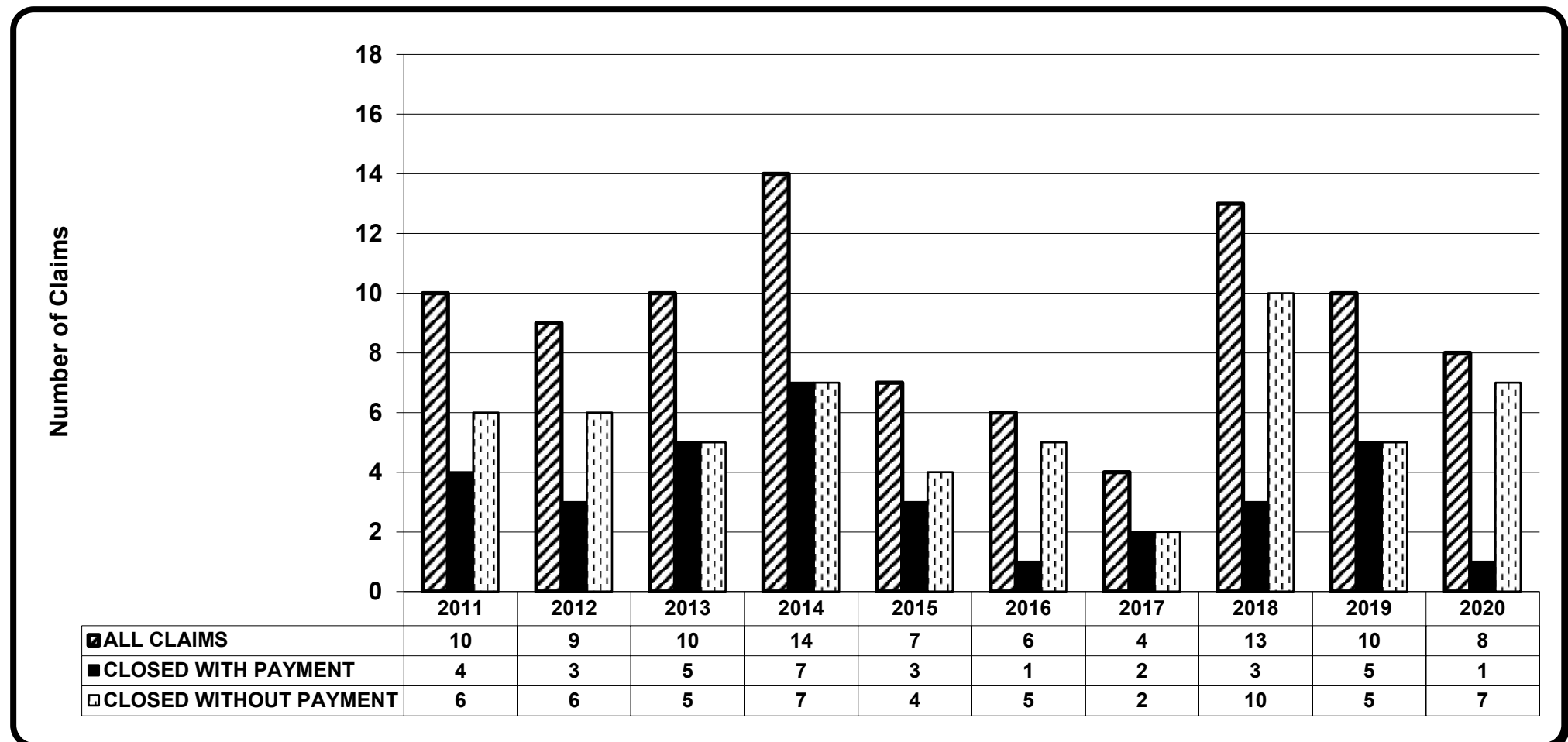


## 4 TO 10 YEARS

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

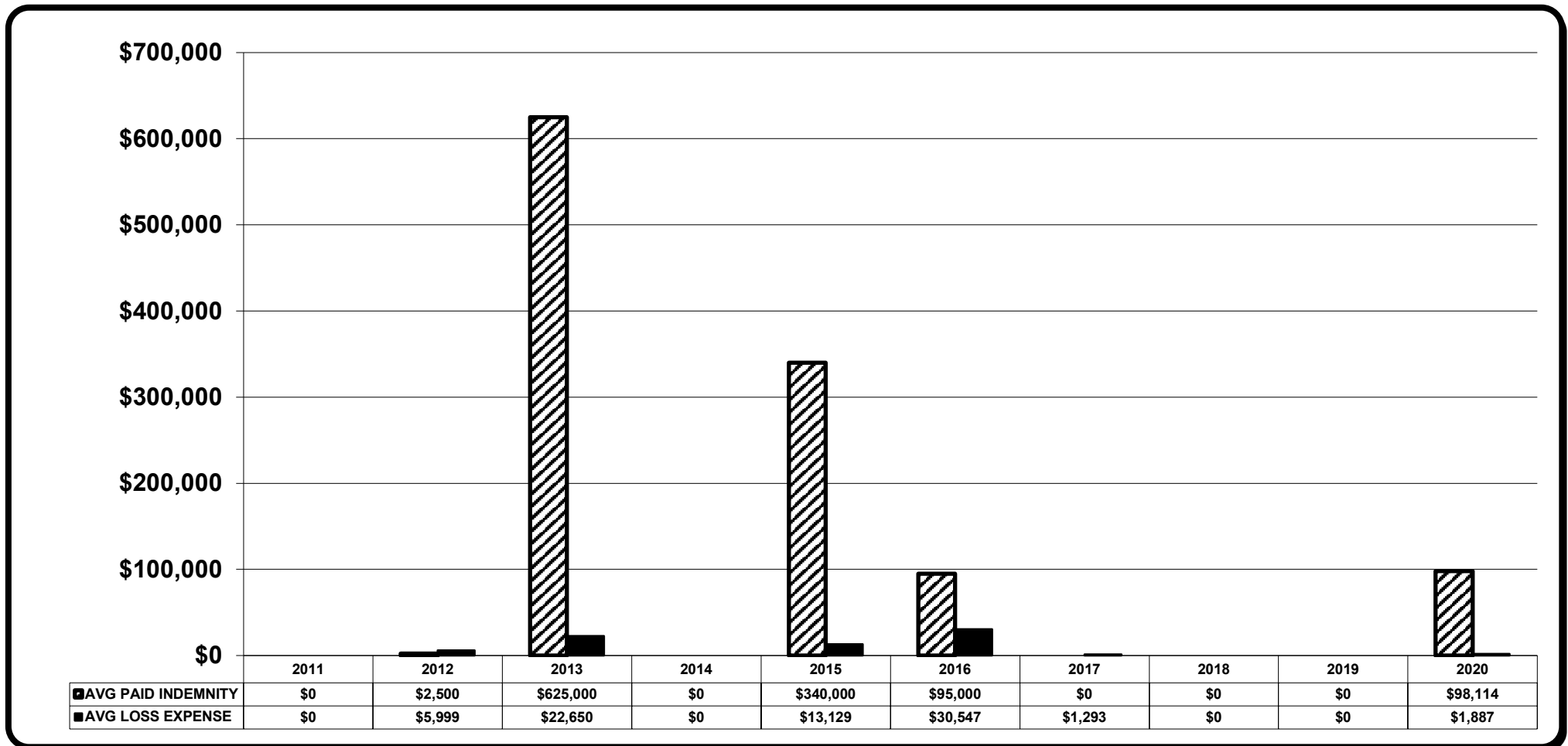


### CLAIM COUNT

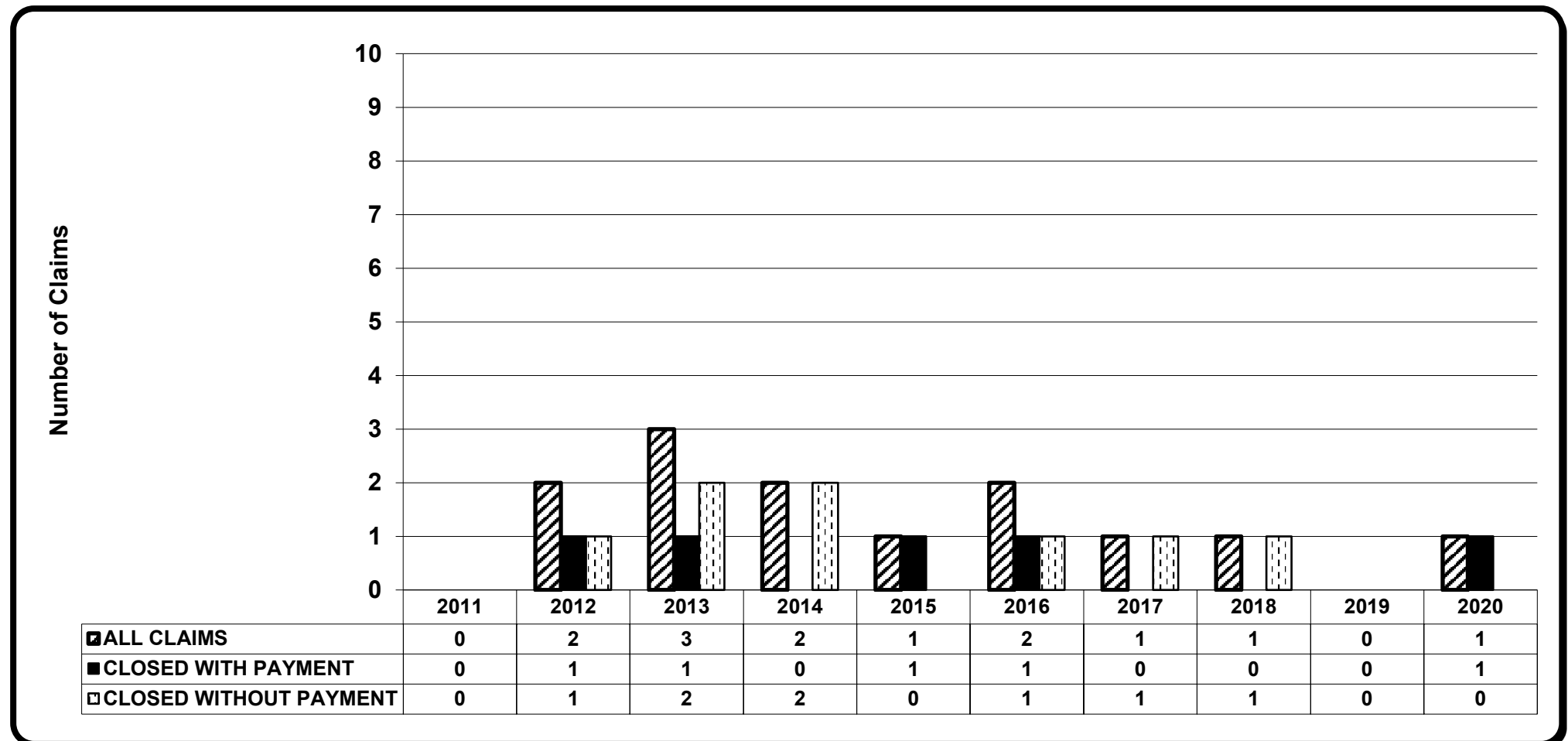


## UNDER 4 YEARS

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



### CLAIM COUNT





**TEN YEAR SUMMARY  
&  
2020 SUMMARY  
BY  
INSURED/CLAIMANT RELATIONSHIP**





**LEGAL MALPRACTICE INSURANCE  
INDEMNITY ANALYSIS  
FOR YEARS 2011-2020**

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLIENT OTHER THAN ABOVE	1,264	398	78.50%	\$176,573	\$70,275,964	86.76%	\$22,974
NON-CLIENT	520	105	20.71%	\$97,592	\$10,247,136	12.65%	\$14,574
MEMBER PRE-PAID LEGAL PLAN	9	4	0.79%	\$118,375	\$473,500	0.58%	\$69,127
FREE LEGAL SERVICE	5		0.00%	N/A	\$0	0.00%	\$121,146
<b>TOTAL</b>	<b>1,798</b>	<b>507</b>	<b>100.00%</b>	<b>\$159,757</b>	<b>\$80,996,600</b>	<b>100.00%</b>	<b>\$21,049</b>

**LEGAL MALPRACTICE INSURANCE  
INDEMNITY ANALYSIS  
CLAIMS CLOSED IN 2020**

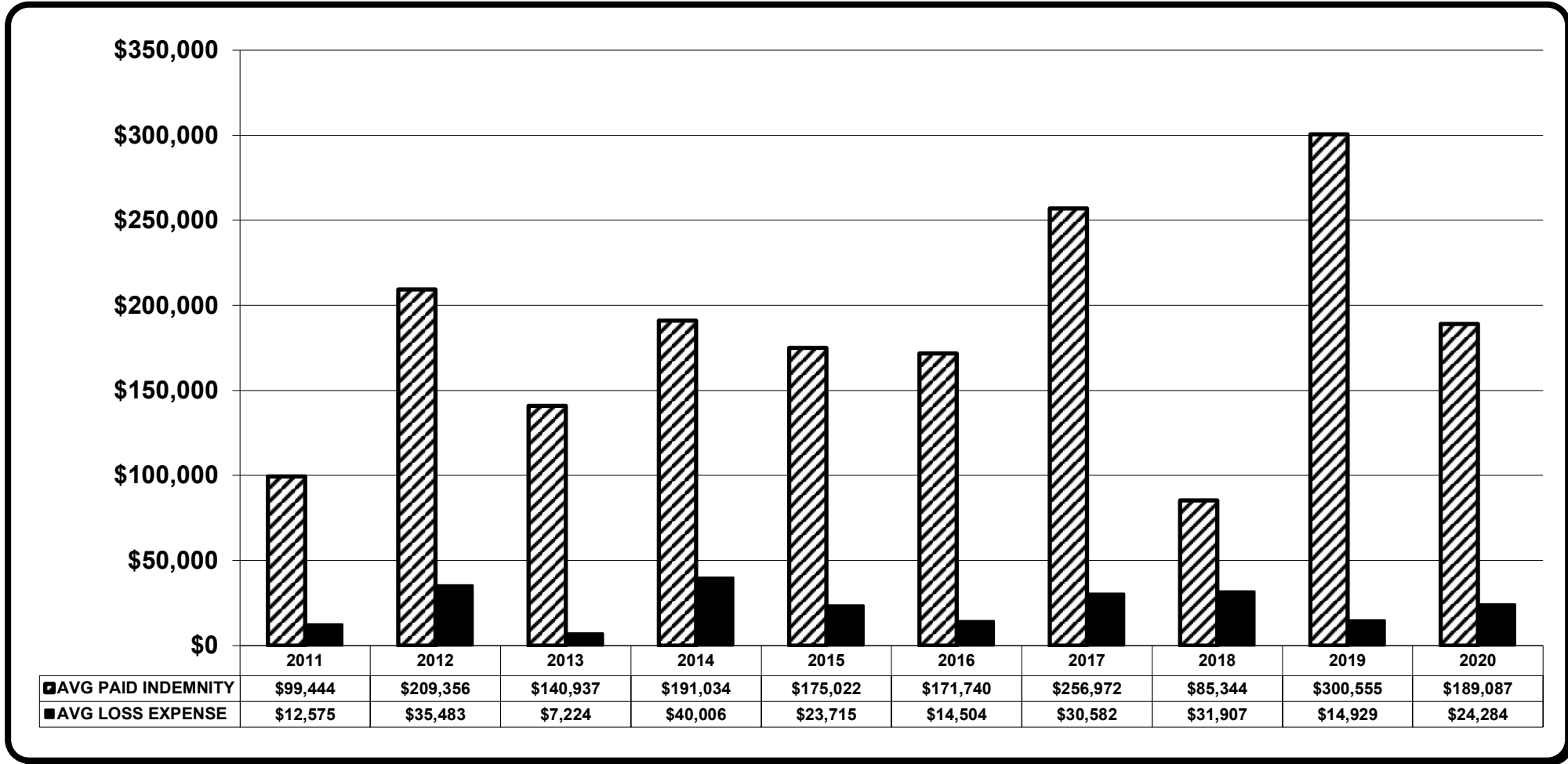
INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLIENT OTHER THAN ABOVE	112	54	85.71%	\$189,087	\$10,210,682	87.79%	\$24,284
NON-CLIENT	25	8	12.70%	\$176,814	\$1,414,509	12.16%	\$24,385
MEMBER PRE-PAID LEGAL PLAN	1	1	1.59%	\$5,000	\$5,000	0.04%	\$0
<b>TOTAL</b>	<b>138</b>	<b>63</b>	<b>100.00%</b>	<b>\$184,606</b>	<b>\$11,630,191</b>	<b>100.00%</b>	<b>\$24,127</b>

**TRENDS  
OF  
INSURED/CLAIMANT  
RELATIONSHIP  
FOR 2020**

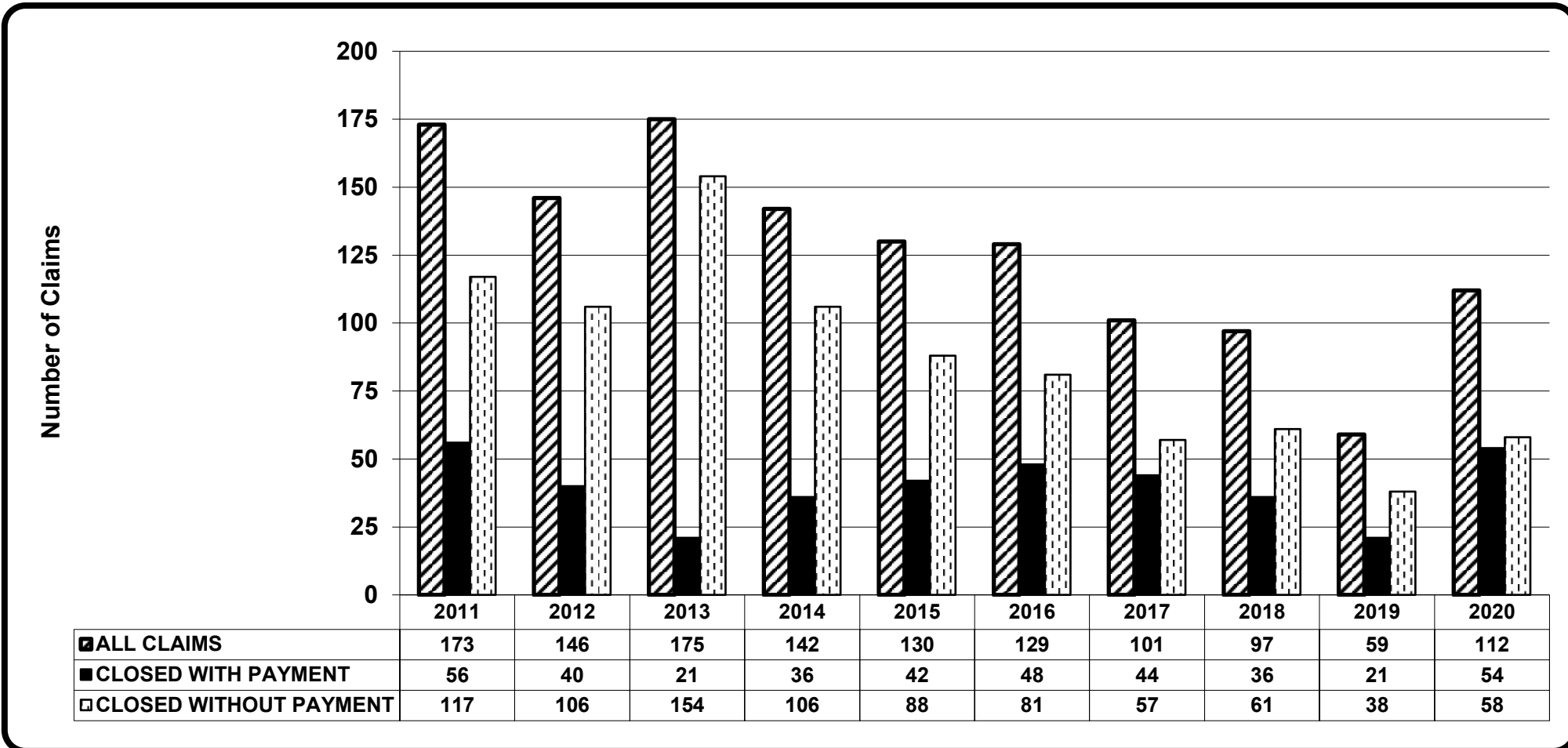


## CLIENT OTHER THAN FREE LEGAL SERVICE OR MEMBER OF PRE-PAID LEGAL PLAN

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

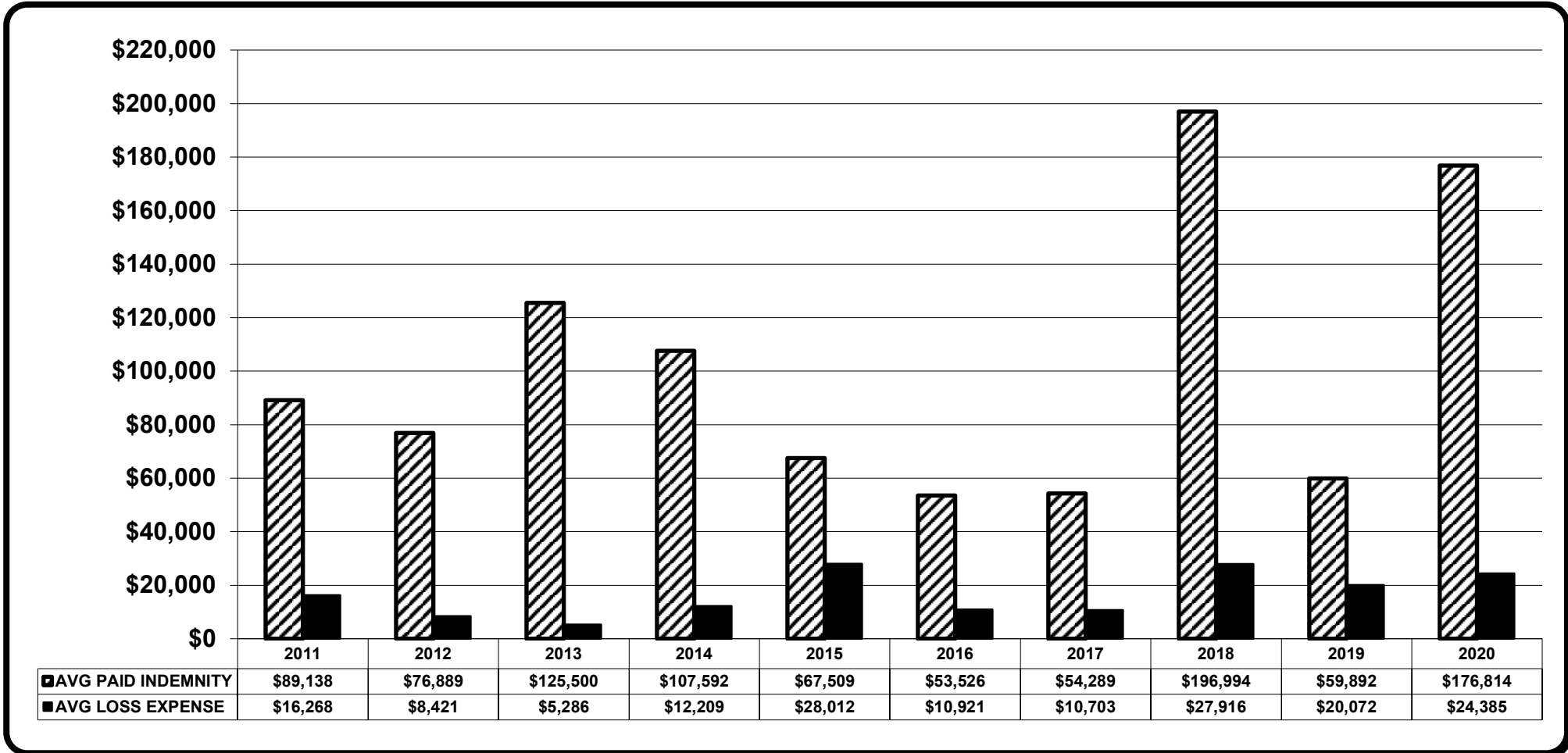


### CLAIM COUNT

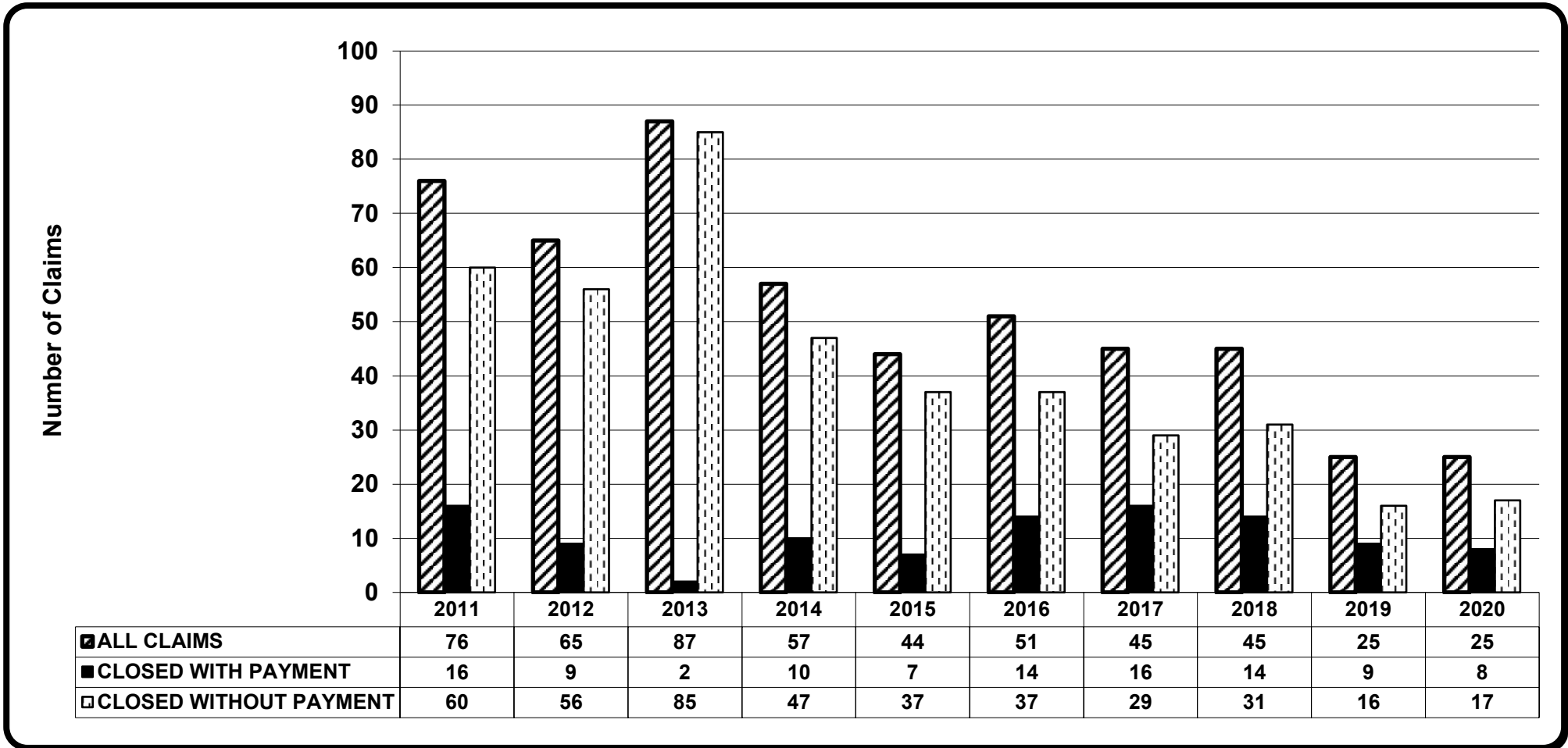


## NON-CLIENT

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

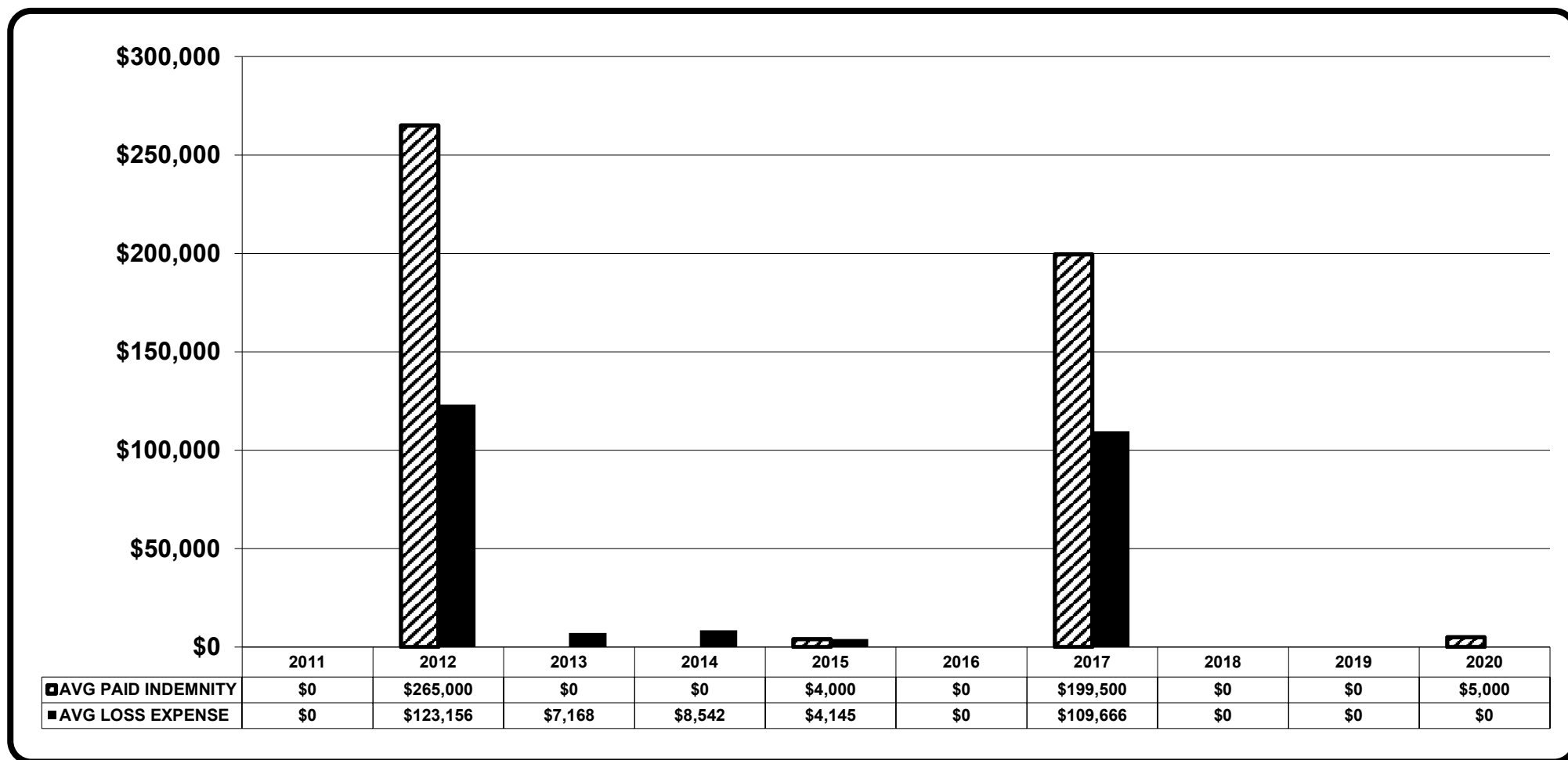


## CLAIM COUNT

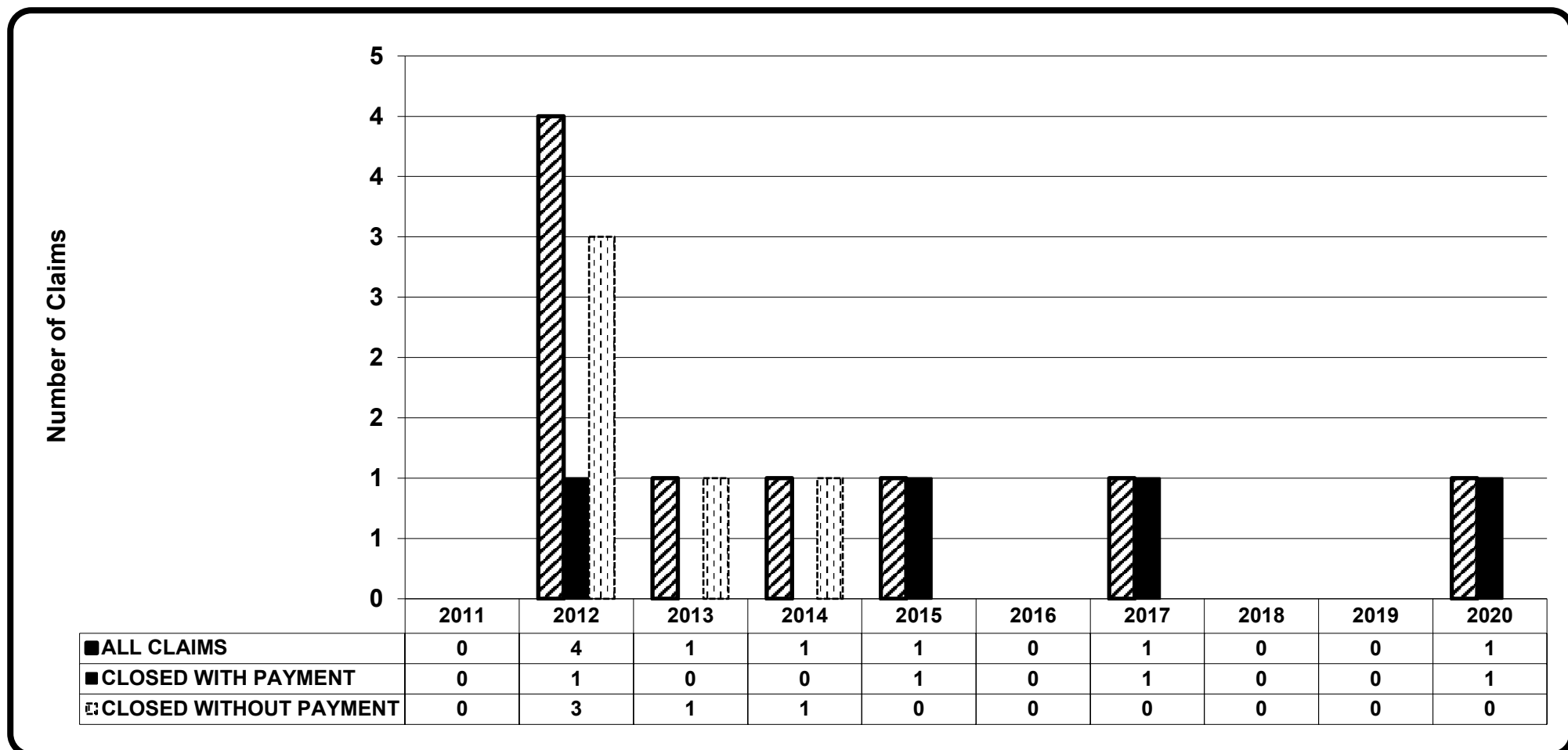


## MEMBER PRE-PAID LEGAL PLAN

### AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



### CLAIM COUNT







# **PREMIUM AND LOSS DATA**



**PAGE 19 SUPPLEMENT  
LEGAL MALPRACTICE EXPERIENCE  
WITH MARKET SHARE**

**2020 EXPERIENCE**

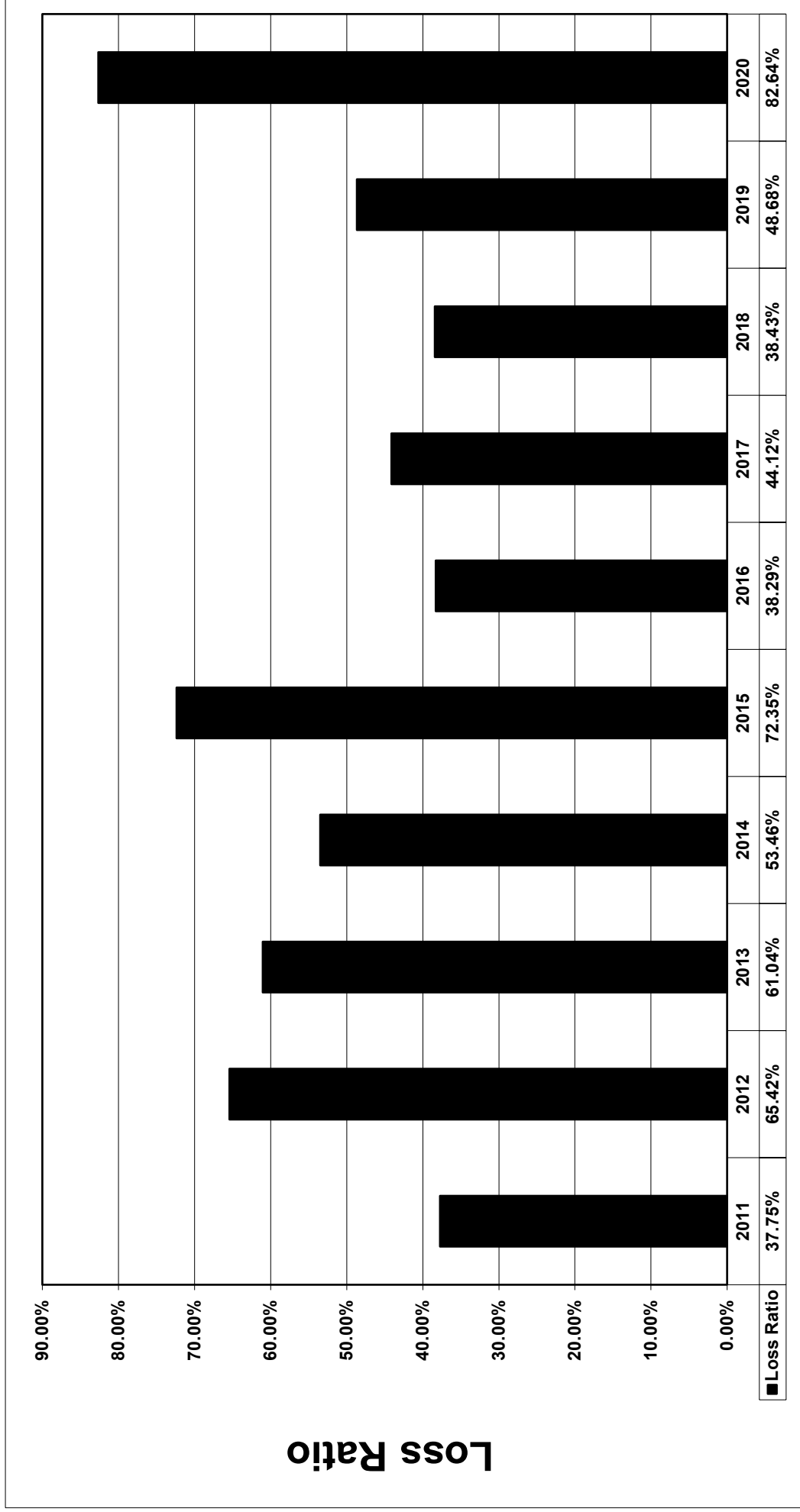
NAIC Company Code	Company Name	Market Share	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
29513	BAR PLAN MUTUAL INSURANCE COMPANY THE	54.14%	\$7,900,962	\$8,145,451	\$7,786,945	95.60%
20443	CONTINENTAL CASUALTY COMPANY	17.43%	\$2,543,392	\$1,000,865	\$2,034,942	203.32%
32450	ALPS PROPERTY & CASUALTY COMPANY	8.26%	\$1,206,164	\$1,171,242	\$616,668	52.65%
22292	HANOVER INSURANCE COMPANY THE	6.49%	\$947,620	\$897,992	(\$103,901)	-11.57%
19801	ARGONAUT INSURANCE COMPANY	5.73%	\$835,996	\$826,953	\$1,255,555	151.83%
24147	OLD REPUBLIC INSURANCE COMPANY	2.47%	\$360,150	\$313,880	(\$3,538)	-1.13%
31194	TRAVELERS CASUALTY AND SURETY CO OF AMER	2.18%	\$318,330	\$245,302	\$85,000	34.65%
37273	AXIS INSURANCE COMPANY	1.90%	\$277,321	\$254,654	\$123,651	48.56%
22730	ALLIED WORLD INSURANCE COMPANY	0.81%	\$118,710	\$101,736	(\$891,345)	-876.14%
22241	MEDMARC CASUALTY INSURANCE COMPANY	0.35%	\$50,878	\$47,911	(\$55,739)	-116.34%
29459	TWIN CITY FIRE INSURANCE COMPANY	0.09%	\$13,366	\$9,431	\$0	0.00%
11000	SENTINEL INSURANCE COMPANY LTD	0.06%	\$8,418	\$4,983	\$0	0.00%
16624	ALLIED WORLD SPECIALTY INSURANCE COMPANY	0.05%	\$7,977	\$8,143	(\$11,996)	-147.32%
29424	HARTFORD CASUALTY INSURANCE CO	0.03%	\$4,984	\$2,652	\$0	0.00%
16691	GREAT AMERICAN INSURANCE COMPANY	0.00%	\$0	\$0	\$50	N/A
19518	CATLIN INSURANCE COMPANY INC	0.00%	\$0	\$5,104	(\$62,803)	-1230.47%
22322	GREENWICH INSURANCE COMPANY	0.00%	\$0	\$0	(\$118)	N/A
	TOTAL	100.00%	\$14,594,268	\$13,036,299	\$10,773,371	82.64%

**PAGE 19 SUPPLEMENT  
LEGAL MALPRACTICE EXPERIENCE  
TEN YEAR SUMMARY**

<b>YEAR</b>	<b>Written Premium</b>	<b>Earned Premium</b>	<b>Incurred Losses</b>	<b>Loss Ratio</b>
2011	\$14,269,499	\$14,608,084	\$5,514,132	37.75%
2012	\$15,356,950	\$15,088,454	\$9,871,352	65.42%
2013	\$15,843,263	\$15,221,120	\$9,291,232	61.04%
2014	\$16,725,395	\$16,787,627	\$8,975,108	53.46%
2015	\$16,452,459	\$16,412,220	\$11,873,680	72.35%
2016	\$16,350,726	\$16,425,472	\$6,289,090	38.29%
2017	\$16,385,754	\$16,414,566	\$7,242,168	44.12%
2018	\$15,333,042	\$15,946,562	\$6,127,946	38.43%
2019	\$15,172,518	\$15,270,375	\$7,433,567	48.68%
2020	\$14,594,268	\$13,036,299	\$10,773,371	82.64%
<b>10-Year Total</b>	<b>\$156,483,874</b>	<b>\$155,210,779</b>	<b>\$83,391,646</b>	<b>53.73%</b>

PAGE 19 SUPPLEMENT  
LEGAL MALPRACTICE EXPERIENCE

TEN YEAR LOSS RATIO SUMMARY





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