

2014

Missouri

Legal Malpractice Insurance Report

**Statistics Section
August 2015**



DIFP

Jeremiah W. (Jay) Nixon
Governor

Department of Insurance,
Financial Institutions &
Professional Registration

John M. Huff
Director

Also Available from DIFP

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 Health Maintenance Organization 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*

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

- *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.*

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

The Department of Insurance, Financial Institutions & Professional Registration is an Equal Opportunity Employer.

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 2005 to 2014.

The charts, graphs and tables in this report are limited to closed claim information and were constructed from data collected by the Department of Insurance, Financial Institutions & Professional Registration 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 2014, the loss ratio for legal malpractice insurance in Missouri was 54 percent. For the 10-year period of claims closed¹, 563 (24 percent) were closed with payment. Claims closed in 2014 totaled 213, a 19 percent decrease from the previous year. The average payment was \$171,181.

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 2014, the average loss adjustment expense for all claims closed with payment was \$141,761 compared to \$81,383 in 2013.

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.

¹ Claims closed may have resulted from incidents in any previous period.

By area of law, the largest share of claims closed in 2014 (47 of 213) was initiated by plaintiffs in *collection and bankruptcy*. The largest proportion of all claims closed in 2014 under the major activity code occurred during *commencement of action or proceeding*. Of all claims paid during 2014, 62 percent were settled *before trial or hearing* on the alleged malpractice.

Eighty-seven percent of losses in 2014 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-eight percent of 2014 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 2014. Of these, the Bar Plan Mutual Insurance Company was by far the largest, with over 67 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 Insurance, Financial Institutions & Professional Registration, P.O. Box 690, Jefferson City, MO 65102-0690.

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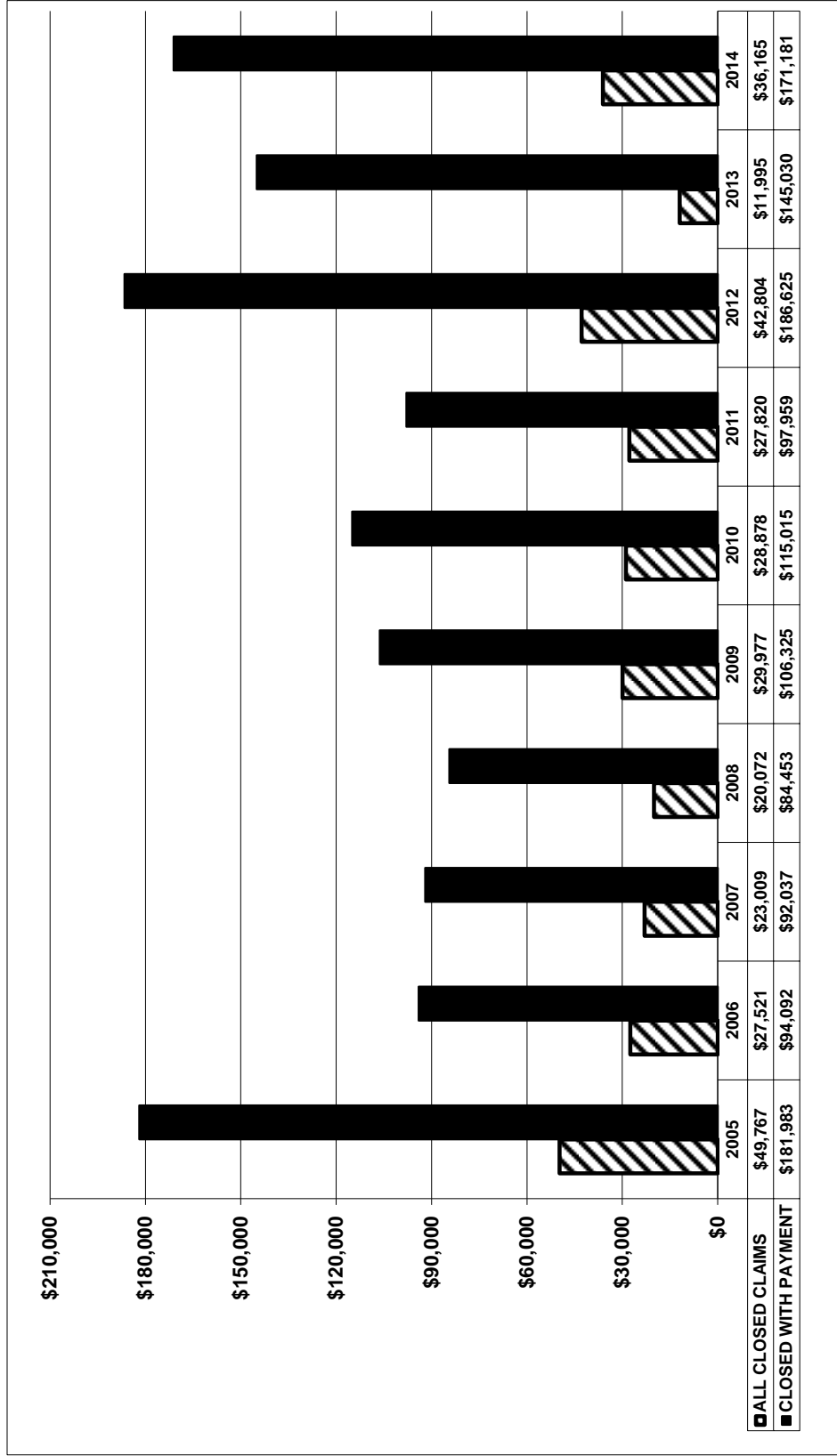
**TEN YEAR
SUMMARY
(2005-2014)**

**LEGAL MALPRACTICE EXPERIENCE
TEN YEAR SUMMARY
(2005-2014)**

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	2,362	100.0%	\$69,717,755	\$29,516	\$47,907,112	\$20,282
Closed with Payment	563	23.8%	\$69,717,755	\$123,833	\$26,863,472	\$47,715
Closed without Payment	1,800	76.2%	\$0	\$0	\$21,043,640	\$11,691
Claims Settled Through Court Proceedings	240	10.2%	\$7,707,437	\$32,114	\$15,312,288	\$63,801
Court Proceedings Resulting in Payment	31	1.3%	\$7,707,437	\$248,627	\$4,905,580	\$158,245

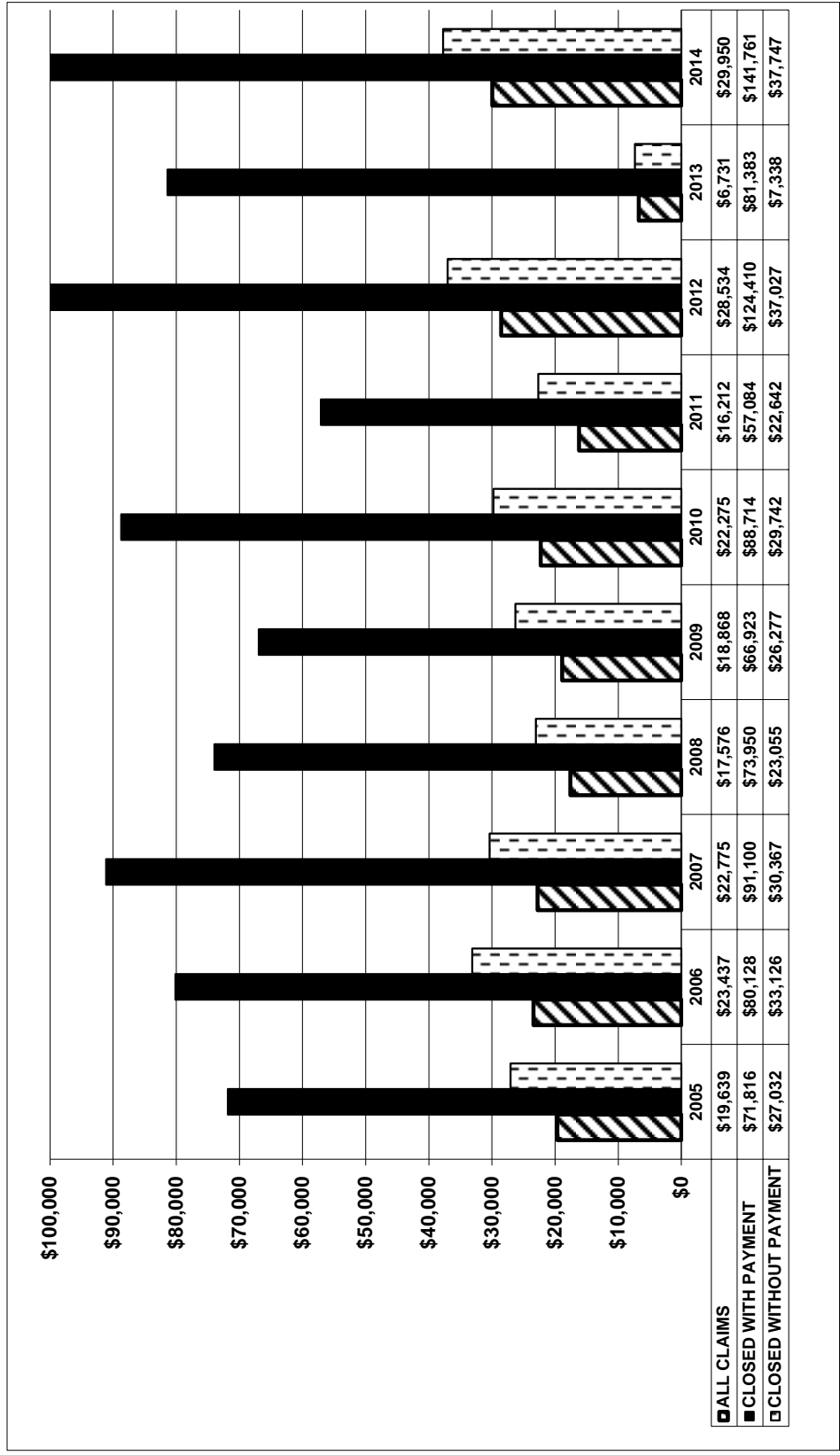
MISSOURI LEGAL MALPRACTICE INSURANCE

AVERAGE PAID CLAIM



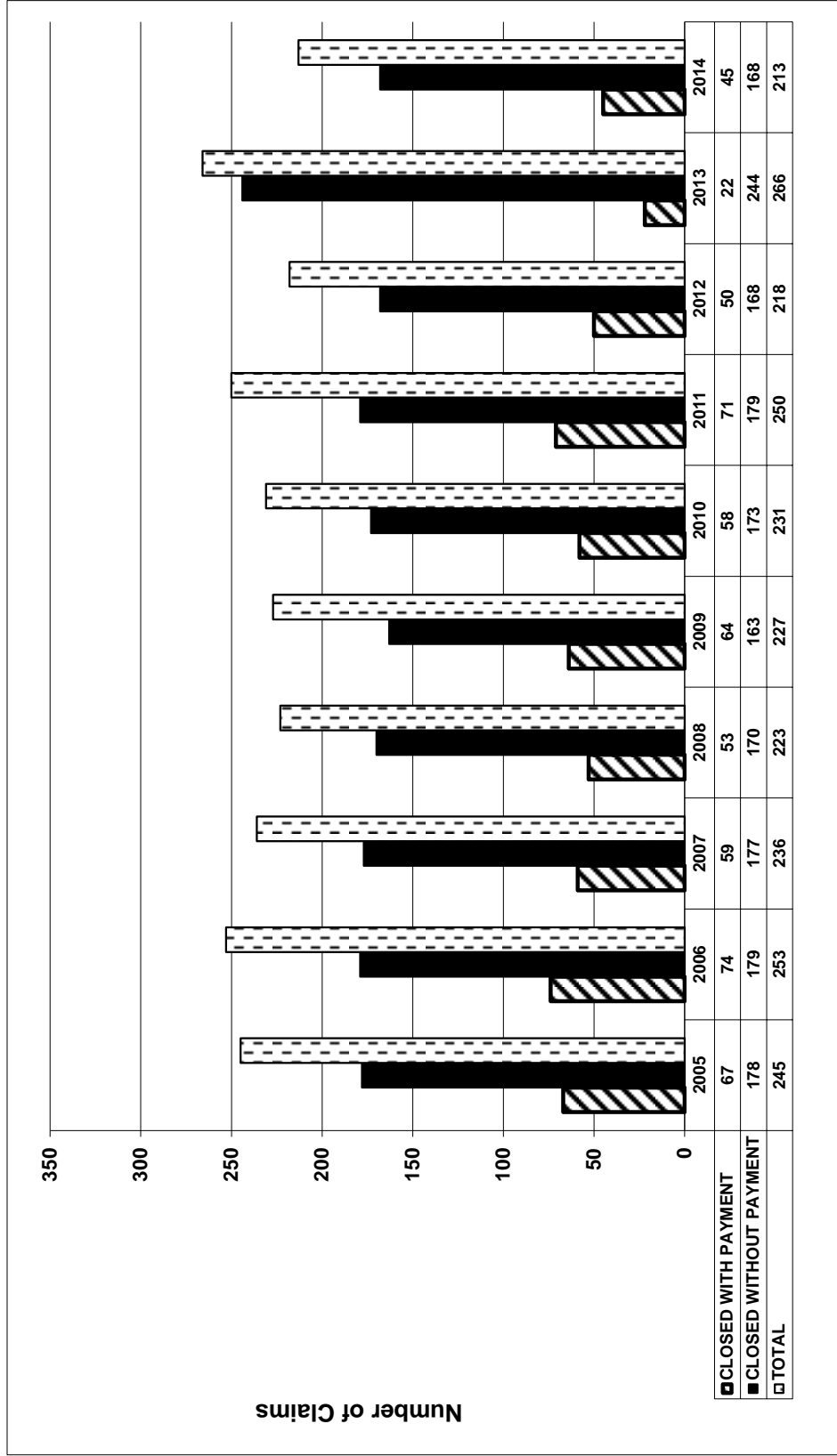
MISSOURI LEGAL MALPRACTICE INSURANCE

AVERAGE PAID LOSS ADJUSTMENT EXPENSE



MISSOURI LEGAL MALPRACTICE INSURANCE

CLAIM COUNT 2005-2014



**TEN YEAR SUMMARY
&
2014 SUMMARY
BY
AREA OF LAW**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2005-2014

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	540	173	30.73%	\$127,099	\$21,988,120	31.54%	\$21,897
COLLECTION & BANKRUPTCY	353	62	11.01%	\$48,476	\$3,005,501	4.31%	\$12,642
FAMILY LAW	275	58	10.30%	\$80,687	\$4,679,850	6.71%	\$13,666
REAL ESTATE	261	51	9.06%	\$159,595	\$8,139,341	11.67%	\$13,324
ESTATE, TRUST & PROBATE	253	62	11.01%	\$80,967	\$5,019,926	7.20%	\$18,610
CORPORATE & BUSINESS ORGANIZATION	108	20	3.55%	\$174,264	\$3,485,281	5.00%	\$13,188
BUSINESS TRANSACTION/COMMERCIAL LAW	103	31	5.51%	\$216,317	\$6,705,815	9.62%	\$54,730
CRIMINAL	83	8	1.42%	\$46,933	\$375,463	0.54%	\$10,518
WORKERS COMPENSATION	81	25	4.44%	\$41,411	\$1,035,276	1.48%	\$13,956
BI/PD - DEFENDANT	71	18	3.20%	\$399,916	\$7,198,482	10.33%	\$39,939
CIVIL RIGHTS & COMMISSION	56	11	1.95%	\$58,604	\$644,639	0.92%	\$8,192
LABOR LAW	48	12	2.13%	\$111,211	\$1,334,535	1.91%	\$23,289
CONSUMER CLAIMS	26	5	0.89%	\$124,900	\$624,499	0.90%	\$41,789
LOCAL GOVERNMENT	20	3	0.53%	\$245,391	\$736,172	1.06%	\$20,594
CONSTRUCTION (BUILDING CONTRACTS)	17	7	1.24%	\$245,413	\$1,717,892	2.46%	\$49,834
TAXATION	17	4	0.71%	\$299,875	\$1,199,500	1.72%	\$20,836
SECURITIES (S.E.C.)	15	2	0.36%	\$83,750	\$167,500	0.24%	\$21,737
PATENTS, TRADEMARKS, COPYRIGHTS	12	4	0.71%	\$281,250	\$1,125,000	1.61%	\$249,822
IMMIGRATION & NATURALIZATION	9	3	0.53%	\$54,254	\$162,763	0.23%	\$14,674
GOVERNMENT CONTRACTS & CLAIMS	7	1	0.18%	\$30,000	\$30,000	0.04%	\$2,184
ENVIRONMENT	4	1	0.18%	\$330,000	\$330,000	0.47%	\$5,661
ADMIRALTY	3	2	0.36%	\$6,100	\$12,200	0.02%	\$1,757
TOTAL	2,362	563	100.00%	\$123,833	\$69,717,755	100.00%	\$20,282

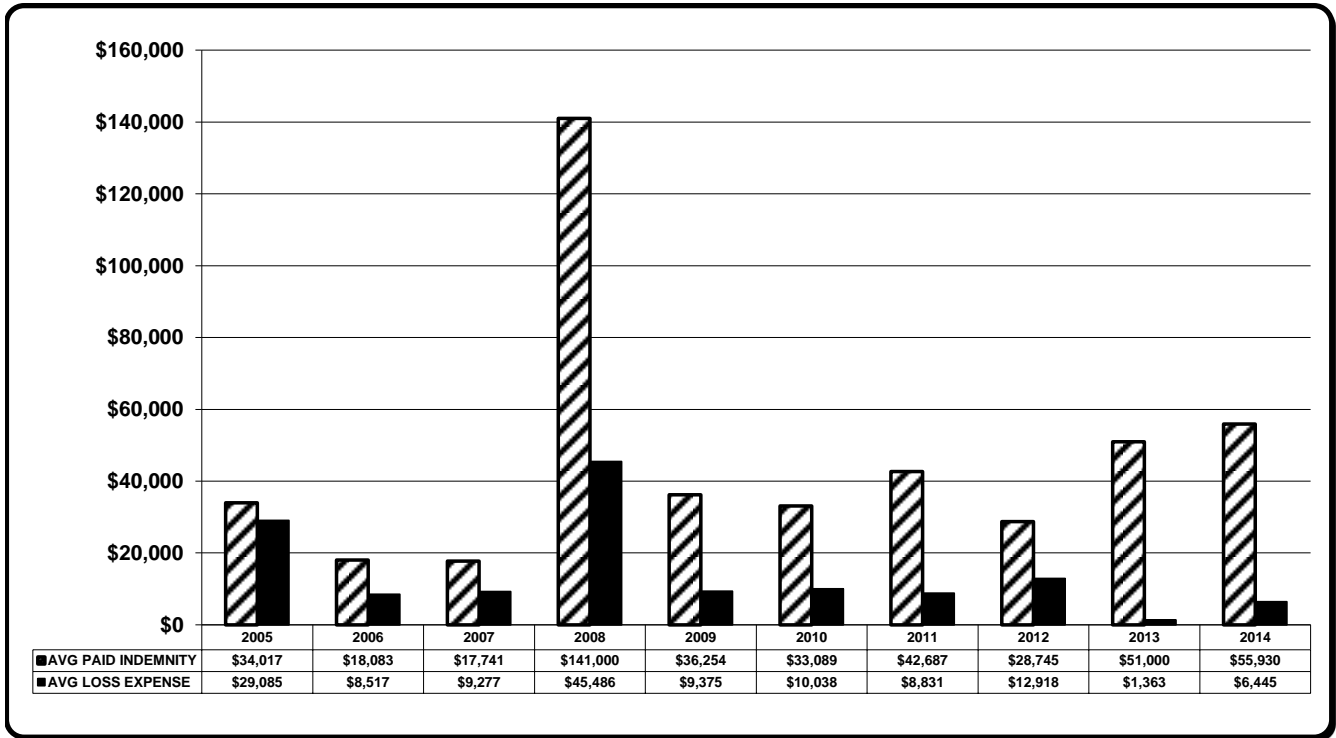
**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
CLAIMS CLOSED IN 2014**

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
COLLECTION & BANKRUPTCY	47	8	17.78%	\$55,930	\$447,443	5.81%	\$6,445
BI/PD - PLAINTIFF	31	11	24.44%	\$313,727	\$3,451,000	44.80%	\$17,535
REAL ESTATE	30	7	15.56%	\$82,122	\$574,855	7.46%	\$11,559
ESTATE, TRUST & PROBATE	27	5	11.11%	\$169,616	\$848,080	11.01%	\$42,296
FAMILY LAW	22	3	6.67%	\$164,743	\$494,228	6.42%	\$15,512
CORPORATE & BUSINESS ORGANIZATION	13	0	0.00%	N/A	\$0	0.00%	\$8,756
BUSINESS TRANSACTION/COMMERCIAL LAW	12	4	8.89%	\$195,450	\$781,800	10.15%	\$50,471
CRIMINAL	6	0	0.00%	N/A	\$0	0.00%	\$0
LABOR LAW	6	2	4.44%	\$37,500	\$75,000	0.97%	\$4,254
CIVIL RIGHTS & COMMISSION	5	0	0.00%	N/A	\$0	0.00%	\$0
WORKERS COMPENSATION	4	1	2.22%	\$50,000	\$50,000	0.65%	\$3,524
PATENTS, TRADEMARKS, COPYRIGHTS	3	0	0.00%	N/A	\$0	0.00%	\$621,771
CONSUMER CLAIMS	2	2	4.44%	\$207,500	\$415,000	5.39%	\$336,889
LOCAL GOVERNMENT	2	1	2.22%	\$235,754	\$235,754	3.06%	\$8,436
BI/PD - DEFENDANT	1	0	0.00%	N/A	\$0	0.00%	\$369,327
ENVIRONMENT	1	1	2.22%	\$330,000	\$330,000	4.28%	\$18,307
TAXATION	1	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	213	45	100.00%	\$171,181	\$7,703,160	100.00%	\$29,950

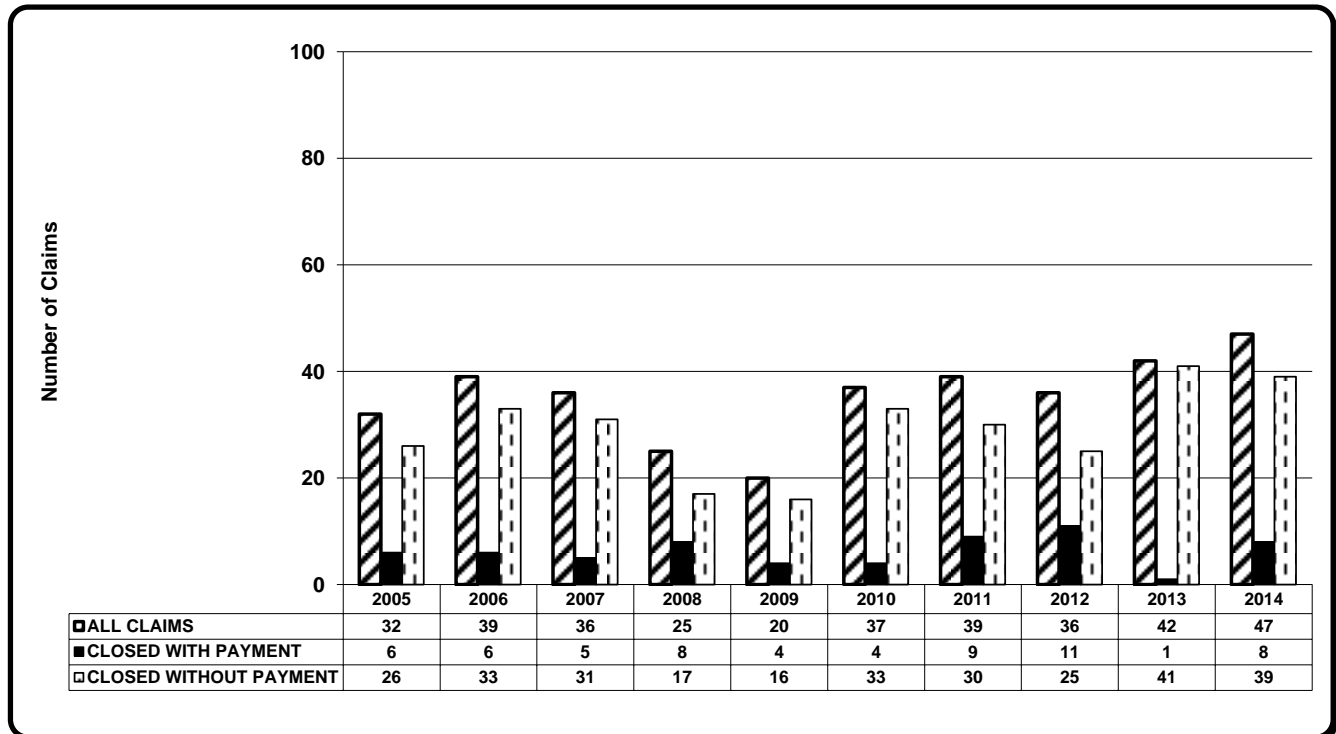
**TRENDS
OF THE TOP TEN
AREAS OF LAW
OF 2014**

COLLECTION & BANKRUPTCY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

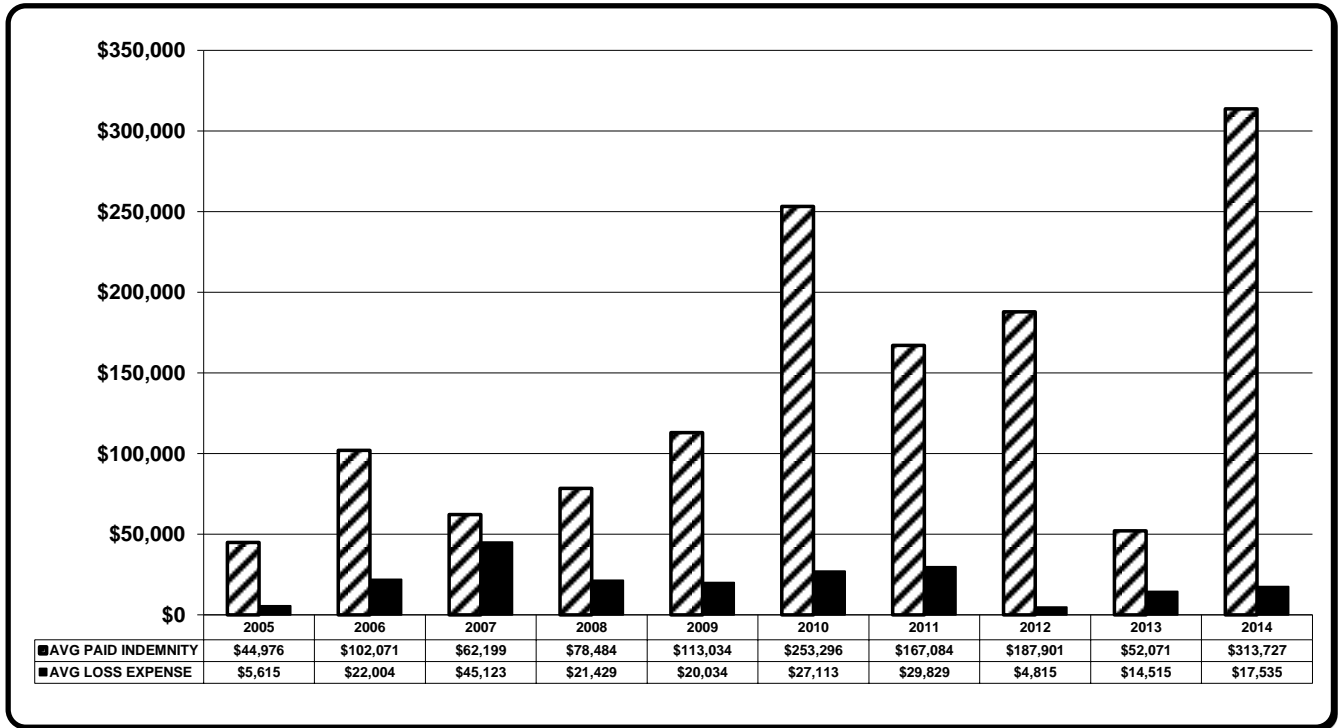


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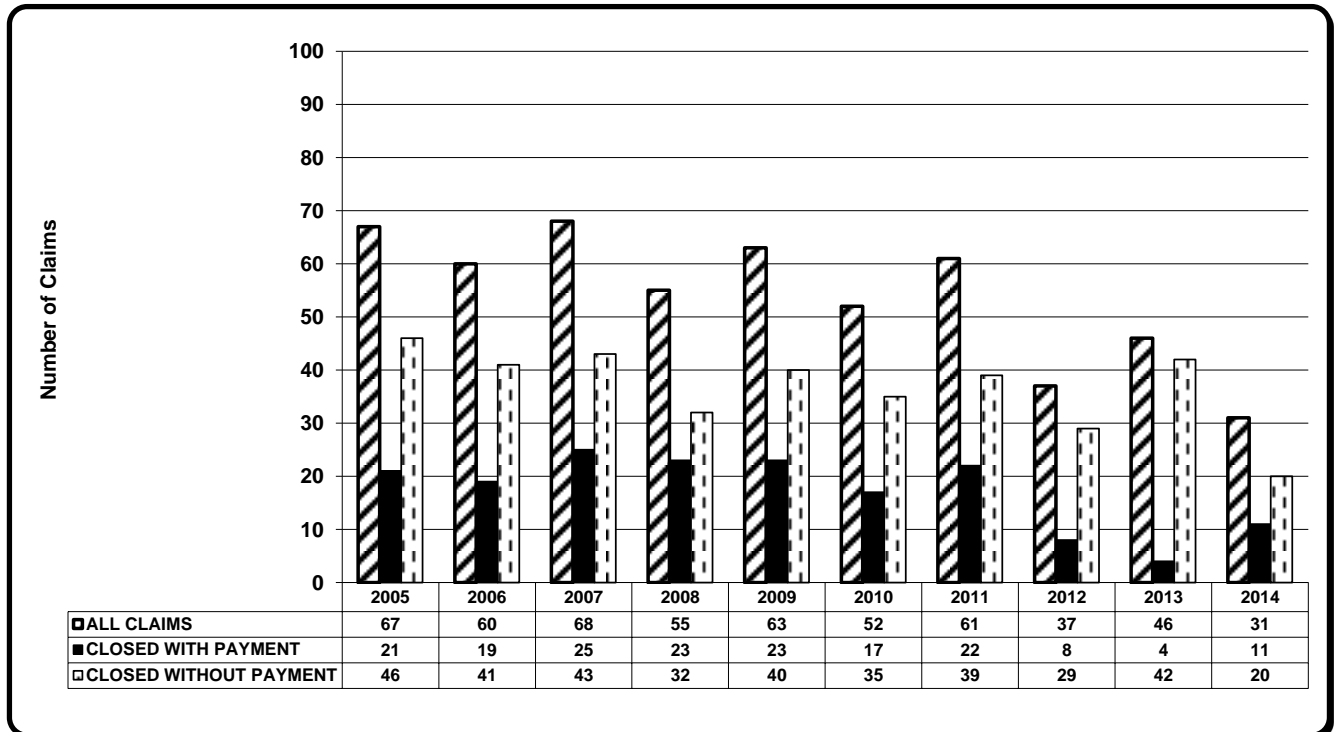


BI/PD - PLAINTIFF

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

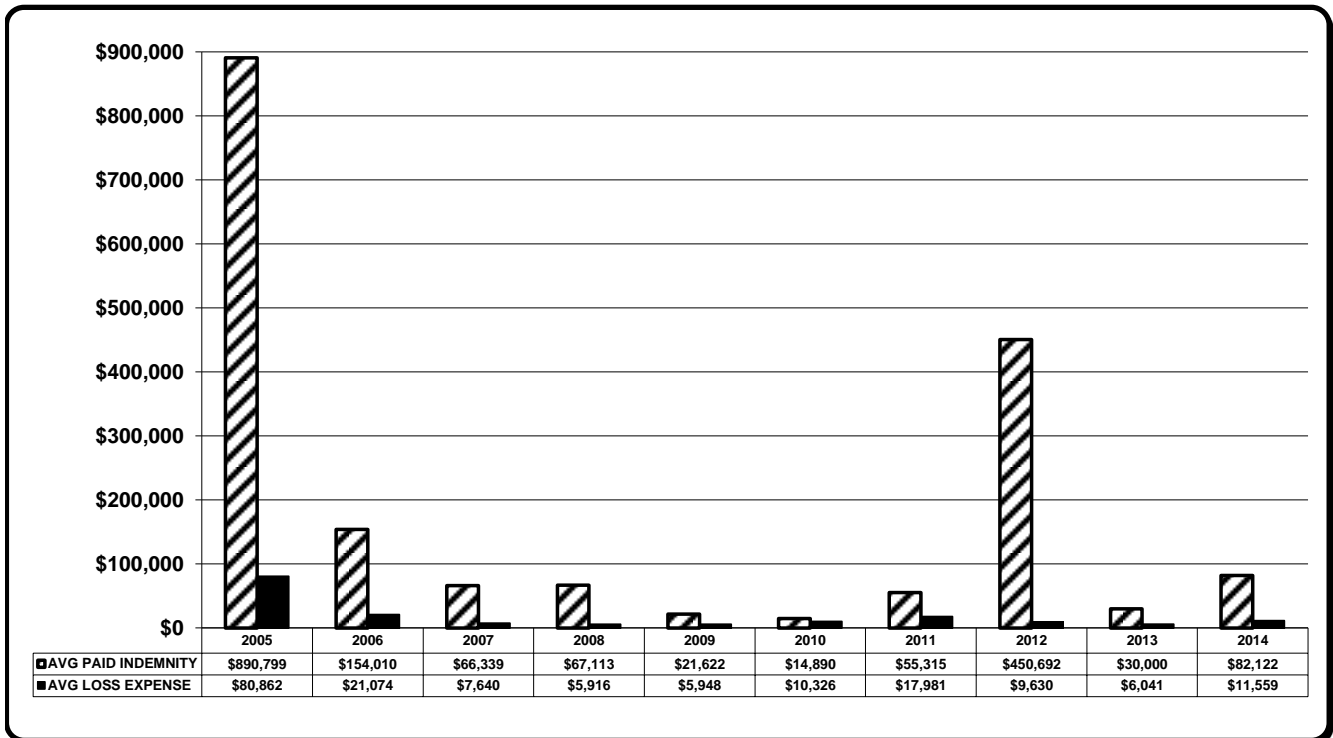


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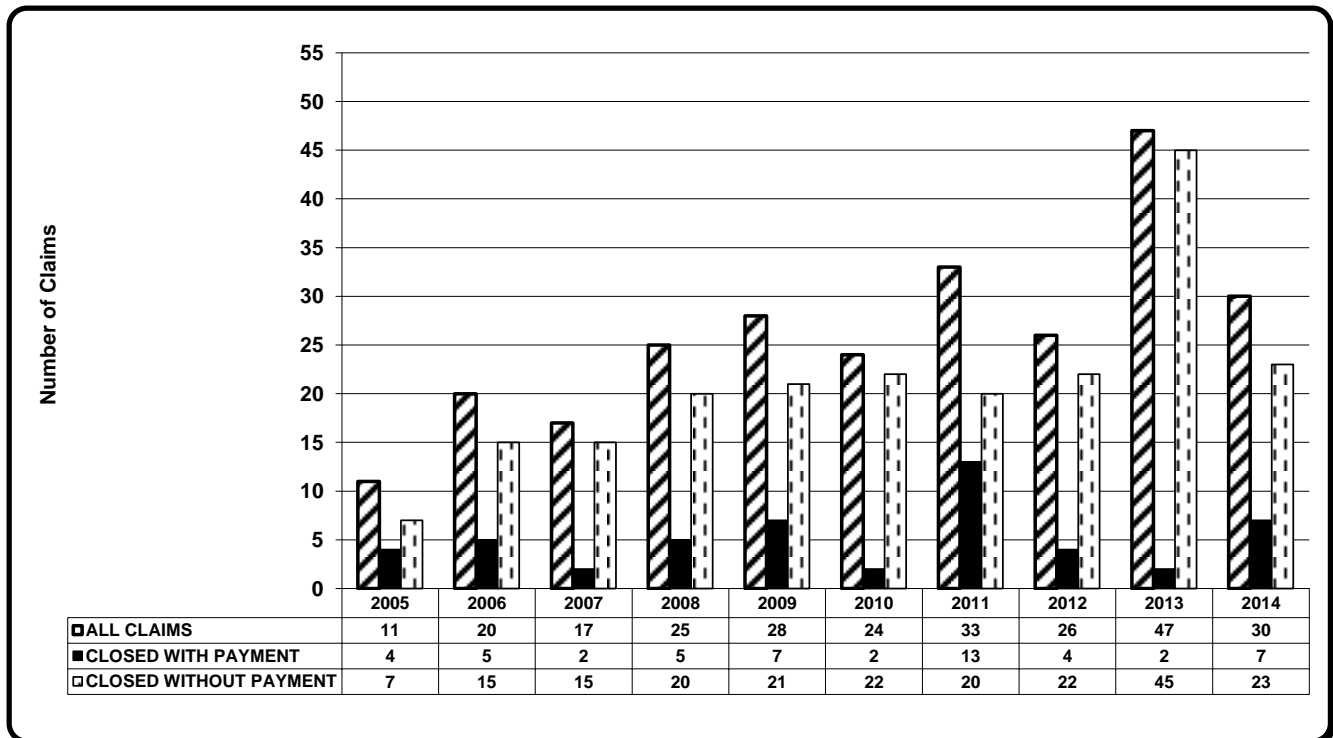


REAL ESTATE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

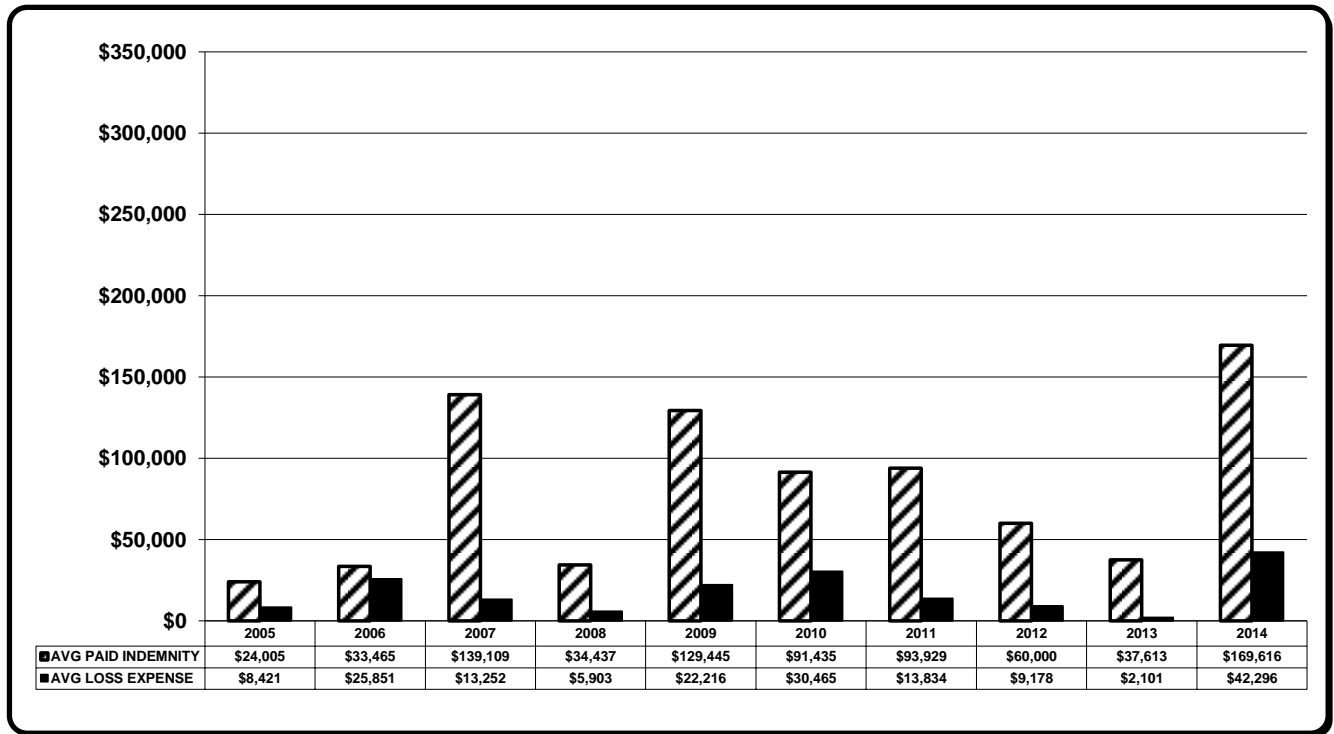


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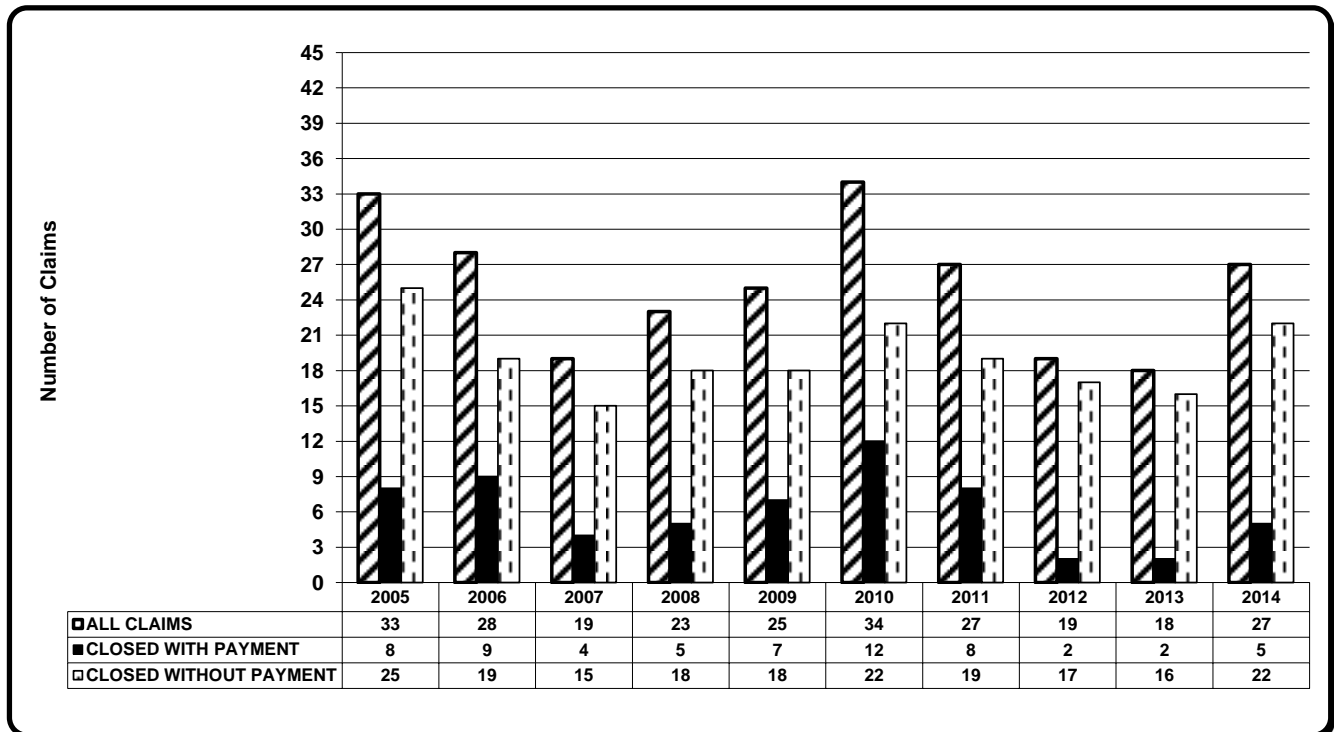


ESTATE, TRUST & PROBATE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

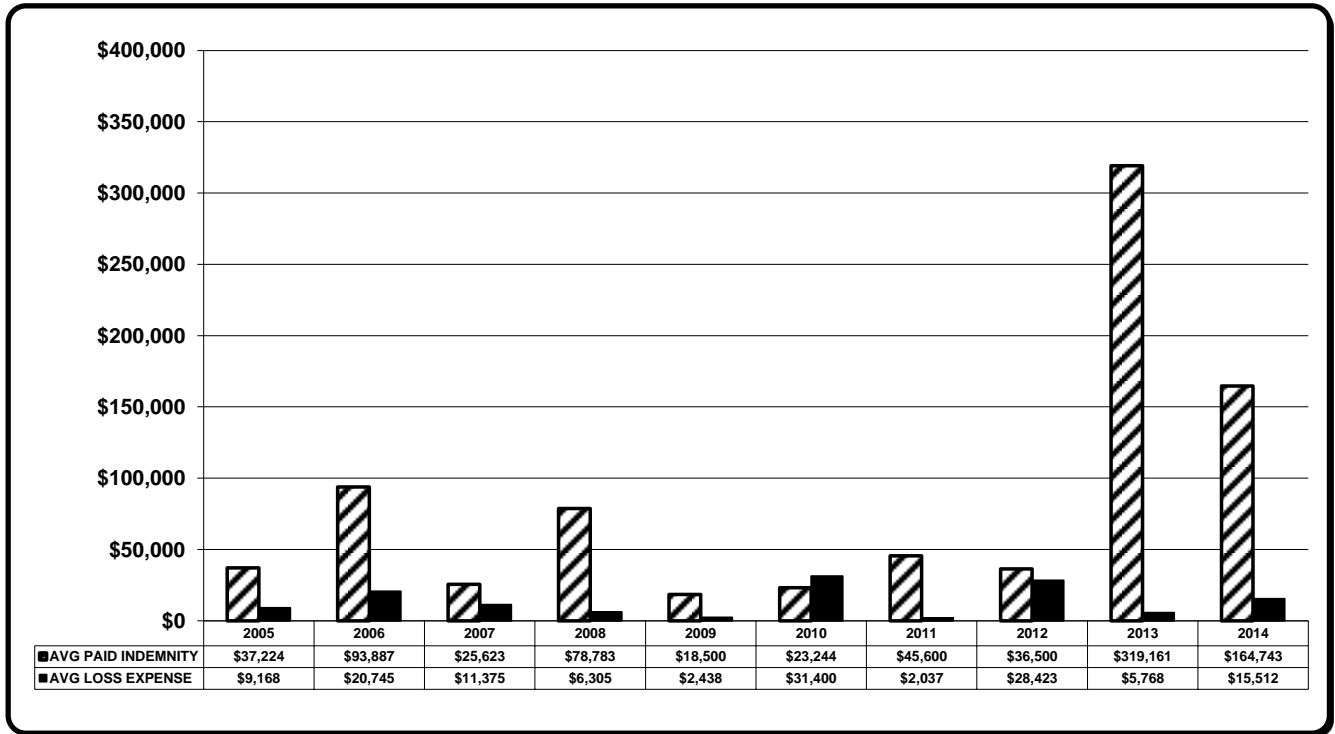


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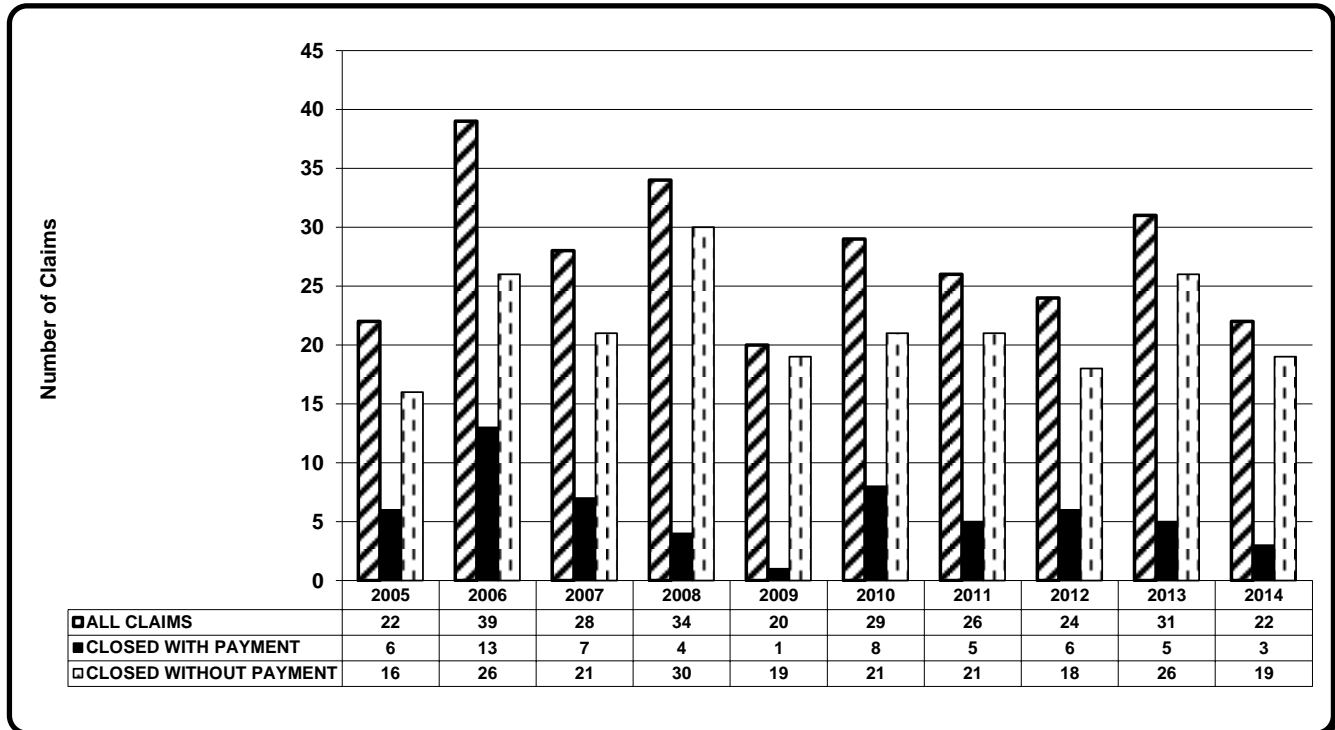


FAMILY LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

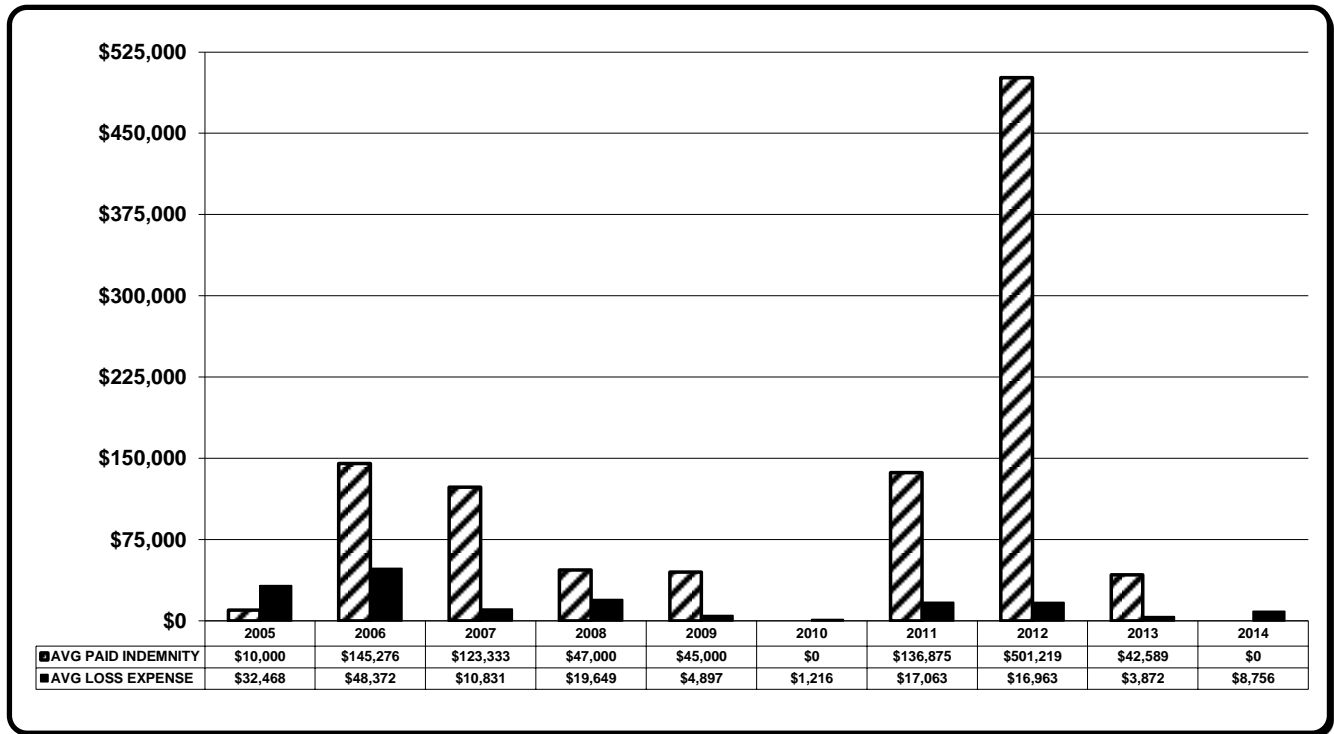


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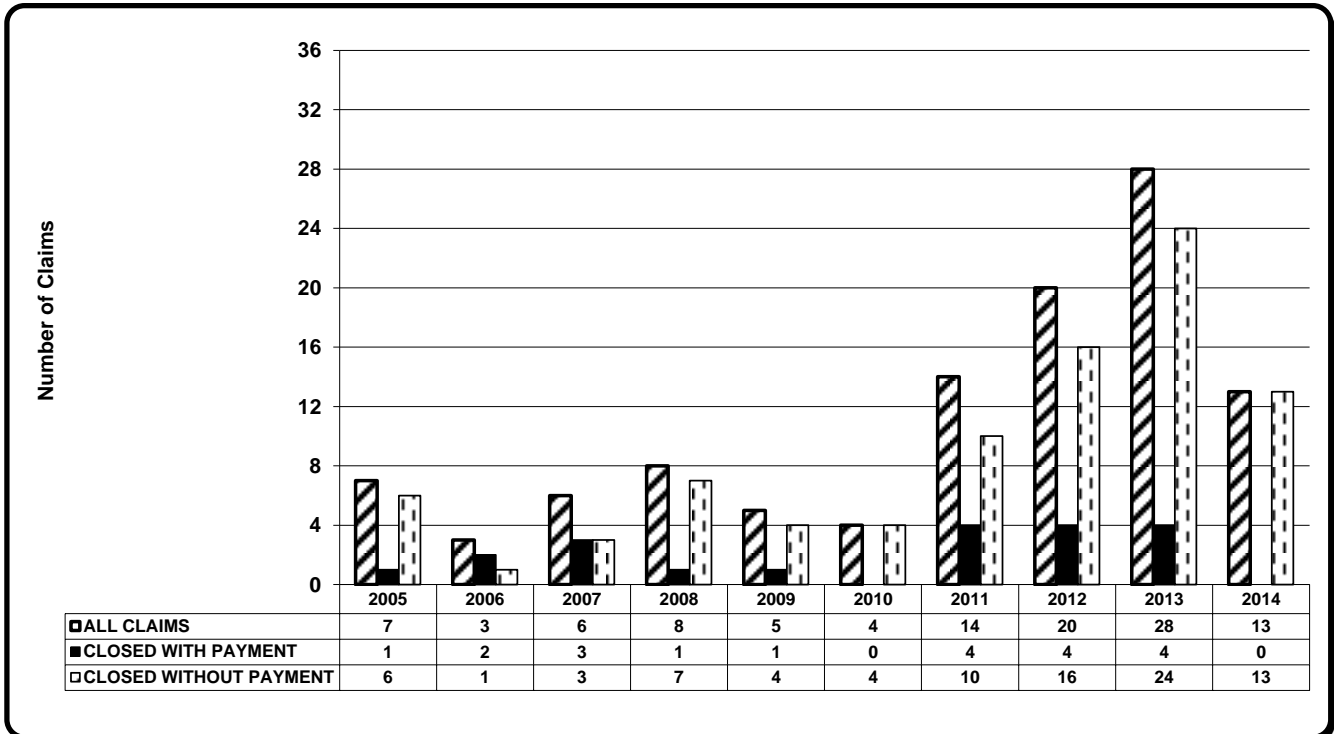


CORPORATE & BUSINESS ORGANIZATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

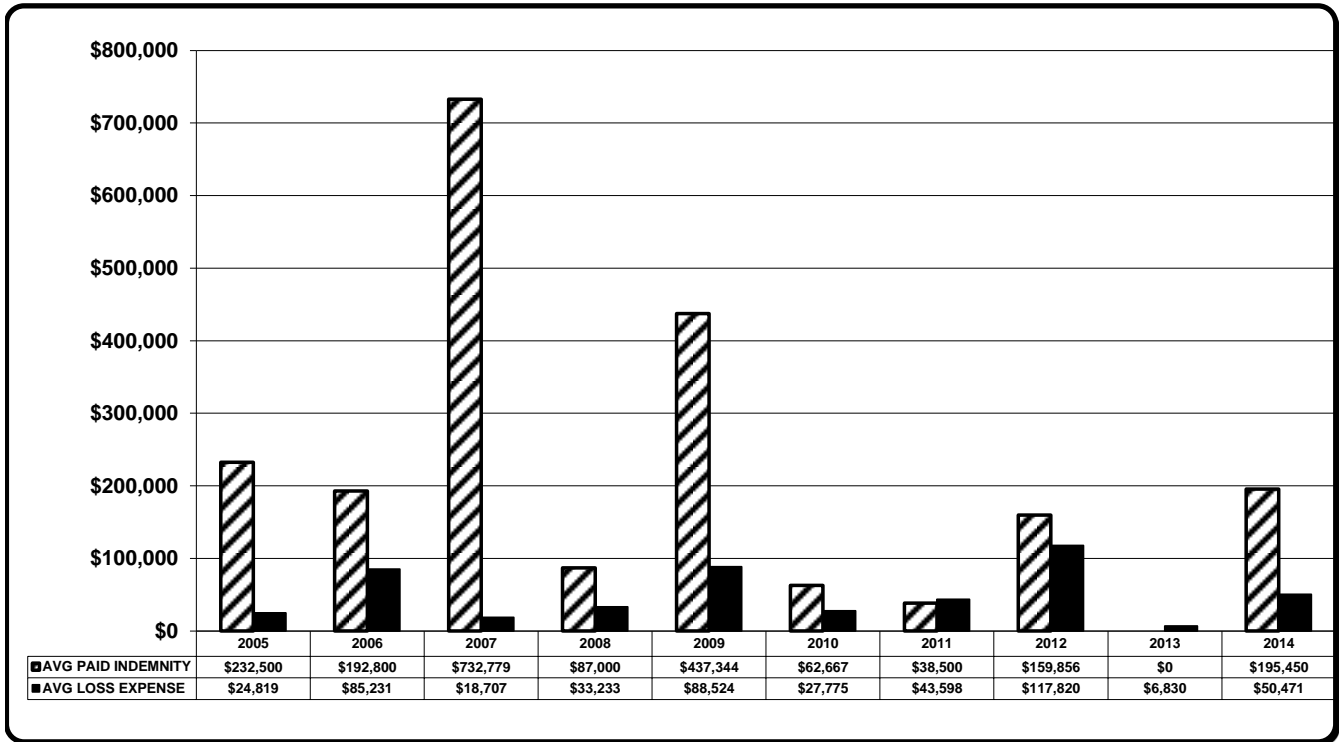


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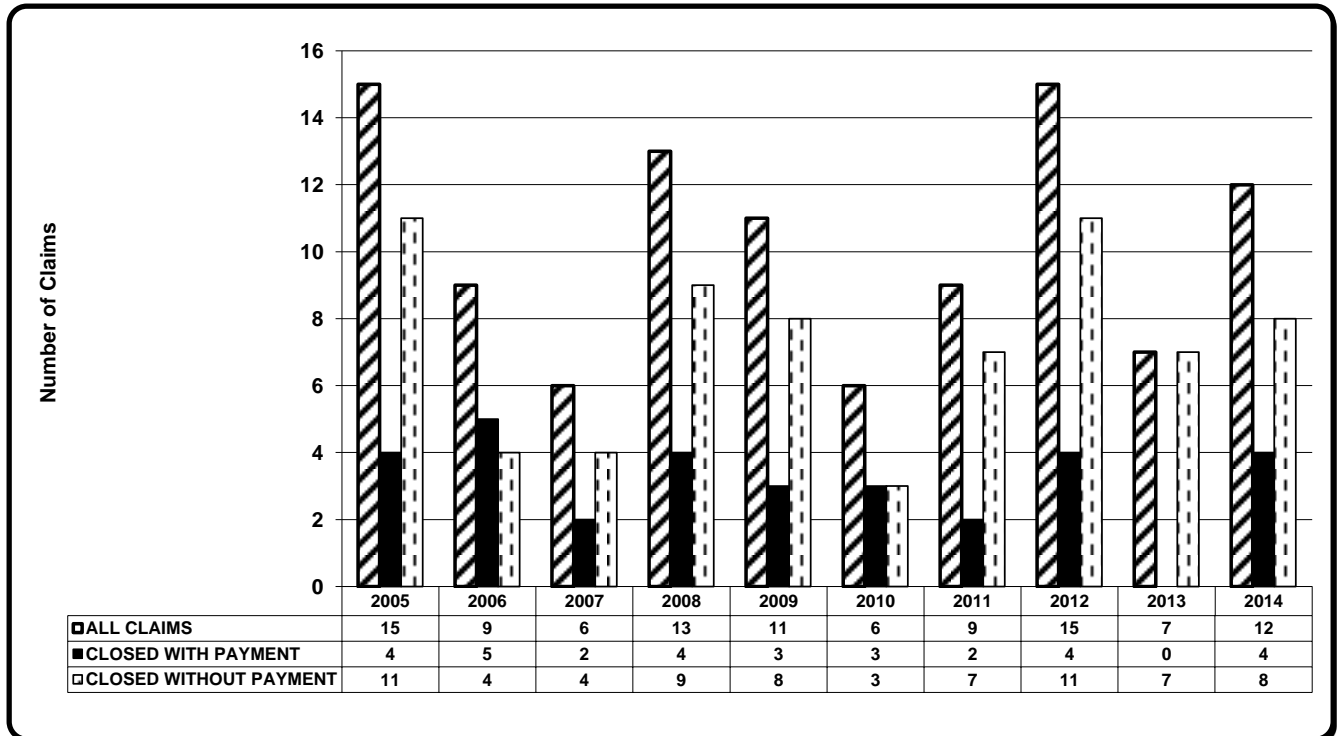


BUSINESS TRANSACTION/COMMERCIAL LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

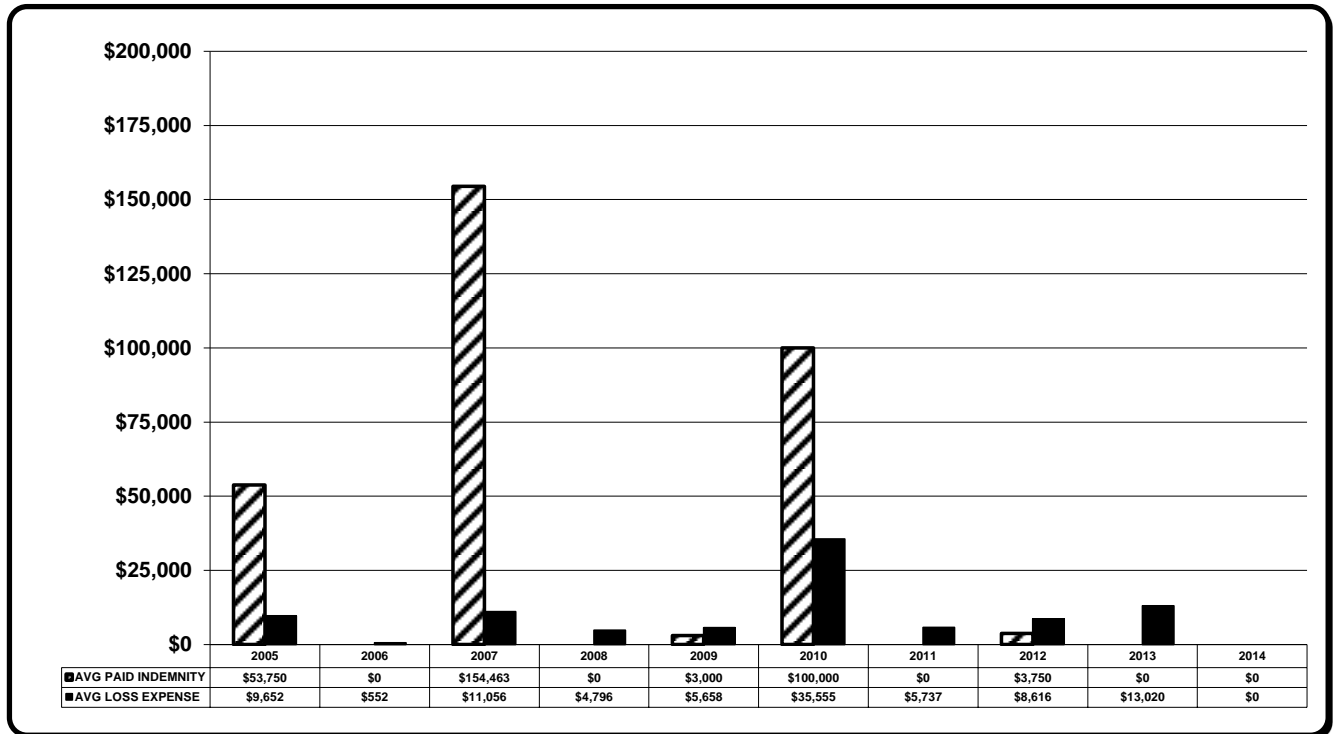


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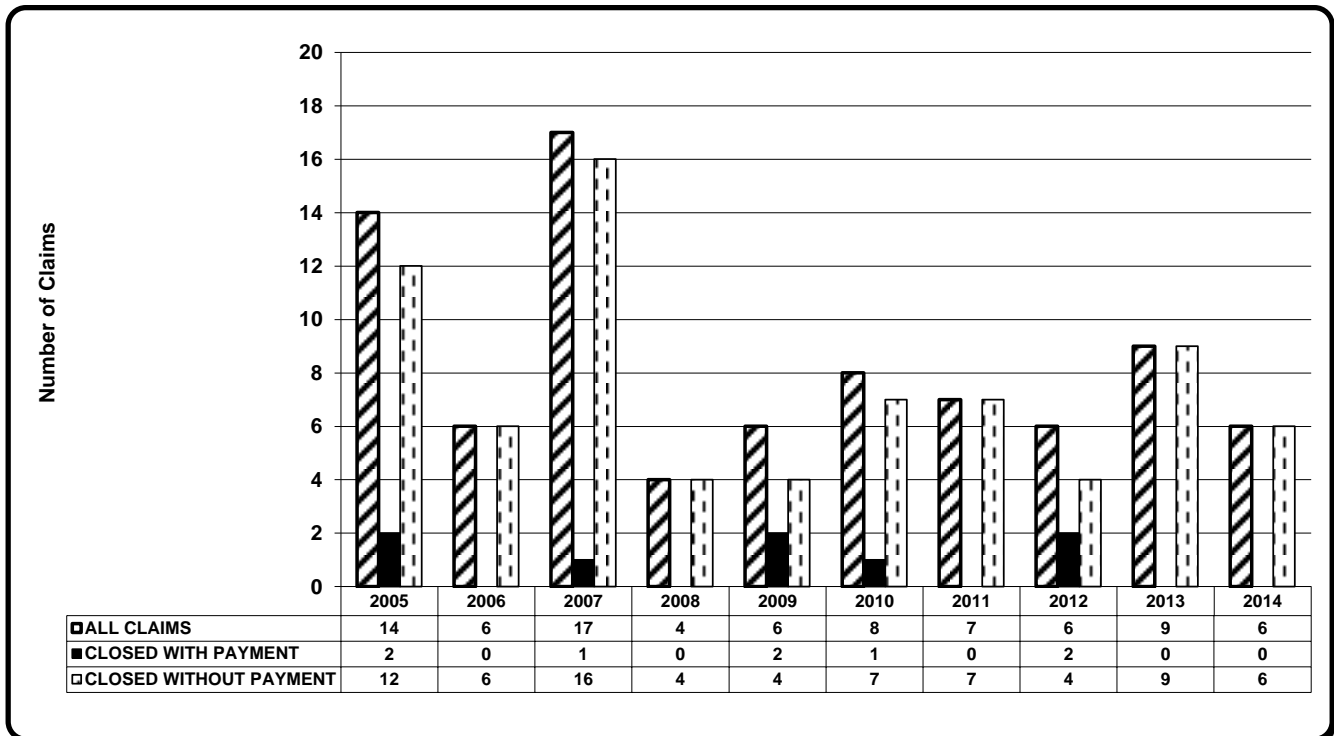


CRIMINAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

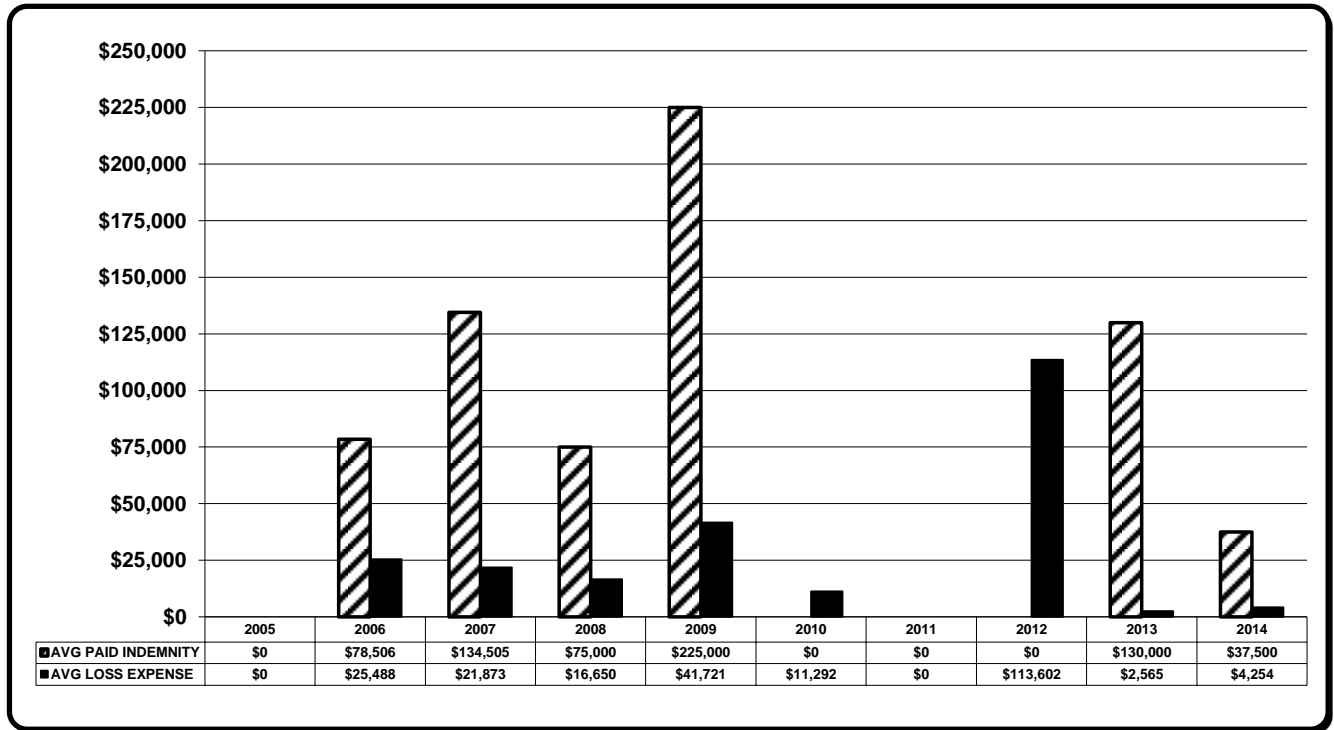


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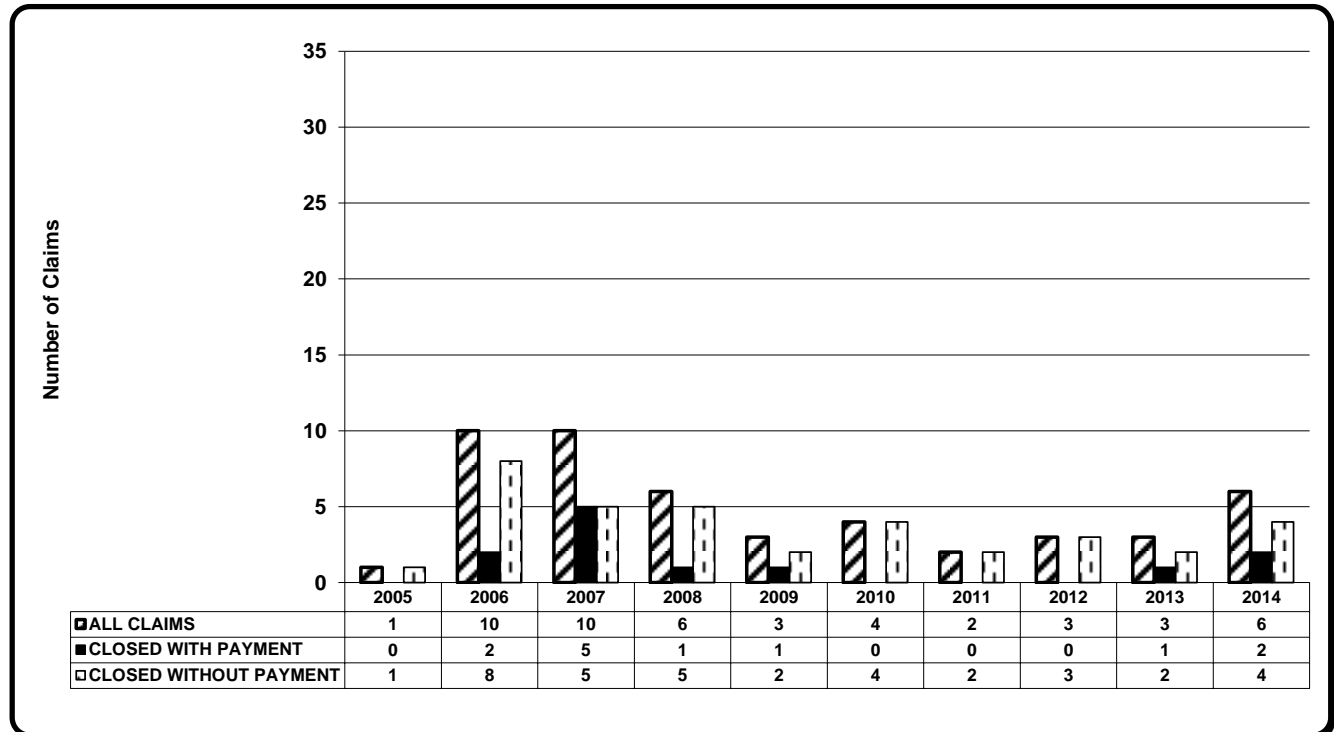


LABOR LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

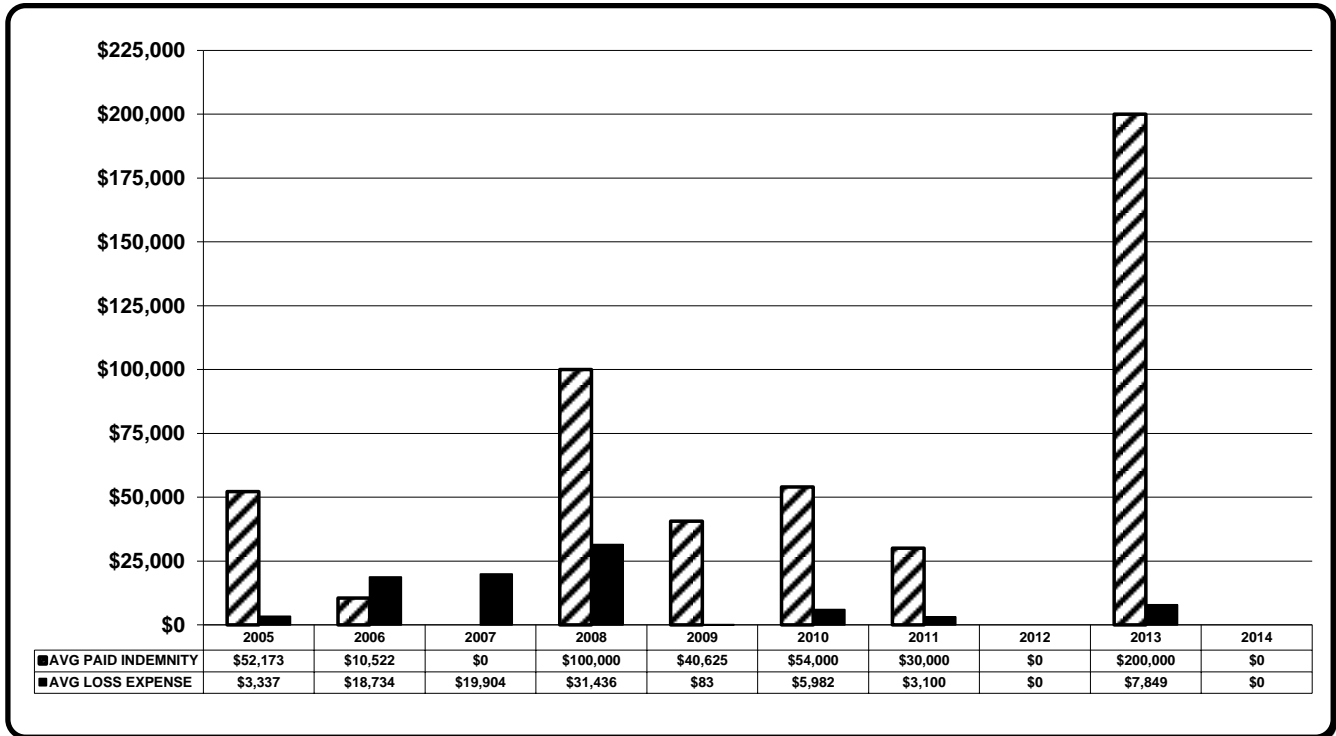


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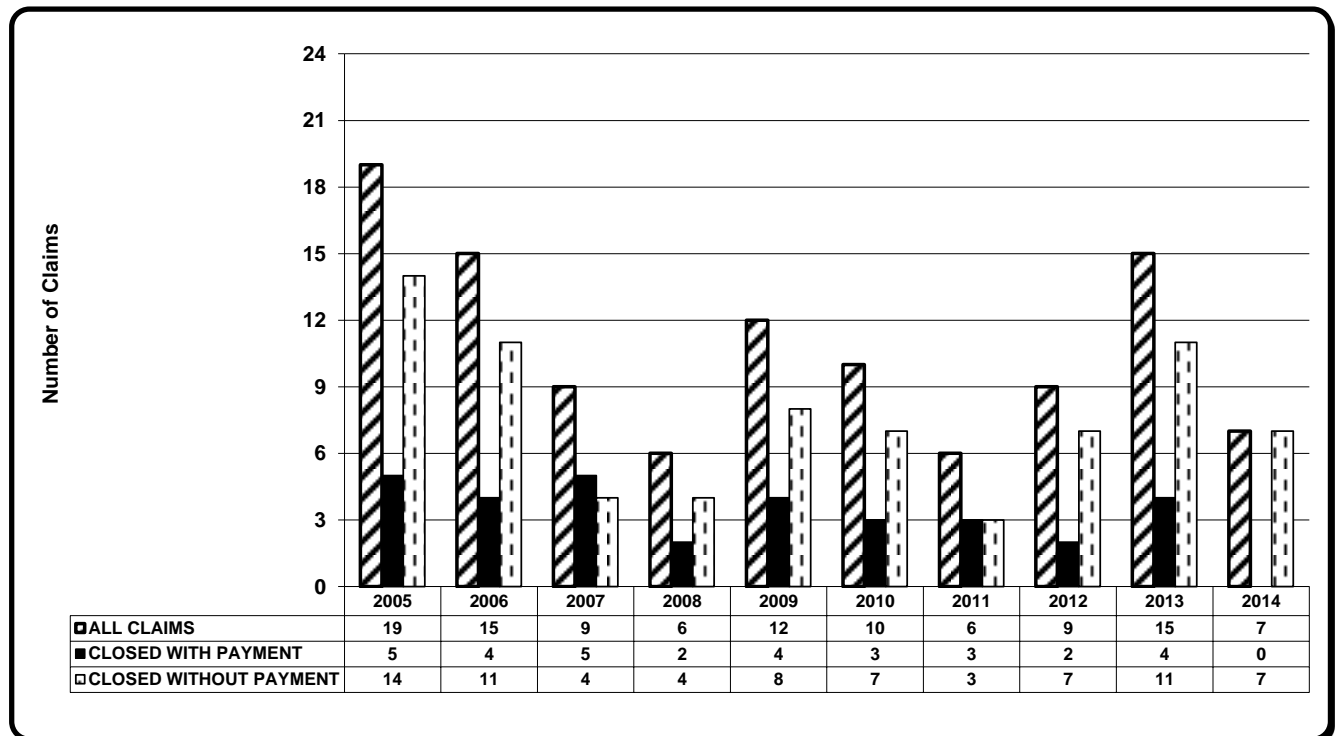


CIVIL RIGHTS & COMMISSION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2014 SUMMARY
BY
MAJOR ACTIVITY**

**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 2005-2014**

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	725	169	30.02%	\$114,207	\$19,301,045	27.68%	\$14,862
OTHER	551	98	17.41%	\$91,896	\$9,005,802	12.92%	\$13,767
PRE-TRIAL, PRE-HEARING	228	61	10.83%	\$113,105	\$6,899,399	9.90%	\$26,968
PREPARATION, TRANSMITTAL OR FILING	210	70	12.43%	\$89,543	\$6,268,021	8.99%	\$28,439
SETTLEMENT AND NEGOTIATION	141	40	7.10%	\$158,552	\$6,342,067	9.10%	\$25,153
CONSULTATION OR ADVICE	137	39	6.93%	\$272,706	\$10,635,515	15.26%	\$40,923
INVESTIGATION, OTHER THAN LITIGATION	97	27	4.80%	\$67,602	\$1,825,264	2.62%	\$19,838
TRIAL OR HEARING	95	21	3.73%	\$284,233	\$5,968,896	8.56%	\$30,716
POST TRIAL OR HEARING	65	11	1.95%	\$77,820	\$856,025	1.23%	\$12,664
APPEAL ACTIVITIES	51	10	1.78%	\$54,901	\$549,010	0.79%	\$21,737
EX PARTE PROCEEDINGS	23	8	1.42%	\$56,723	\$453,780	0.65%	\$30,888
OTHER WRITTEN OPINION	21	5	0.89%	\$237,771	\$1,188,853	1.71%	\$21,737
TAX REPORTING OR PAYMENT	10	3	0.53%	\$116,359	\$349,078	0.50%	\$30,648
REFERRAL TO ANOTHER PROFESSIONAL	6	0	0.00%	N/A	\$0	0.00%	\$4,127
TITLE OPINION	2	1	0.18%	\$75,000	\$75,000	0.11%	\$0
TOTAL	2,362	563	100.00%	\$123,833	\$69,717,755	100.00%	\$20,282

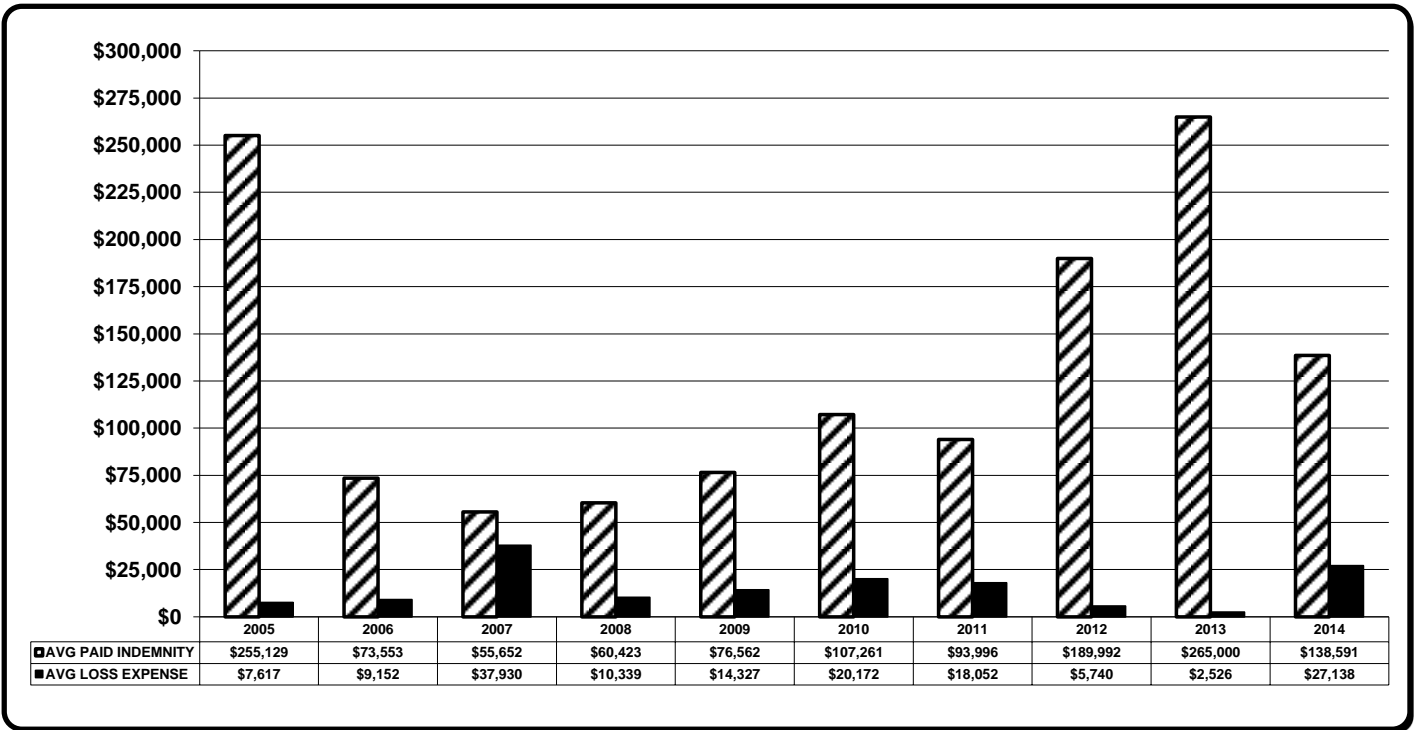
**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
CLAIMS CLOSED IN 2014**

MAJOR ACTIVITY CODE	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
COMMENCEMENT OF ACTION OR PROCEEDING	87	14	31.11%	\$138,591	\$1,940,273	25.19%	\$27,138
OTHER	59	10	22.22%	\$210,421	\$2,104,211	27.32%	\$22,751
PREPARATION, TRANSMITTAL OR FILING	17	7	15.56%	\$130,832	\$915,822	11.89%	\$57,558
OTHER WRITTEN OPINION	15	3	6.67%	\$38,000	\$114,000	1.48%	\$944
PRE-TRIAL, PRE-HEARING	12	4	8.89%	\$302,750	\$1,211,000	15.72%	\$123,844
CONSULTATION OR ADVICE	6	1	2.22%	\$64,450	\$64,450	0.84%	\$6,875
SETTLEMENT AND NEGOTIATION	6	2	4.44%	\$282,877	\$565,754	7.34%	\$4,024
TRIAL OR HEARING	4	2	4.44%	\$355,000	\$710,000	9.22%	\$32,346
INVESTIGATION, OTHER THAN LITIGATION	3	0	0.00%	N/A	\$0	0.00%	\$804
POST TRIAL OR HEARING	2	1	2.22%	\$2,650	\$2,650	0.03%	\$0
TAX REPORTING OR PAYMENT	1	0	0.00%	N/A	\$0	0.00%	\$0
TITLE OPINION	1	1	2.22%	\$75,000	\$75,000	0.97%	\$0
TOTAL	213	45	100.00%	\$171,181	\$7,703,160	100.00%	\$29,950

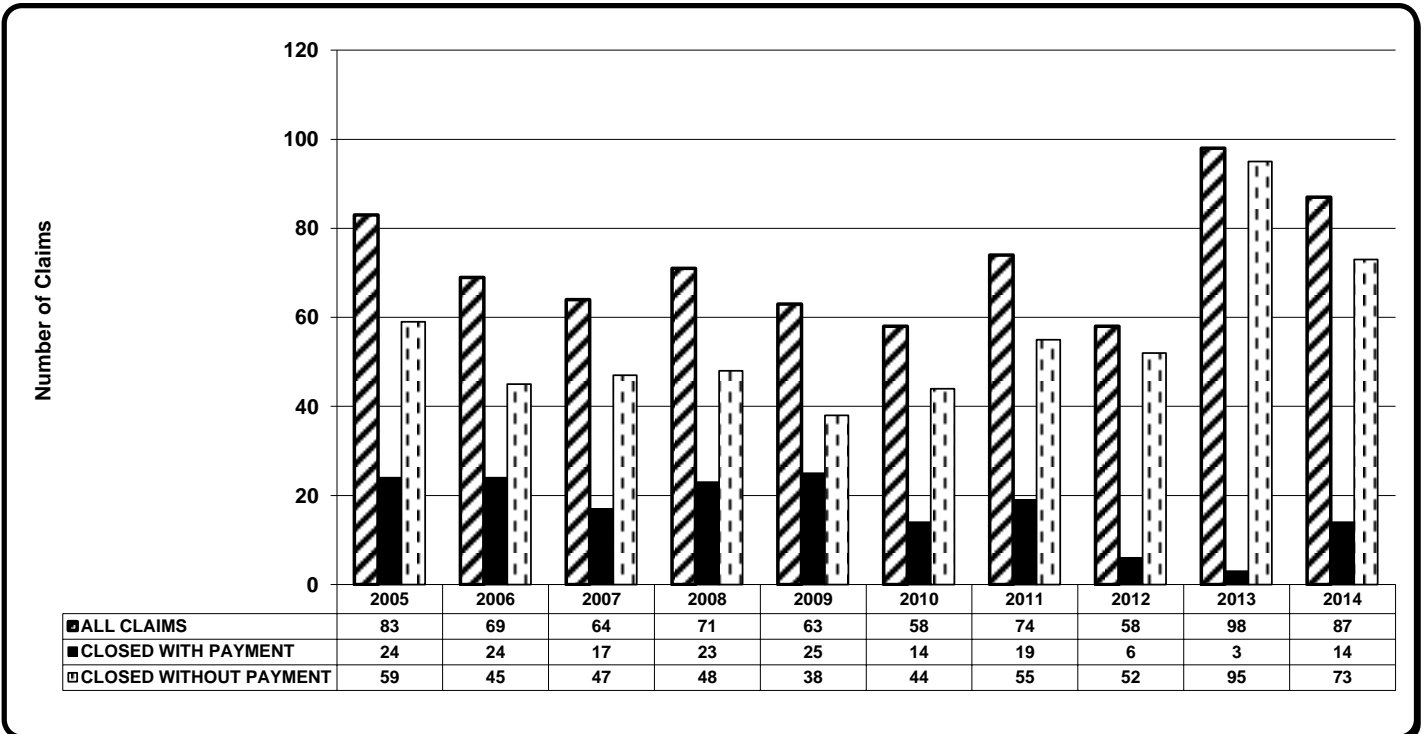
**TRENDS
OF THE TOP TEN
MAJOR ACTIVITY
OF 2014**

COMMENCEMENT OF ACTION OR PROCEEDING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

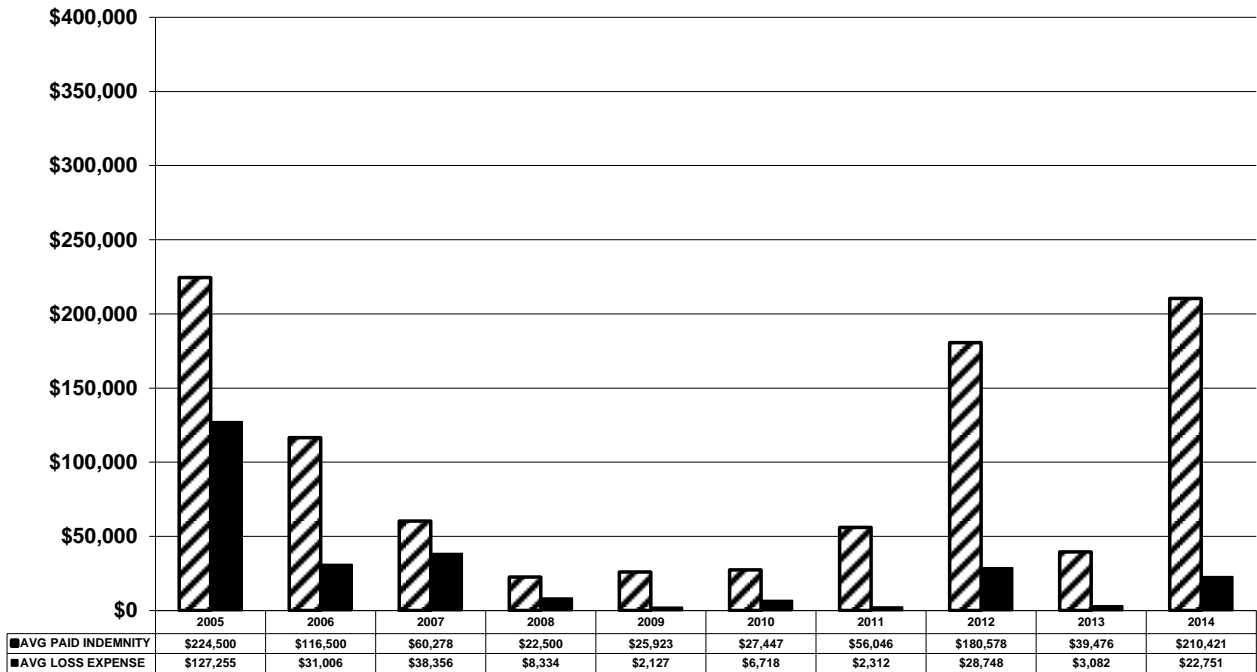


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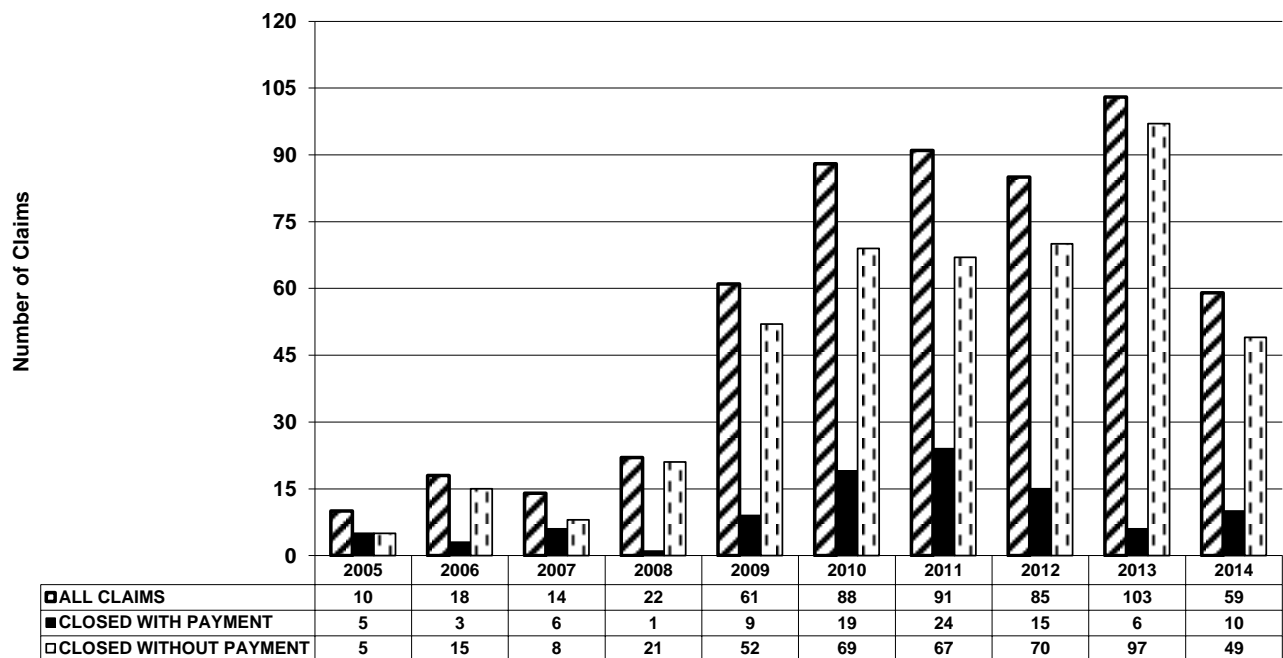


OTHER

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

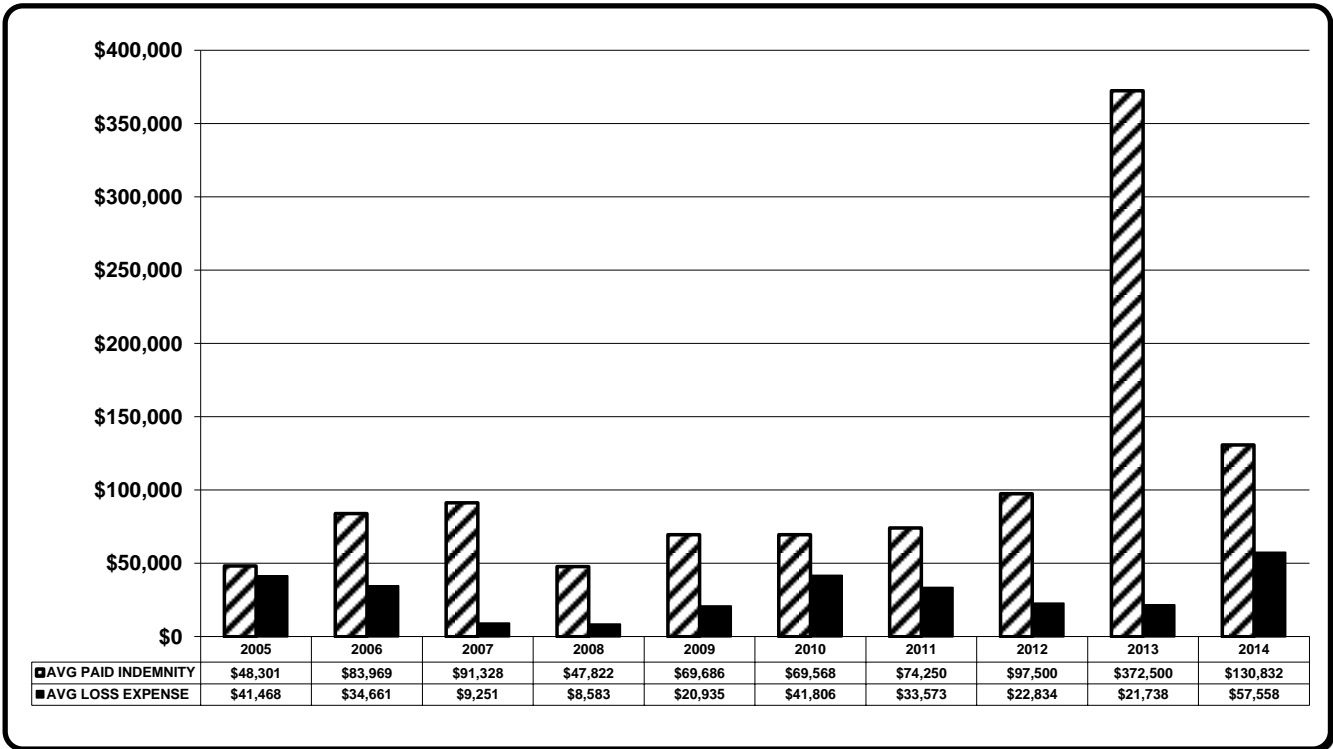


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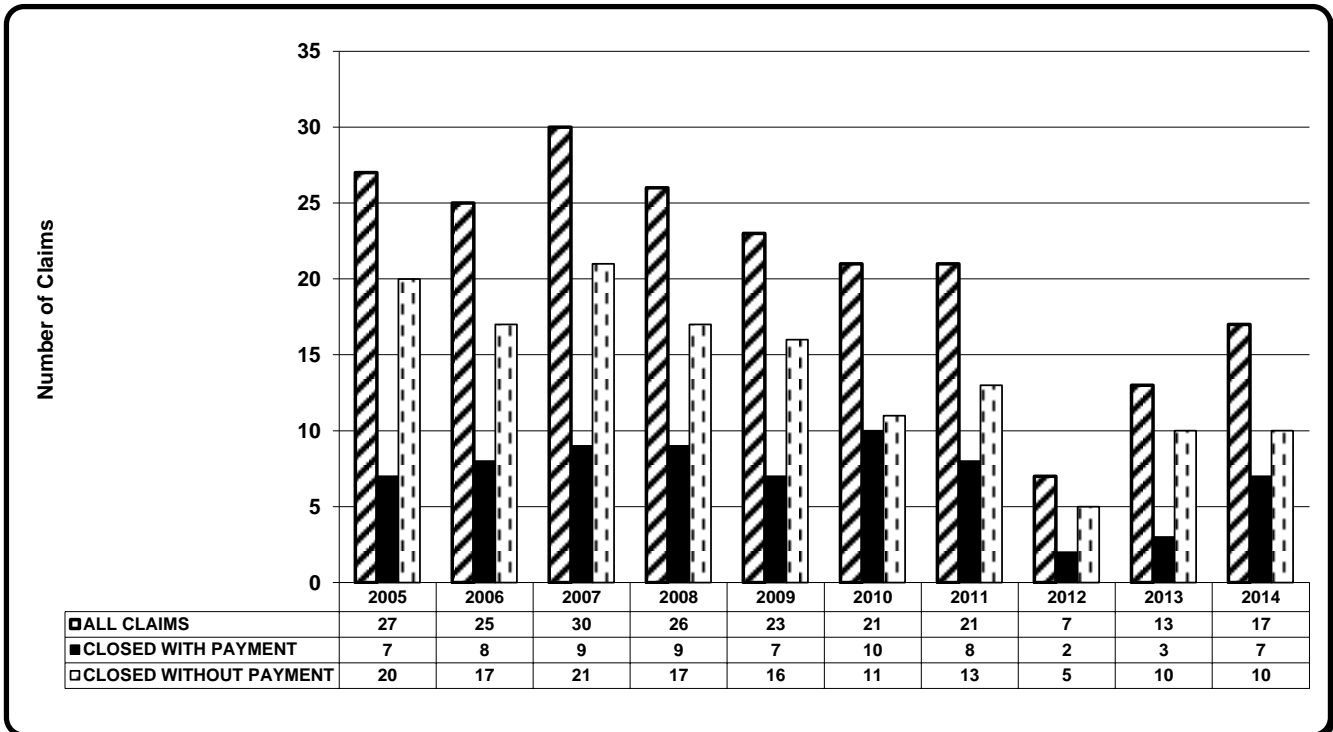


PREPARATION, TRANSMITTAL OR FILING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

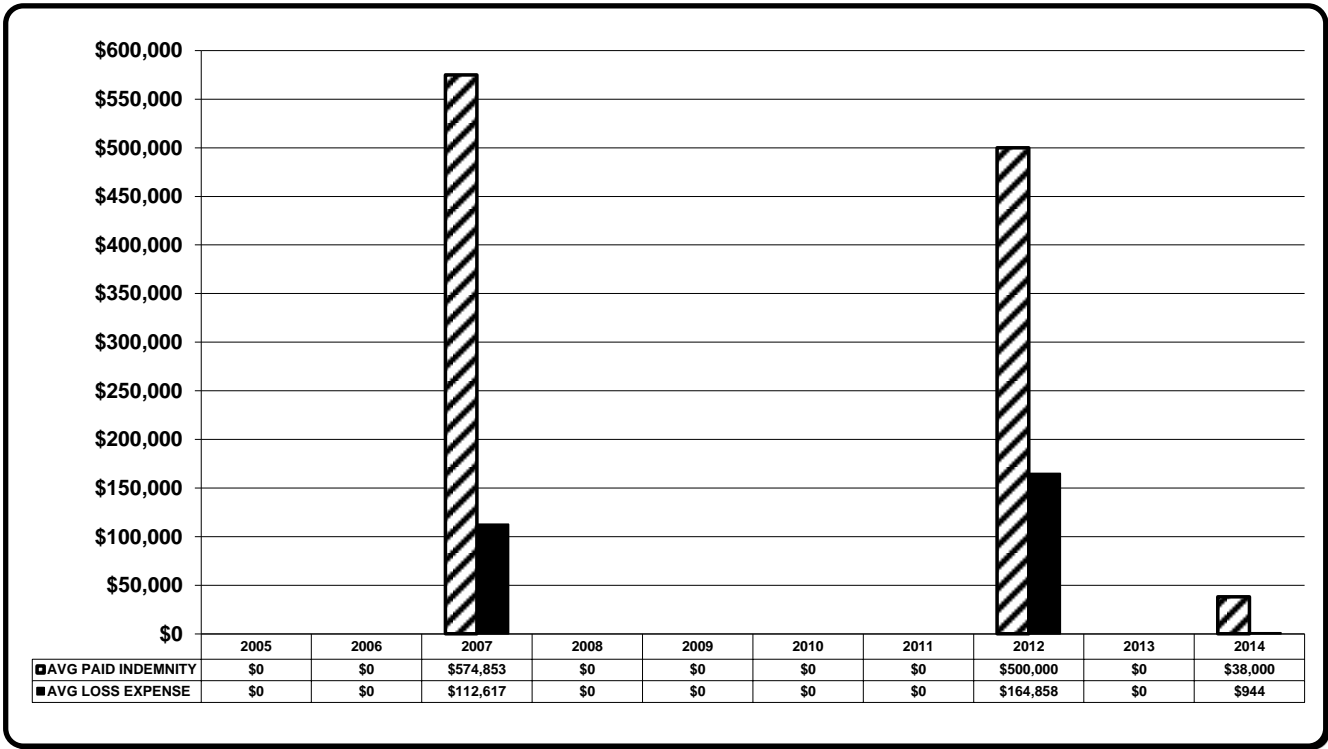


CLAIM COUNT

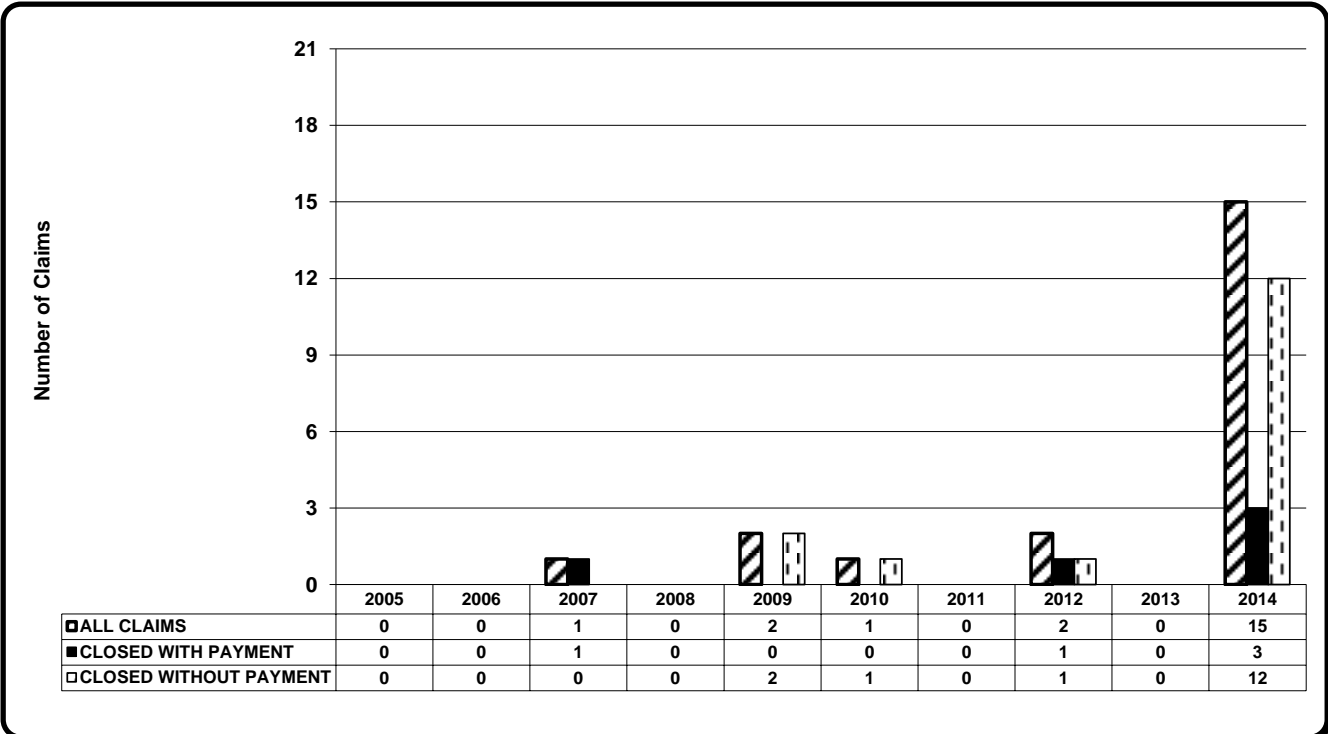


OTHER WRITTEN OPINION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

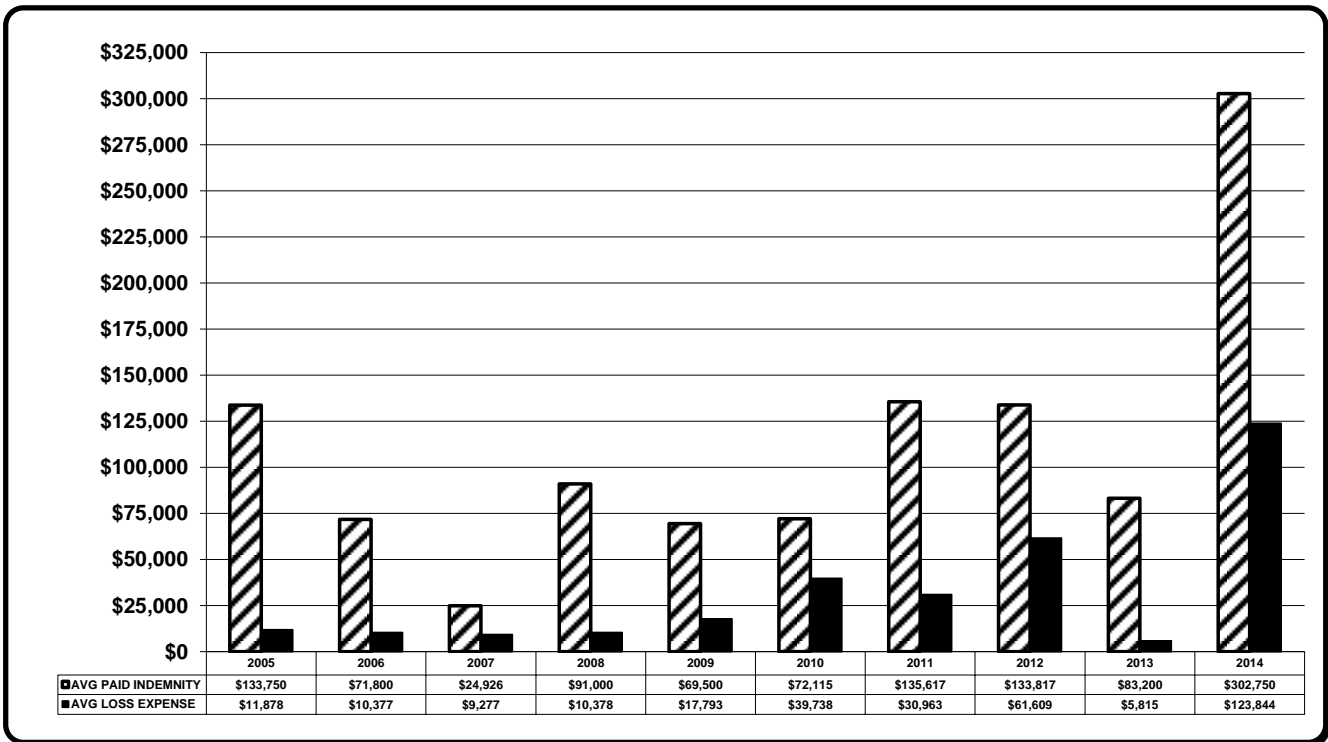


CLAIM COUNT

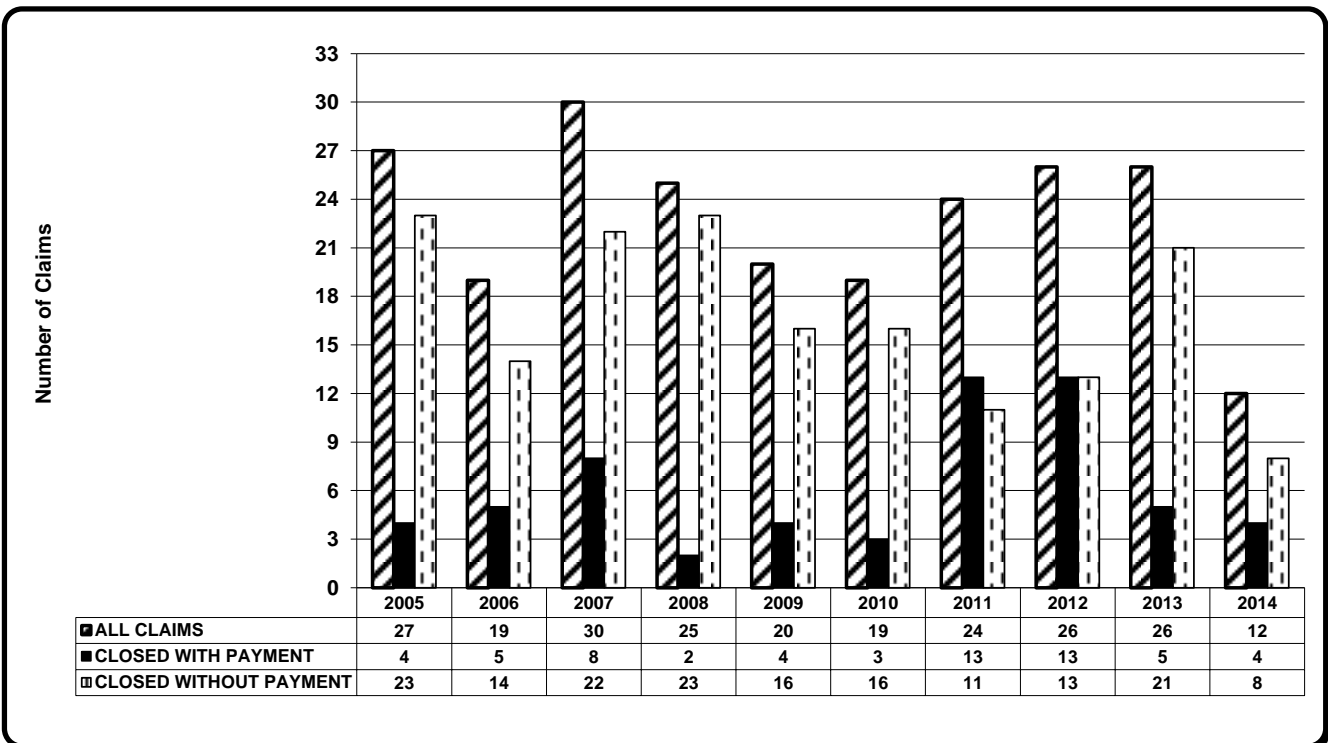


PRE-TRIAL, PRE-HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

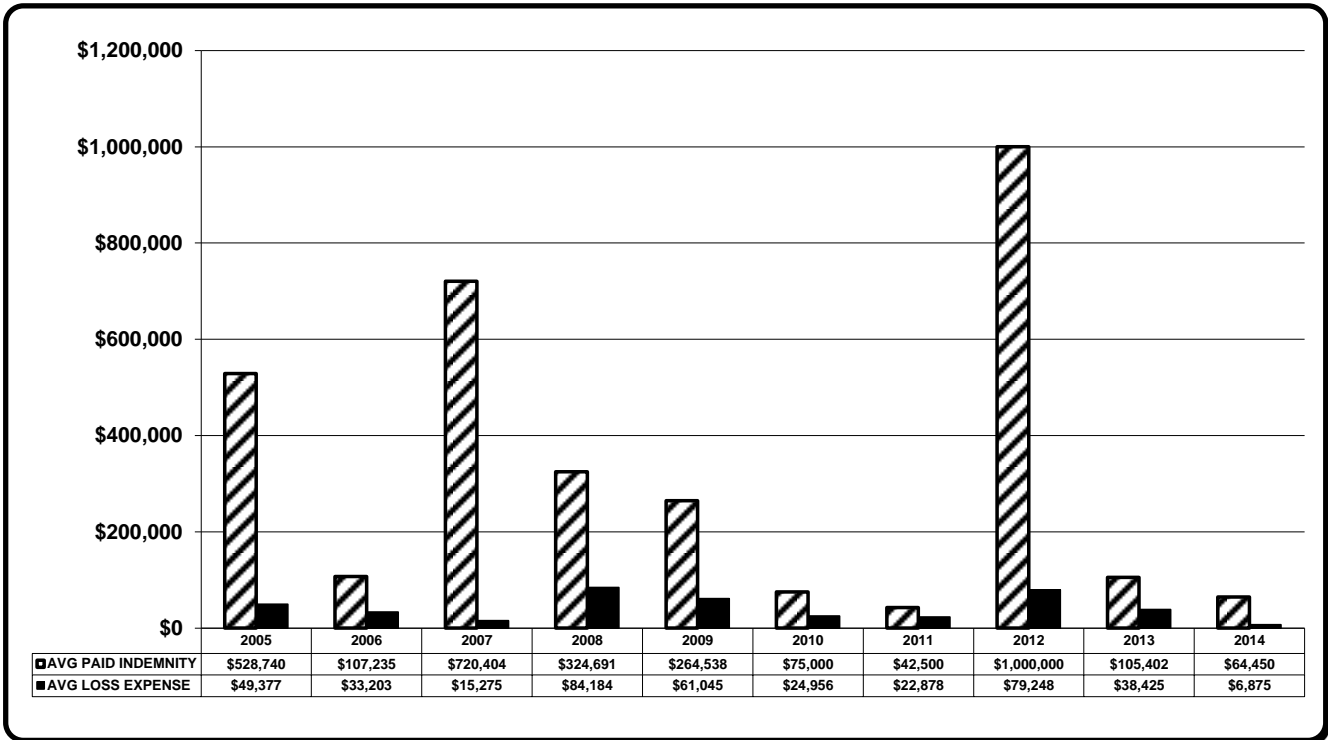


CLAIM COUNT

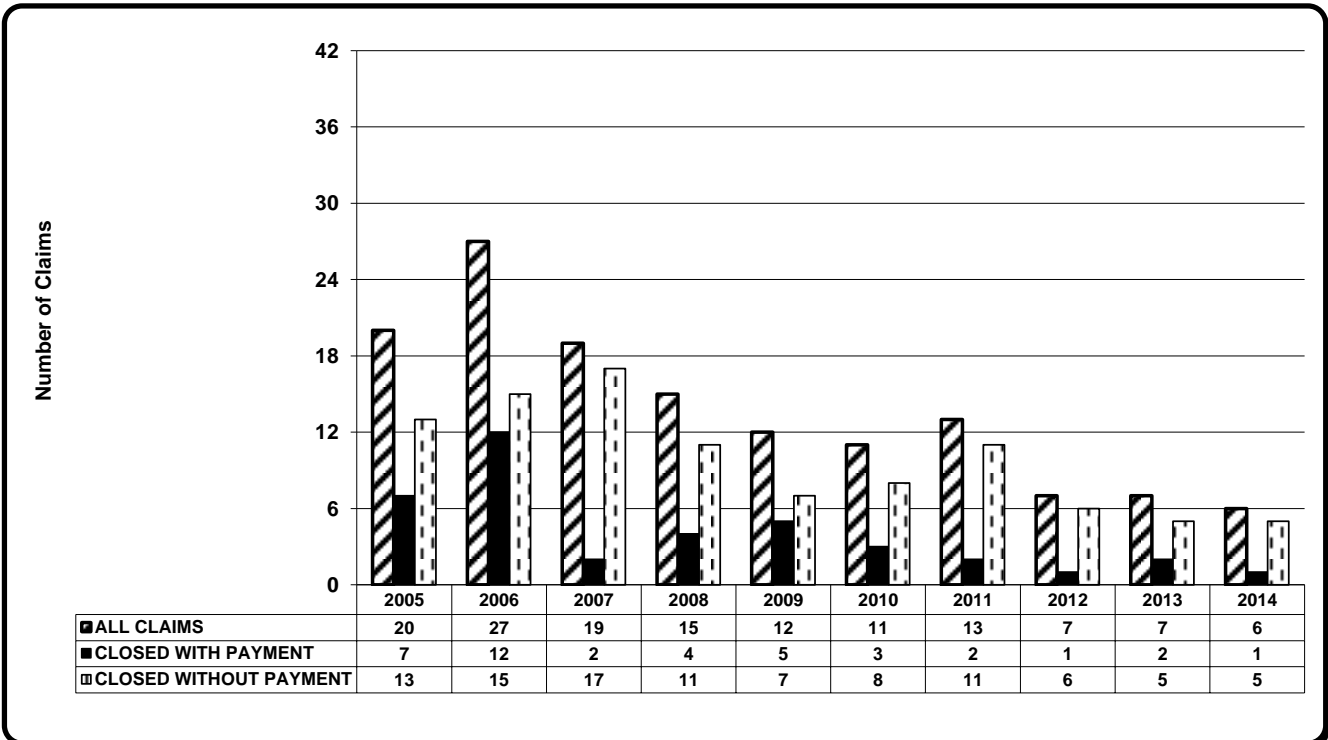


CONSULTATION OR ADVICE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

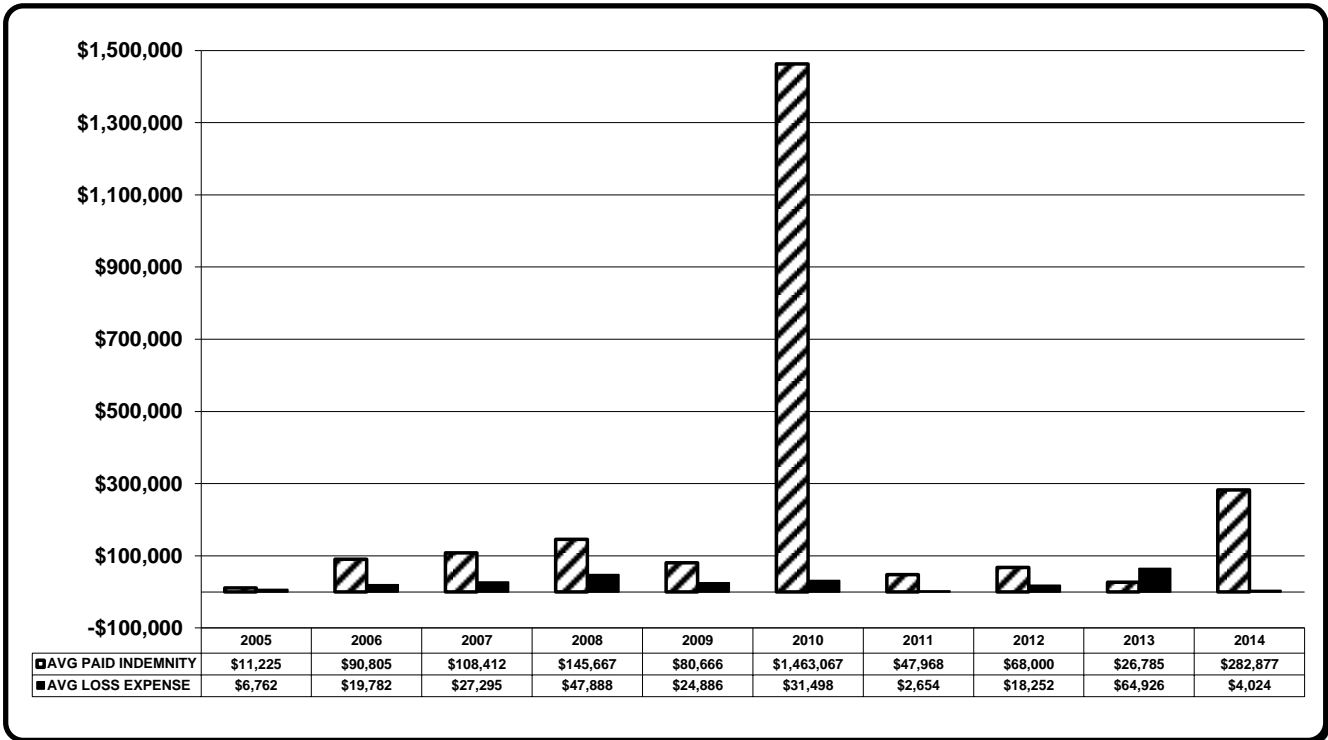


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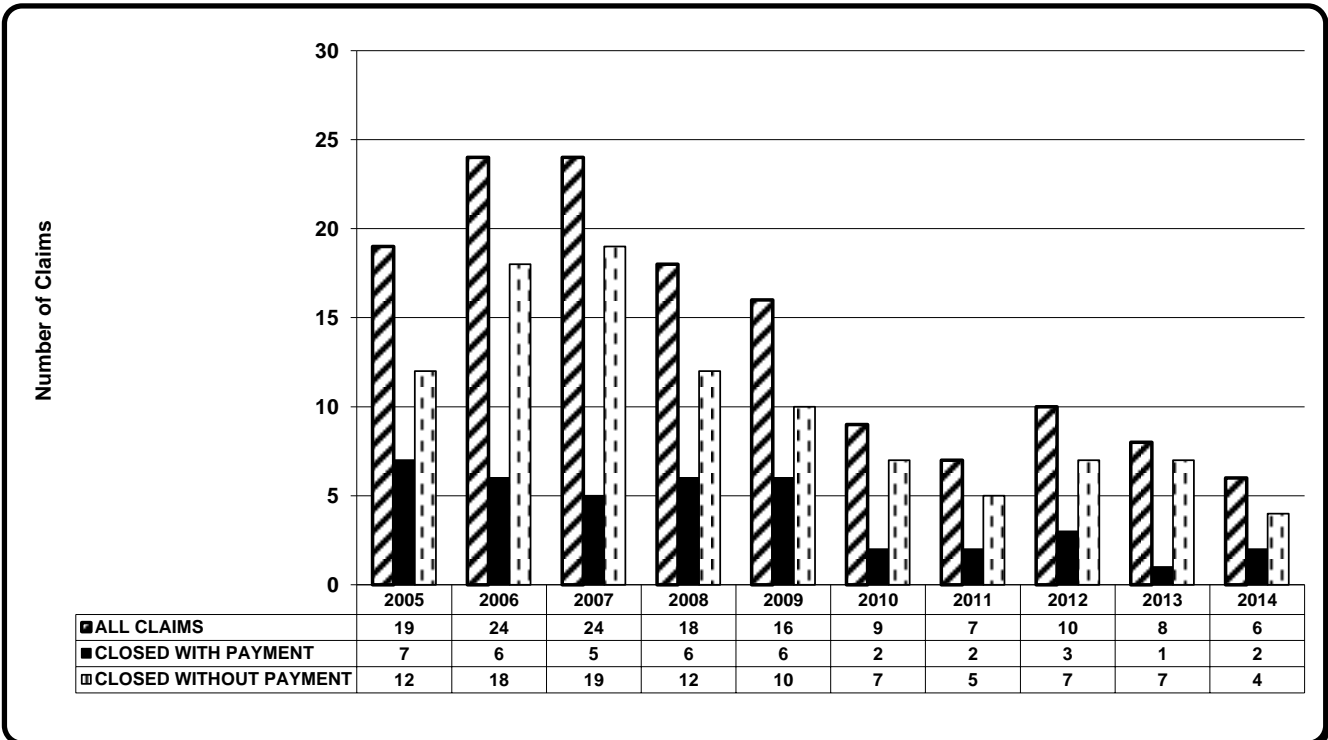


SETTLEMENT AND NEGOTIATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

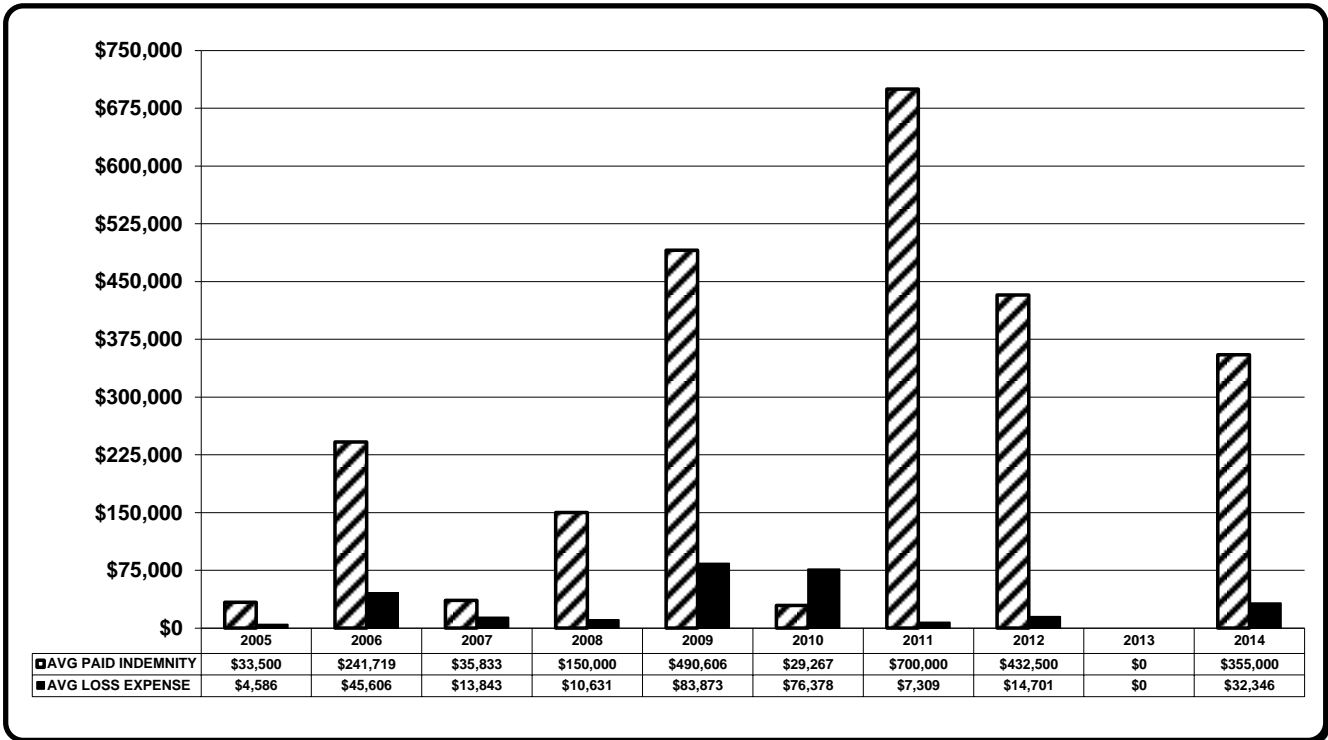


CLAIM COUNT

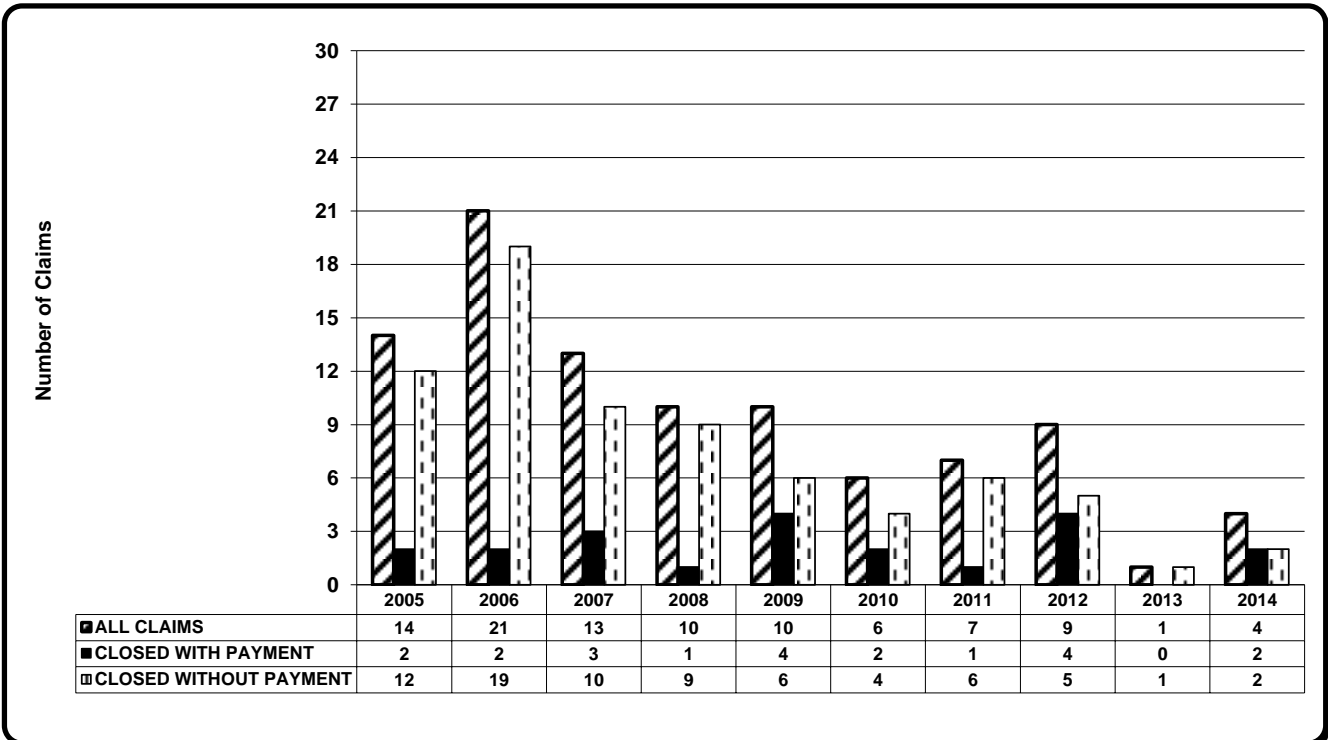


TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

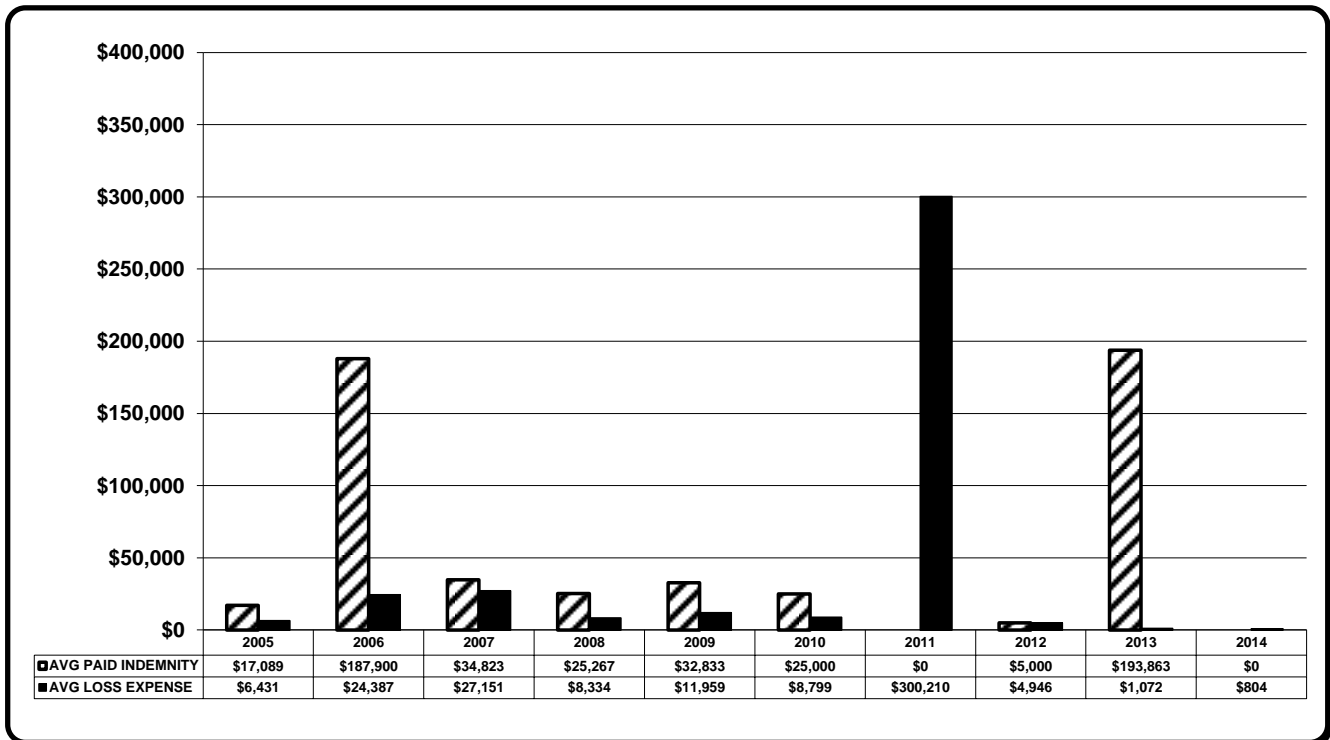


CLAIM COUNT

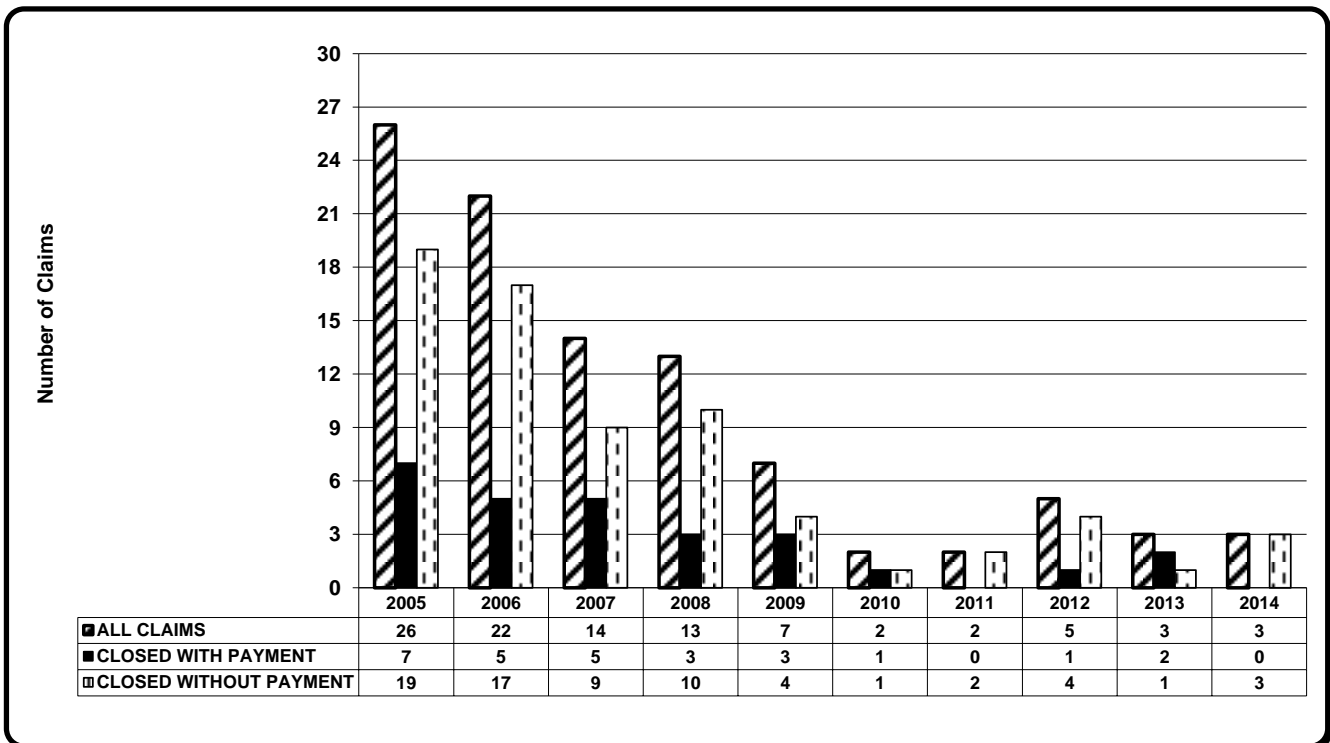


INVESTIGATION, OTHER THAN LITIGATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

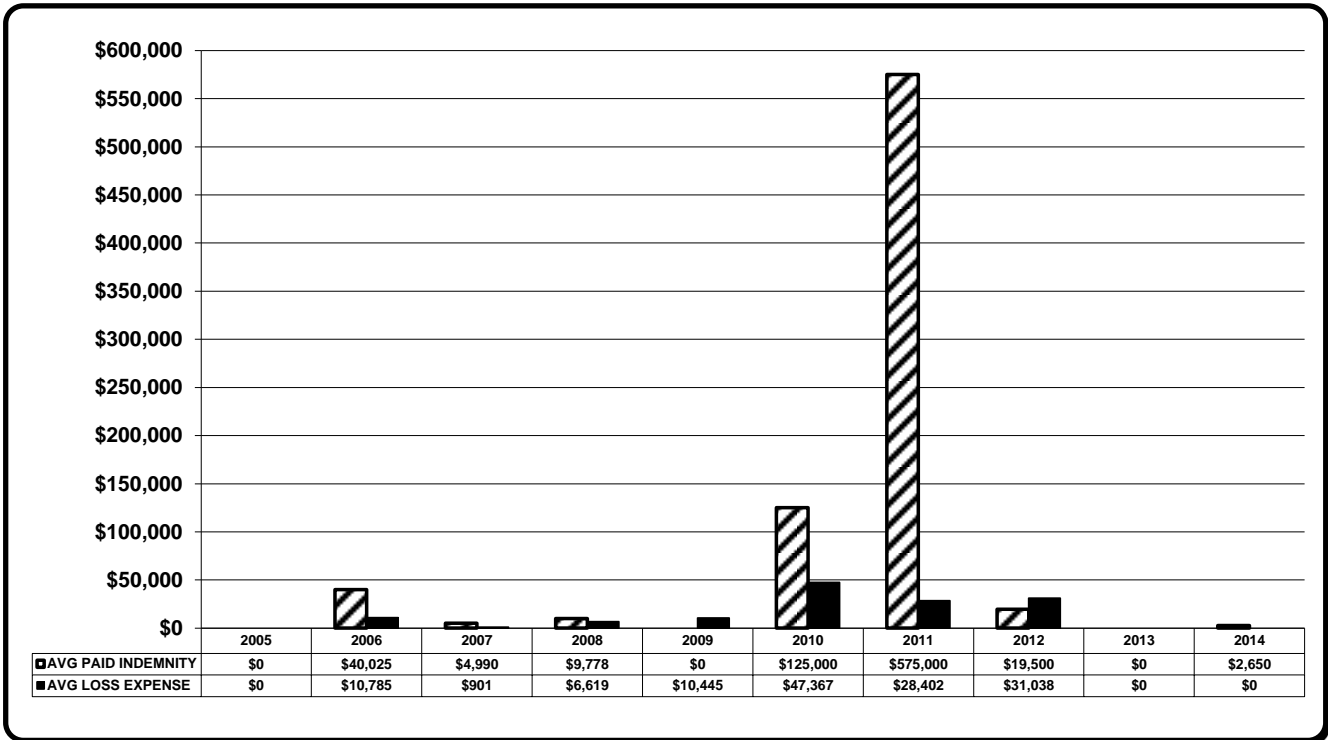


CLAIM COUNT

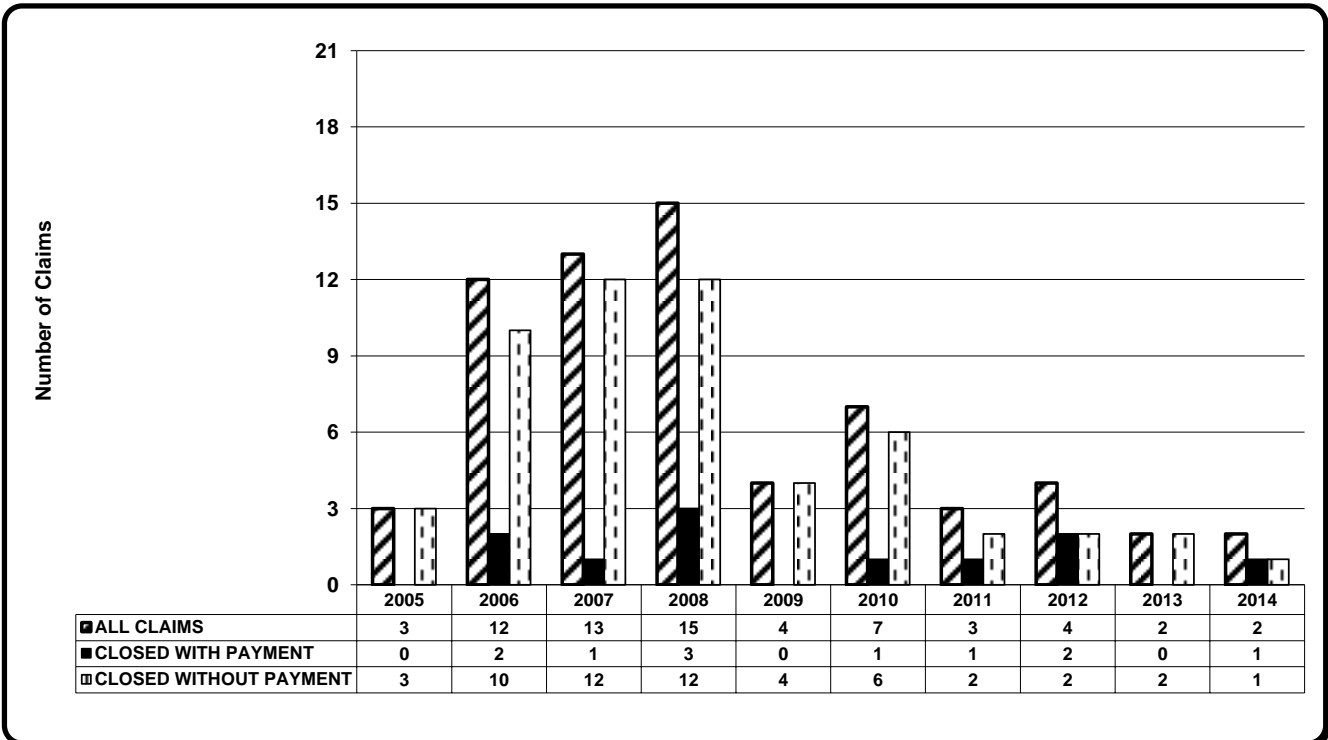


POST TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2014 SUMMARY
BY
ALLEGED ERRORS OR OMISSIONS**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2005-2014

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
OTHER	549	68	12.08%	\$72,266	\$4,914,101	7.05%	\$12,164
FAIL TO ASCERTAIN DEADLINE CORRECTLY	301	84	14.92%	\$131,962	\$11,084,824	15.90%	\$18,189
PLANNING OR STRATEGY ERROR	261	73	12.97%	\$241,574	\$17,634,897	25.29%	\$33,571
FAIL TO KNOW OR PROPERLY APPLY THE LAW	171	53	9.41%	\$96,574	\$5,118,439	7.34%	\$25,112
PROCRASTINATION OR LACK OF FOLLOW-UP	129	34	6.04%	\$230,188	\$7,826,394	11.23%	\$20,074
INADEQUATE INVESTIGATION	122	36	6.39%	\$120,483	\$4,337,380	6.22%	\$34,452
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	111	17	3.02%	\$211,126	\$3,589,140	5.15%	\$18,625
FAIL TO FILE DOCUMENTS WITH NO DEADLINE	102	26	4.62%	\$70,962	\$1,845,004	2.65%	\$15,850
FAILURE TO REACT TO CALENDAR	96	40	7.10%	\$61,955	\$2,478,215	3.55%	\$6,336
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	85	14	2.49%	\$23,774	\$332,833	0.48%	\$17,597
FAILURE TO CALENDAR PROPERLY	75	41	7.28%	\$67,707	\$2,776,006	3.98%	\$12,855
FRAUD	74	14	2.49%	\$57,871	\$810,193	1.16%	\$26,100
CONFLICT OF INTEREST	62	15	2.66%	\$239,342	\$3,590,125	5.15%	\$70,830
CLERICAL ERROR	50	13	2.31%	\$24,742	\$321,651	0.46%	\$8,712
FAIL TO OBTAIN CLIENTS CONSENT	47	8	1.42%	\$25,885	\$207,078	0.30%	\$18,453
VIOLATION OF CIVIL RIGHTS	39	4	0.71%	\$101,250	\$405,000	0.58%	\$10,769
ERROR IN MATHEMATICAL CALCULATION	21	7	1.24%	\$52,094	\$364,659	0.52%	\$8,006
IMPROPER WITHDRAWAL FROM REPRESENTATION	19	5	0.89%	\$54,342	\$271,710	0.39%	\$11,082
ERROR IN PUBLIC RECORD SEARCH	16	6	1.07%	\$68,768	\$412,606	0.59%	\$19,729
LIBEL OR SLANDER	14	1	0.18%	\$15,000	\$15,000	0.02%	\$5,275
FAIL TO ANTICIPATE TAX CONSEQUENCES	12	3	0.53%	\$455,000	\$1,365,000	1.96%	\$20,333
LOST FILE, DOCUMENT OR EVIDENCE	5	1	0.18%	\$17,500	\$17,500	0.03%	\$19,051
NOT SPECIFIED	1		0.00%	N/A	\$0	0.00%	\$0
TOTAL	2,362	563	100.00%	\$123,833	\$69,717,755	100.00%	\$20,282

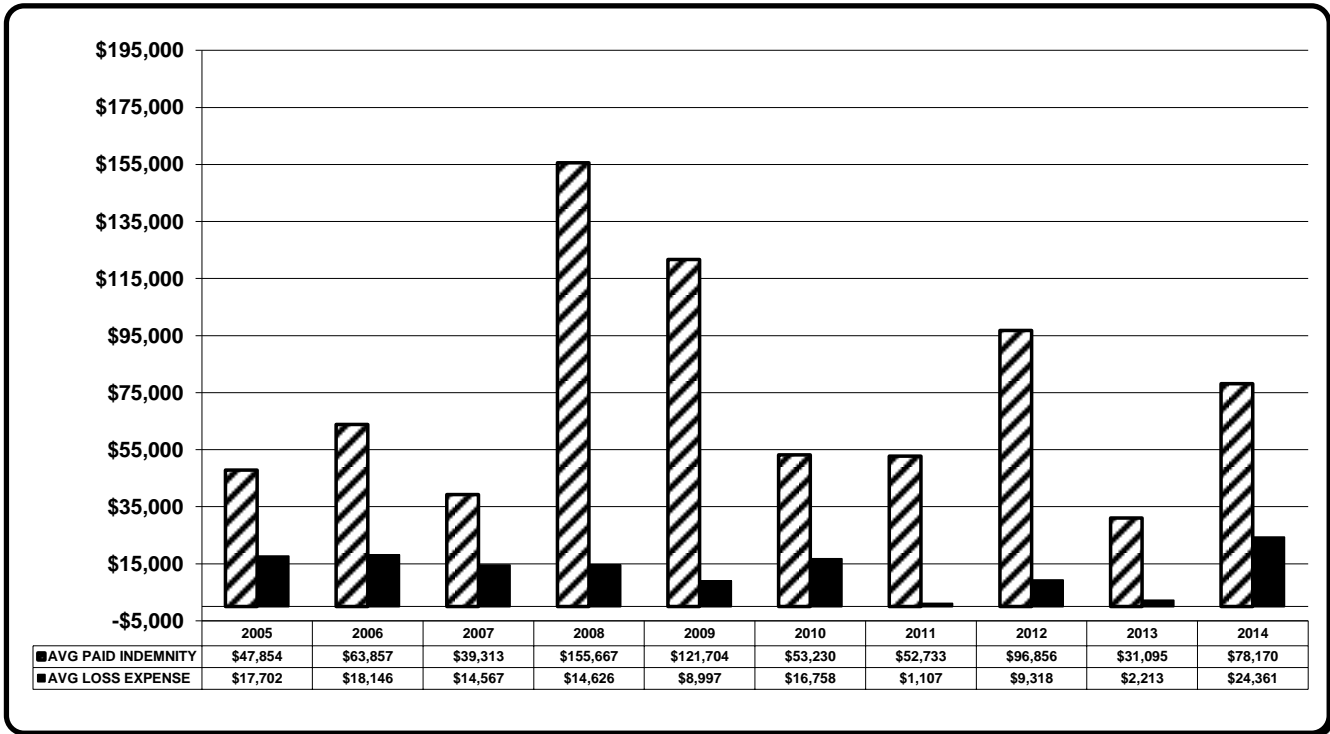
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2014

ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY		TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
				PAID PER CLAIM	PER PAID CLAIM			
OTHER	105	13	28.89%	\$78,170	\$1,016,209	\$1,016,209	13.19%	\$24,361
FAIL TO ASCERTAIN DEADLINE CORRECTLY	22	4	8.89%	\$360,000	\$1,440,000	\$1,440,000	18.69%	\$8,113
PLANNING OR STRATEGY ERROR	13	4	8.89%	\$252,229	\$1,008,914	\$1,008,914	13.10%	\$52,650
FAIL TO KNOW OR PROPERLY APPLY THE LAW	12	4	8.89%	\$64,275	\$257,100	\$257,100	3.34%	\$50,519
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	11	2	4.44%	\$29,667	\$59,333	\$59,333	0.77%	\$18,503
INADEQUATE INVESTIGATION	10	6	13.33%	\$194,308	\$1,165,850	\$1,165,850	15.13%	\$38,220
FAIL TO FILE DOCUMENTS WITH NO DEADLINE	7	1	2.22%	\$37,500	\$37,500	\$37,500	0.49%	\$938
CONFLICT OF INTEREST	5	3	6.67%	\$456,918	\$1,370,754	\$1,370,754	17.79%	\$128,676
FAILURE TO CALENDAR PROPERLY	5	4	8.89%	\$80,625	\$322,500	\$322,500	4.19%	\$30,538
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	4	0	0.00%	N/A	\$0	\$0	0.00%	\$2,687
FRAUD	4	1	2.22%	\$400,000	\$400,000	\$400,000	5.19%	\$169,931
VIOLATION OF CIVIL RIGHTS	3	0	0.00%	N/A	\$0	\$0	0.00%	\$5,624
CLERICAL ERROR	2	0	0.00%	N/A	\$0	\$0	0.00%	\$18,682
FAIL TO ANTICIPATE TAX CONSEQUENCES	2	1	2.22%	\$350,000	\$350,000	\$350,000	4.54%	\$53,383
FAILURE TO REACT TO CALENDAR	2	1	2.22%	\$260,000	\$260,000	\$260,000	3.38%	\$40,407
LIBEL OR SLANDER	2	1	2.22%	\$15,000	\$15,000	\$15,000	0.19%	\$12,880
PROCRASTINATION OR LACK OF FOLLOW-UP	2	0	0.00%	N/A	\$0	\$0	0.00%	\$0
ERROR IN MATHEMATICAL CALCULATION	1	0	0.00%	N/A	\$0	\$0	0.00%	\$0
FAIL TO OBTAIN CLIENTS CONSENT	1	0	0.00%	N/A	\$0	\$0	0.00%	\$5,837
TOTAL	213	45	100.00%	\$171,181	\$7,703,160	\$7,703,160	100.00%	\$29,950

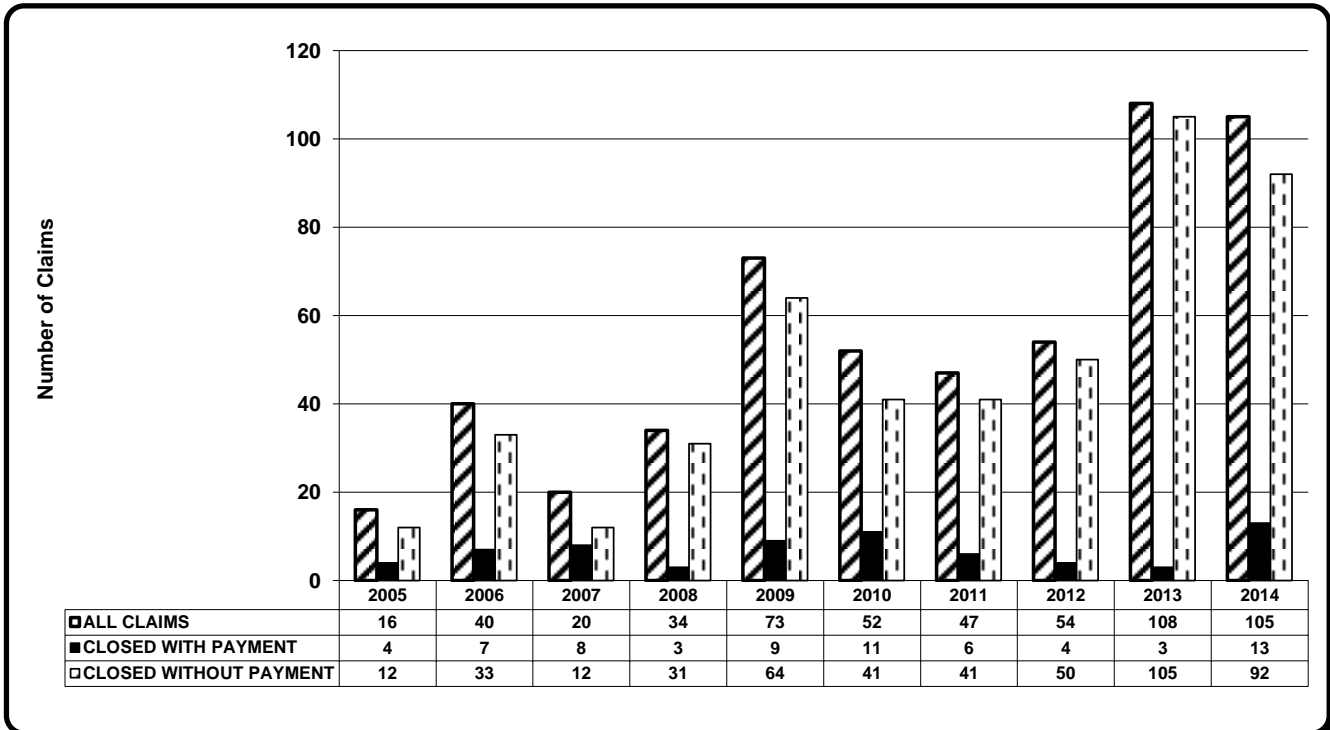
**TRENDS
OF THE TOP TEN
ERRORS OR OMISSIONS
OF 2014**

OTHER

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

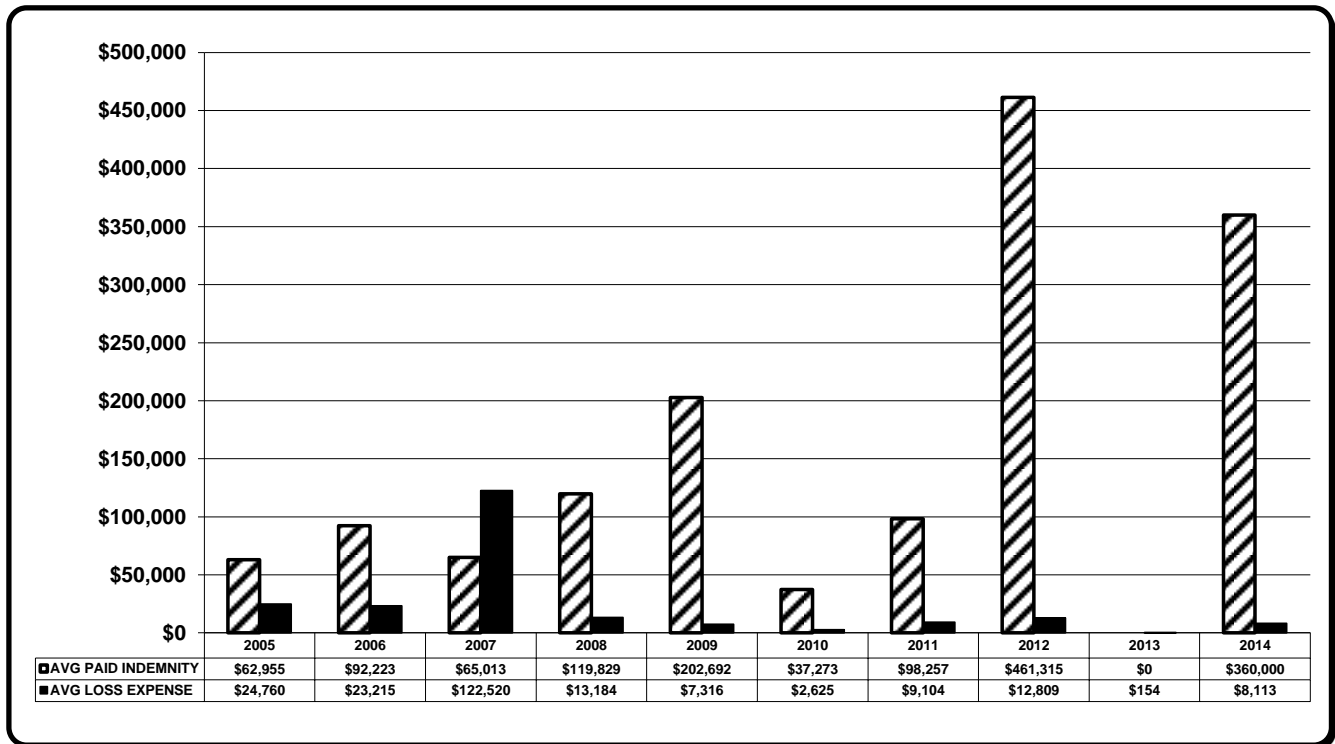


CLAIM COUNT

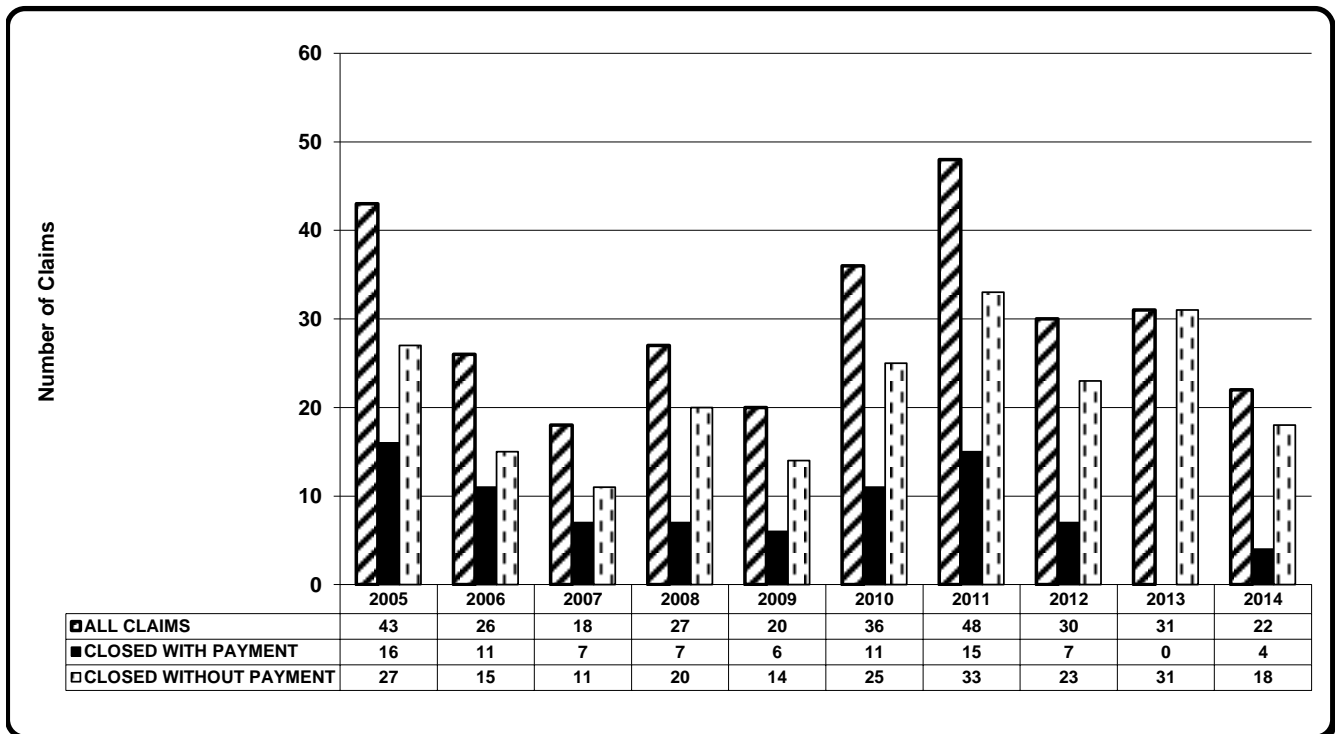


FAILURE TO ASCERTAIN DEADLINE CORRECTLY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

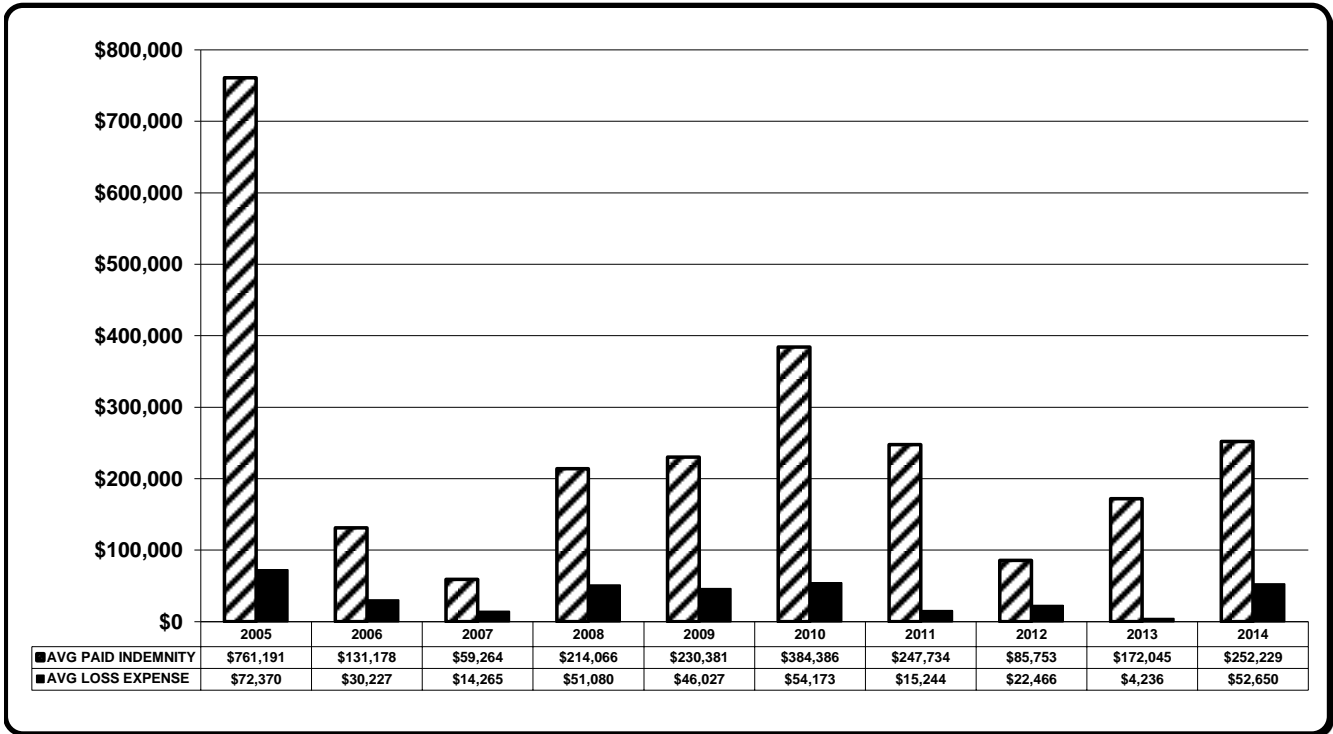


CLAIM COUNT

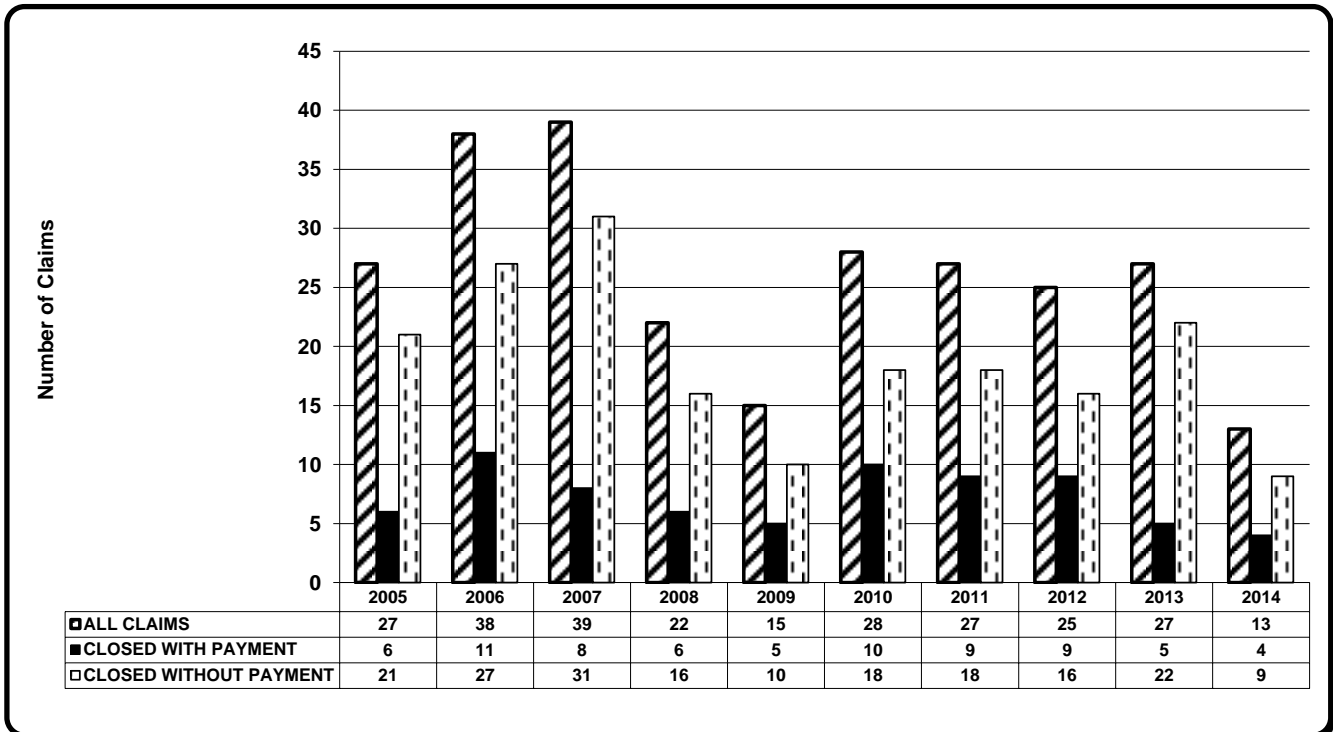


PLANNING OR STRATEGY ERROR

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

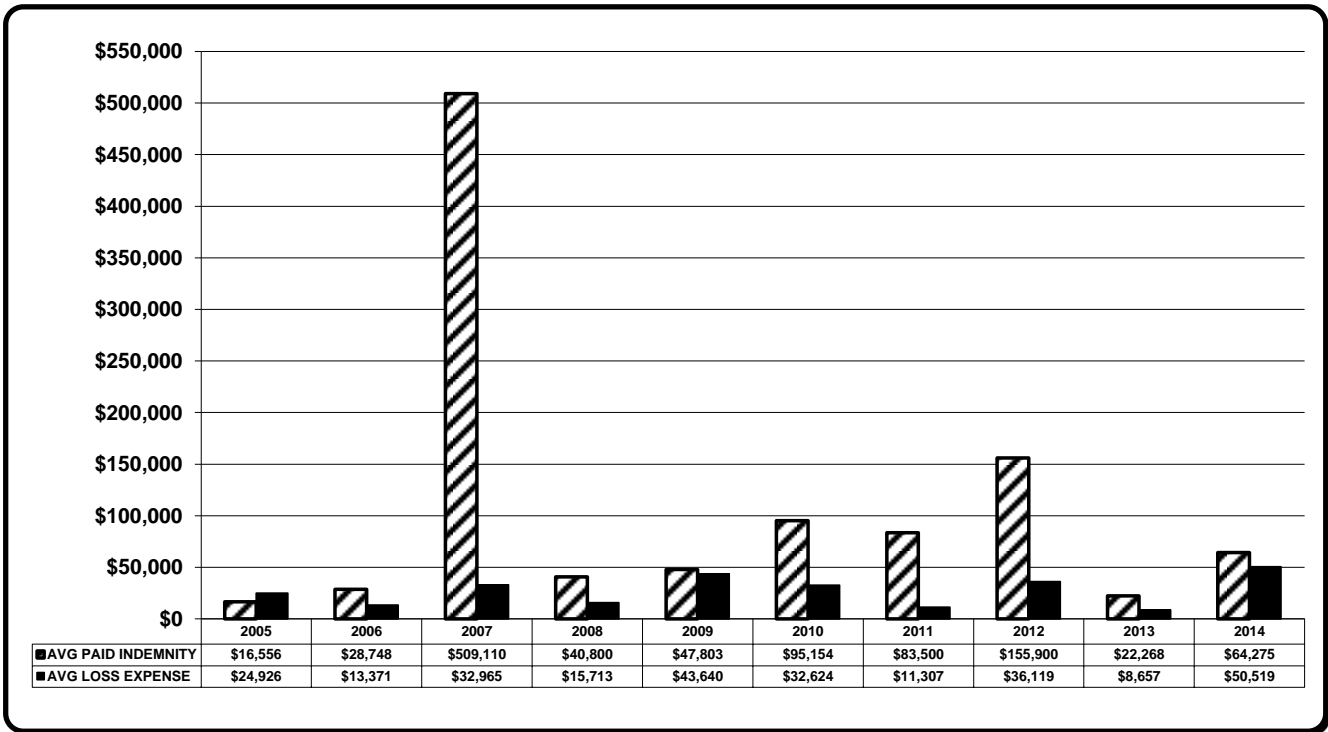


CLAIM COUNT

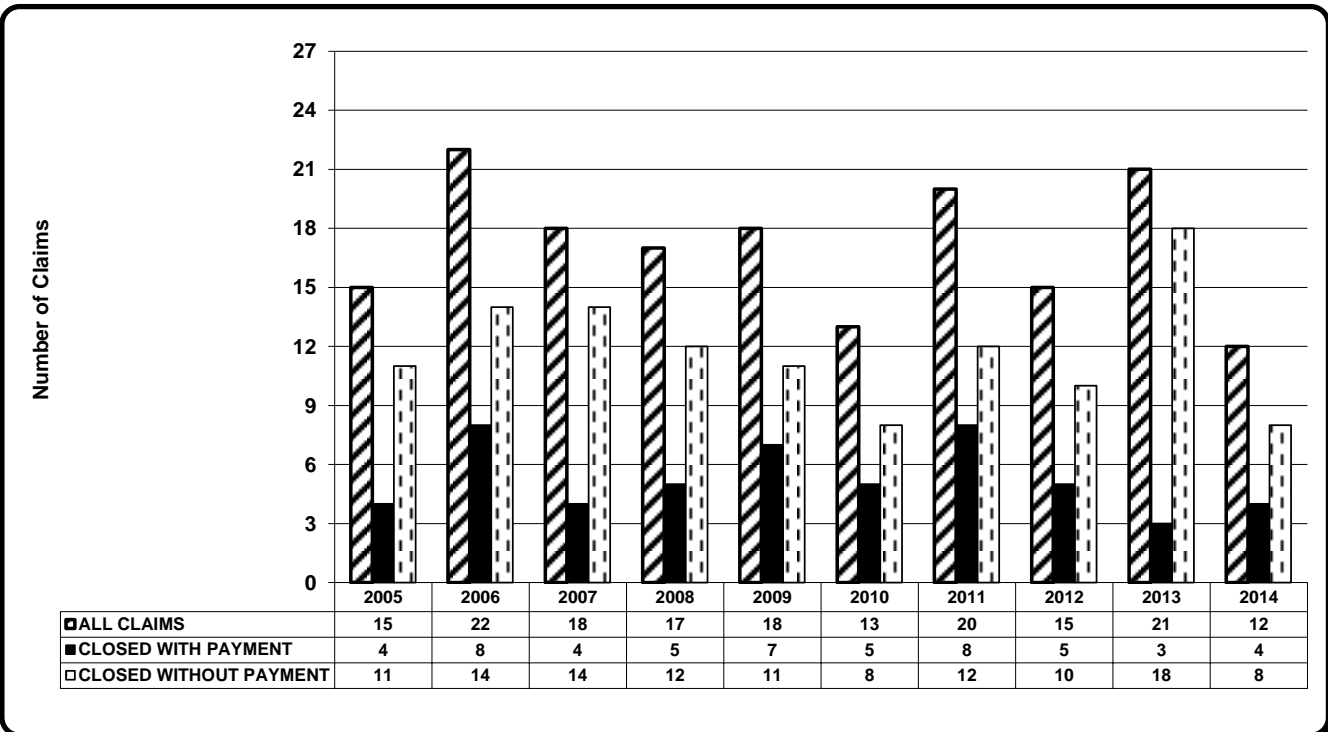


FAILURE TO KNOW OR PROPERLY APPLY THE LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

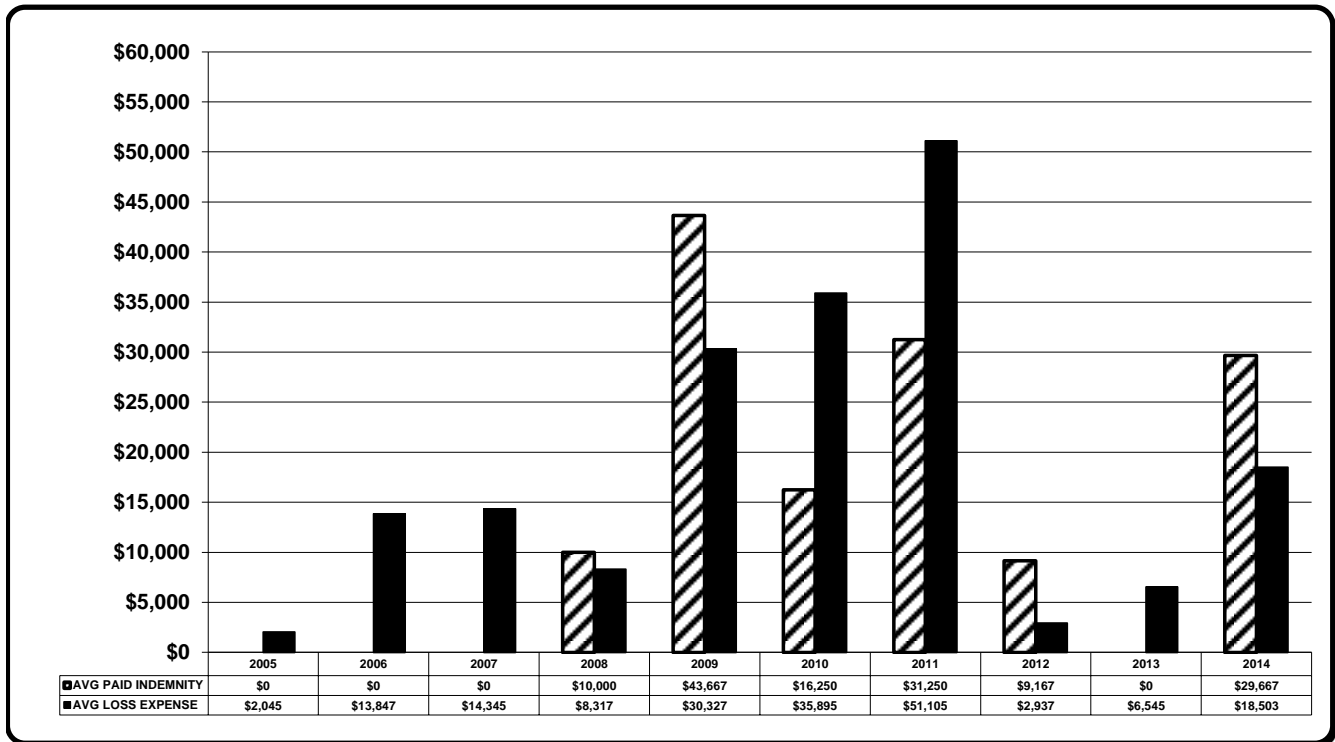


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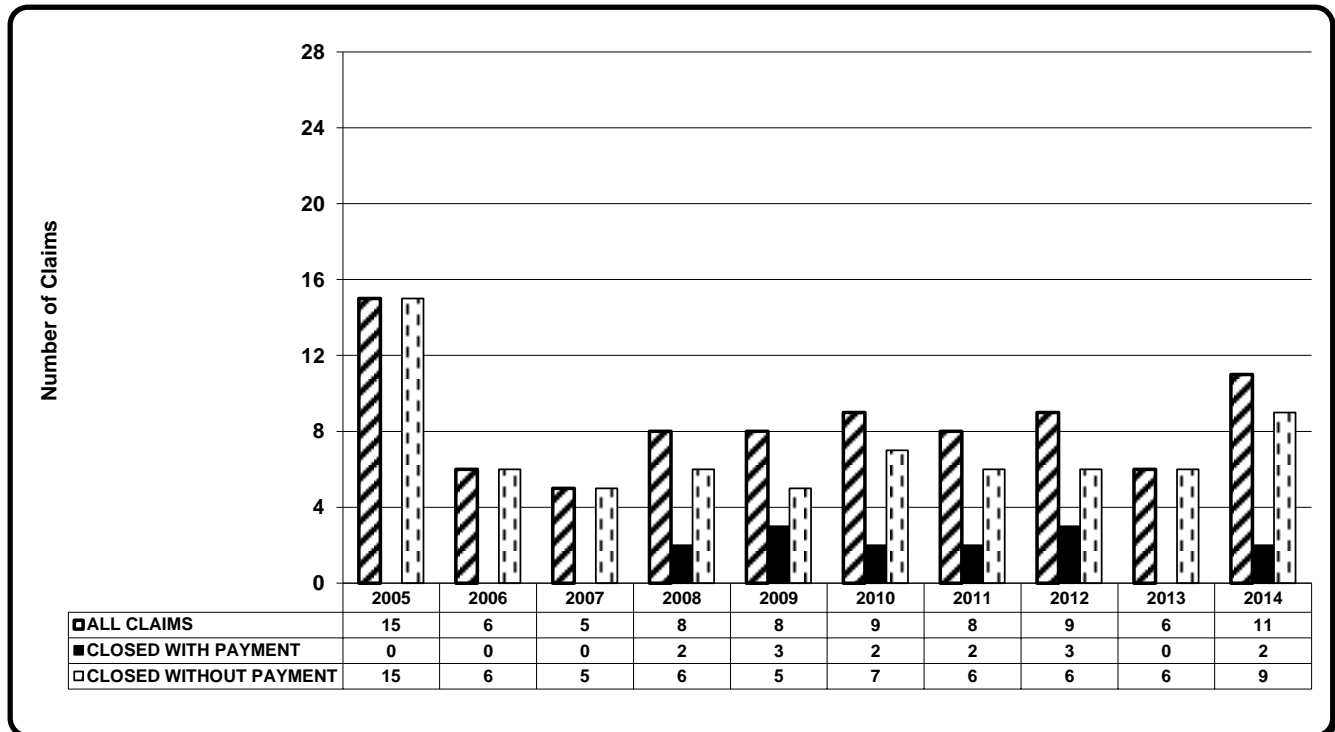


MALICIOUS PROSECUTION OR ABUSE OF PROCESS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

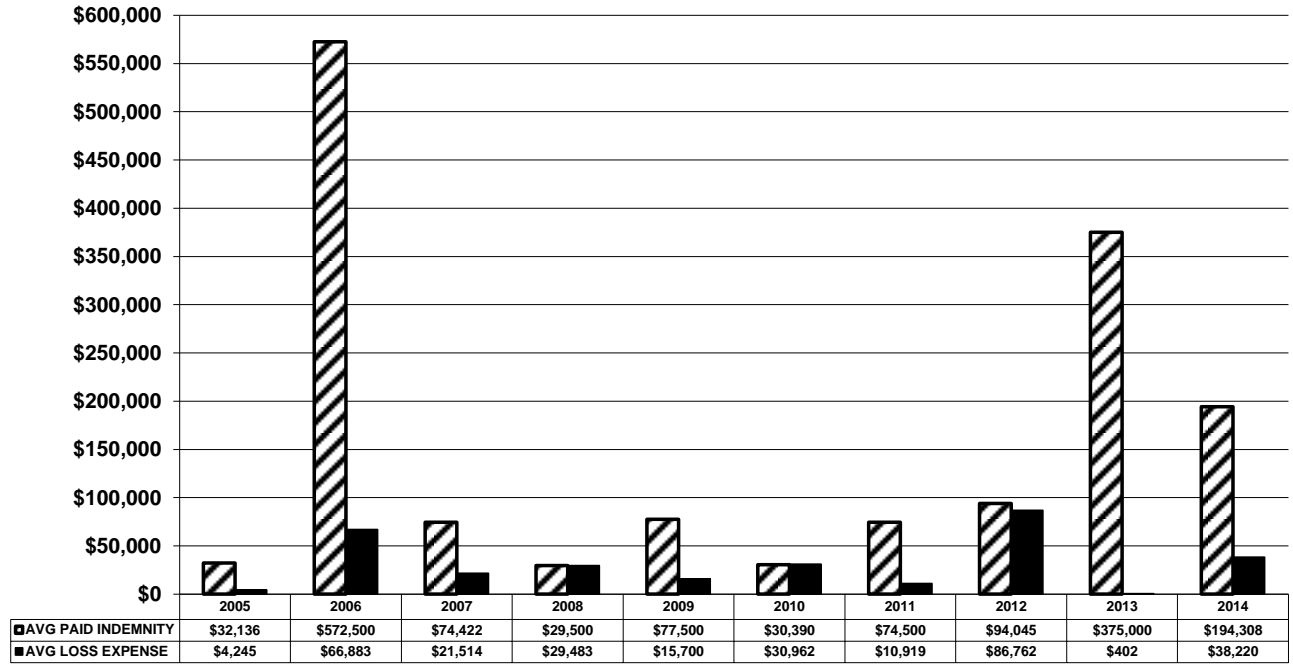


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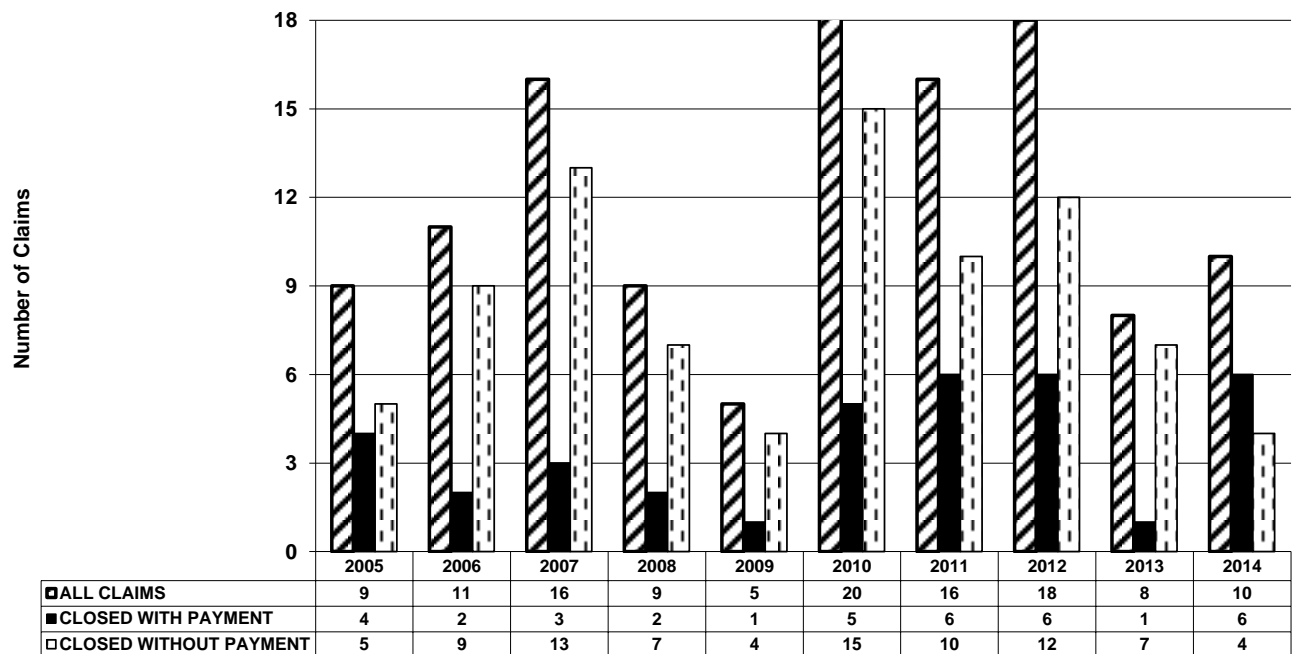


INADEQUATE INVESTIGATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

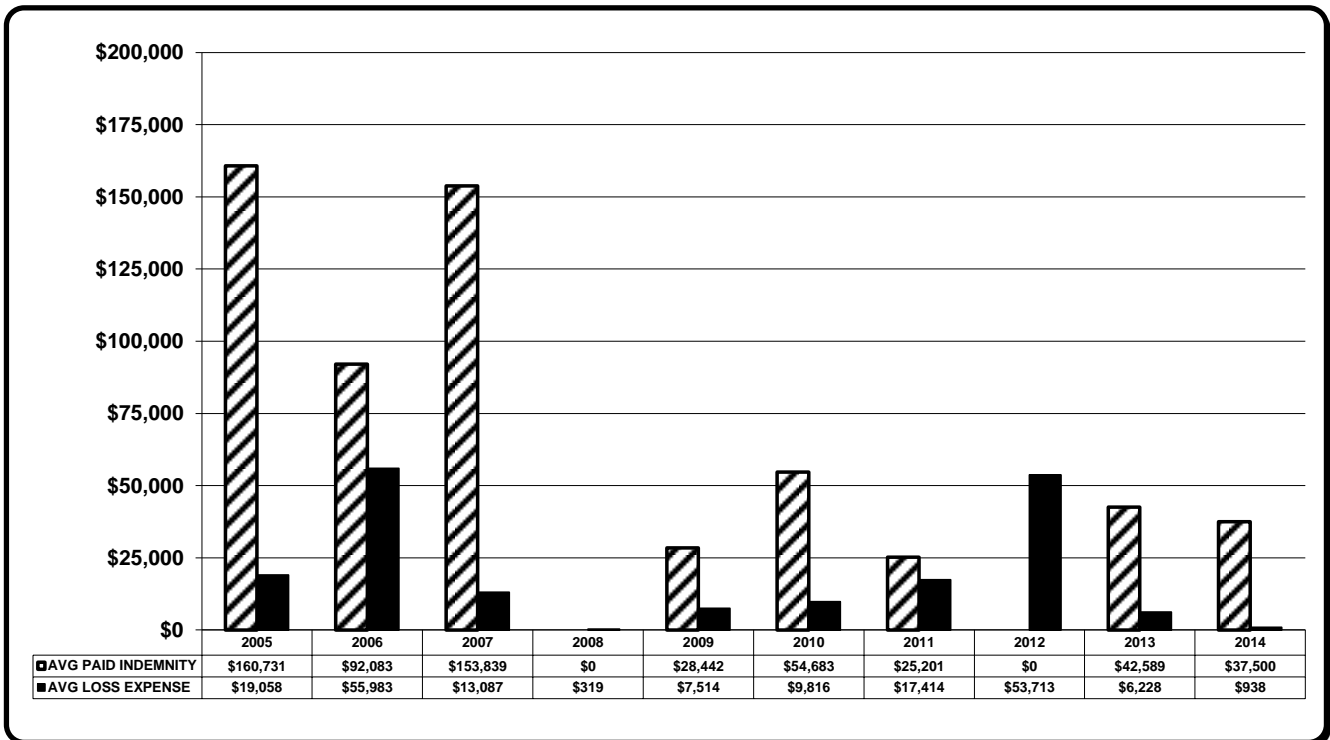


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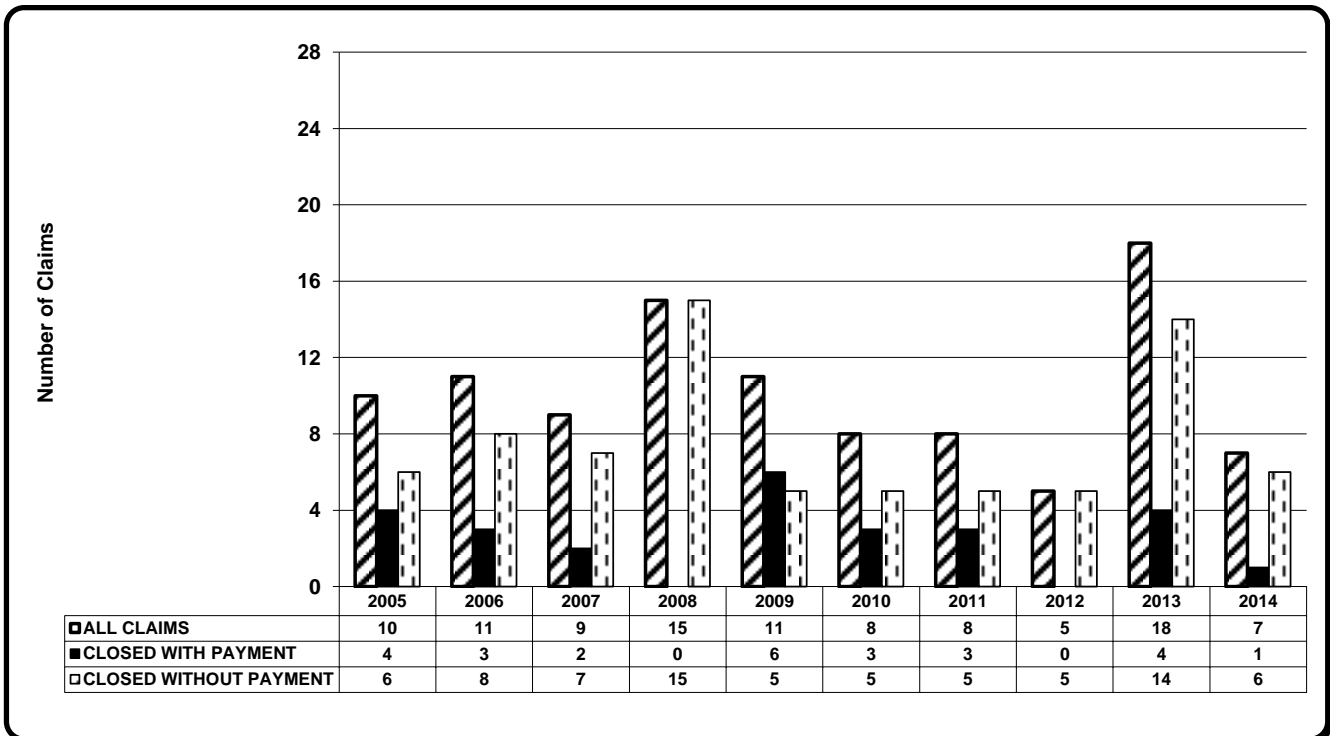


FAIL TO FILE DOCUMENTS WITH NO DEADLINE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

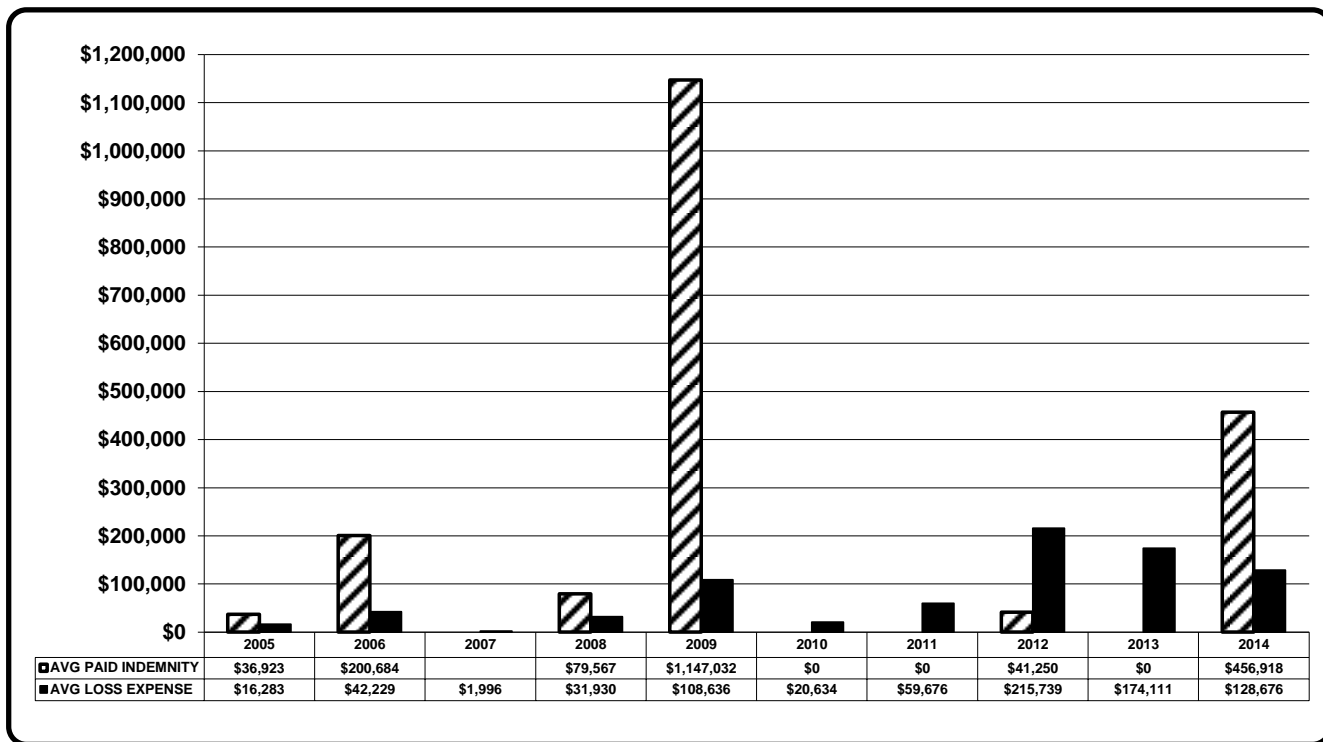


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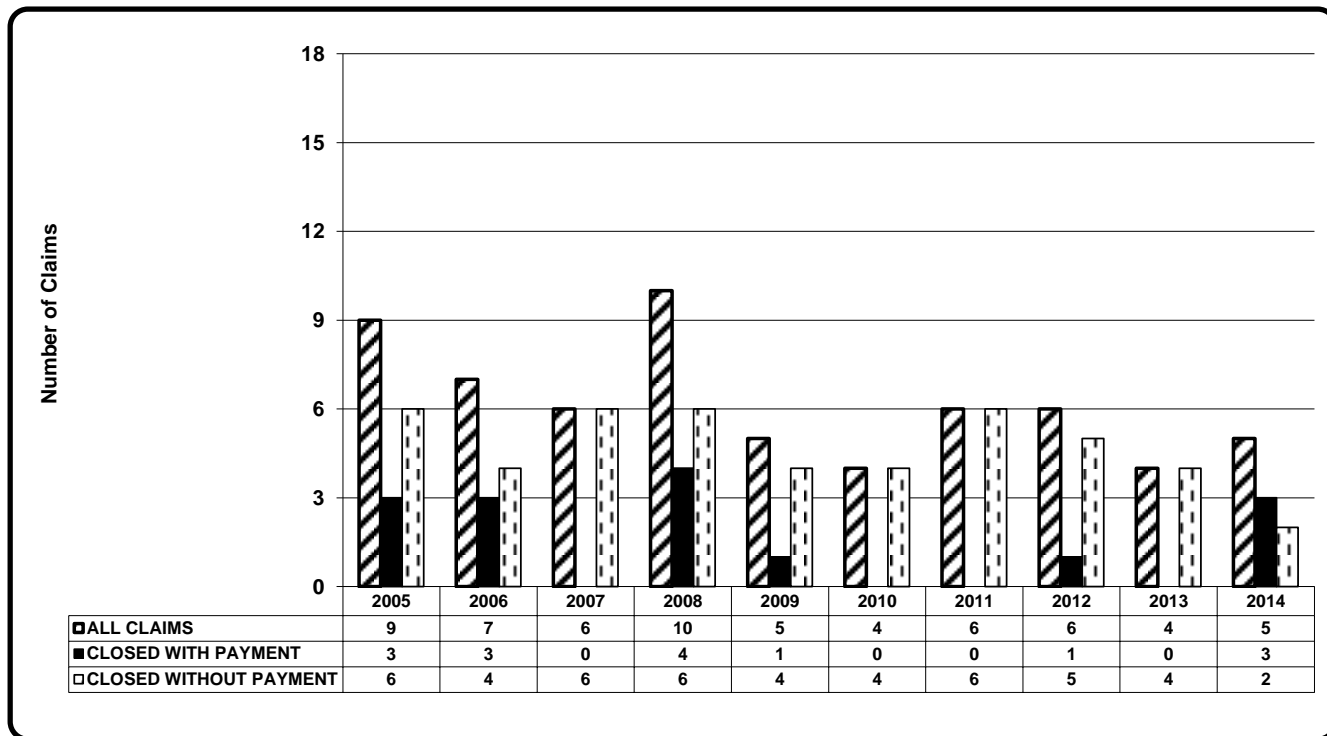


CONFLICT OF INTEREST

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

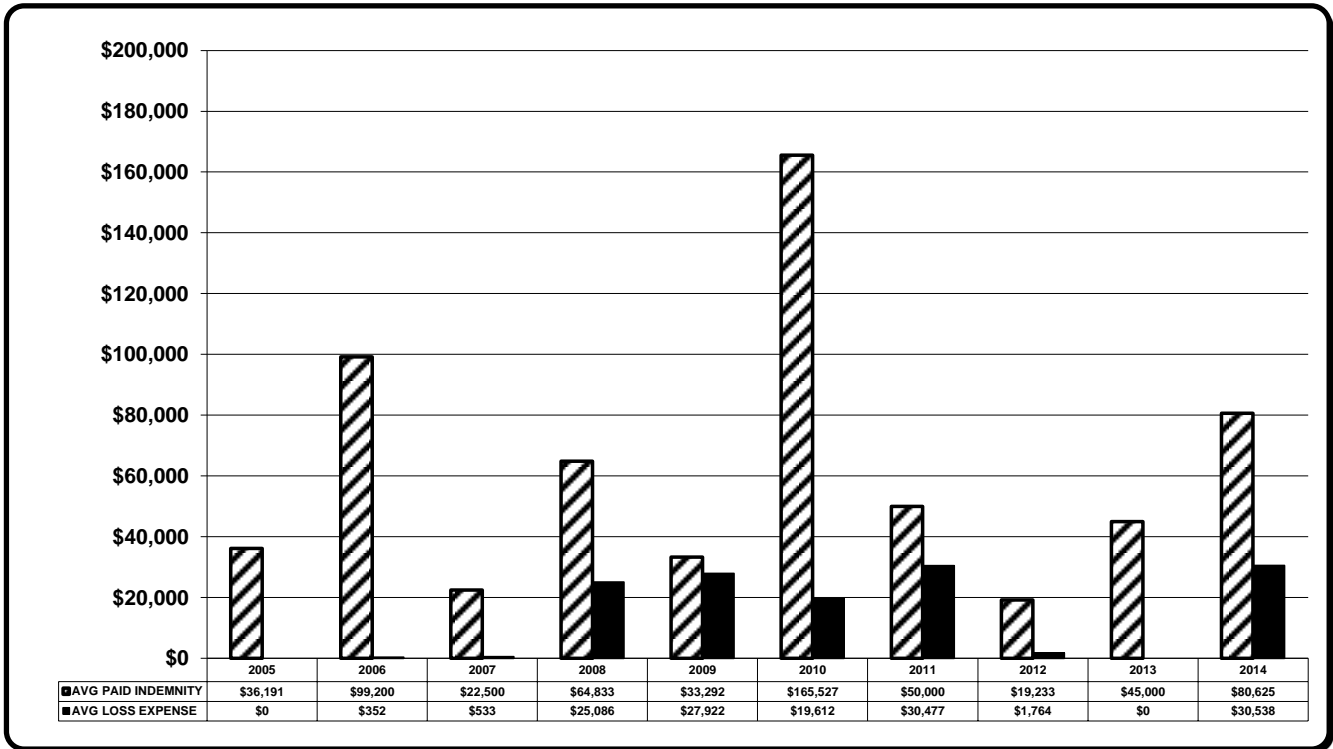


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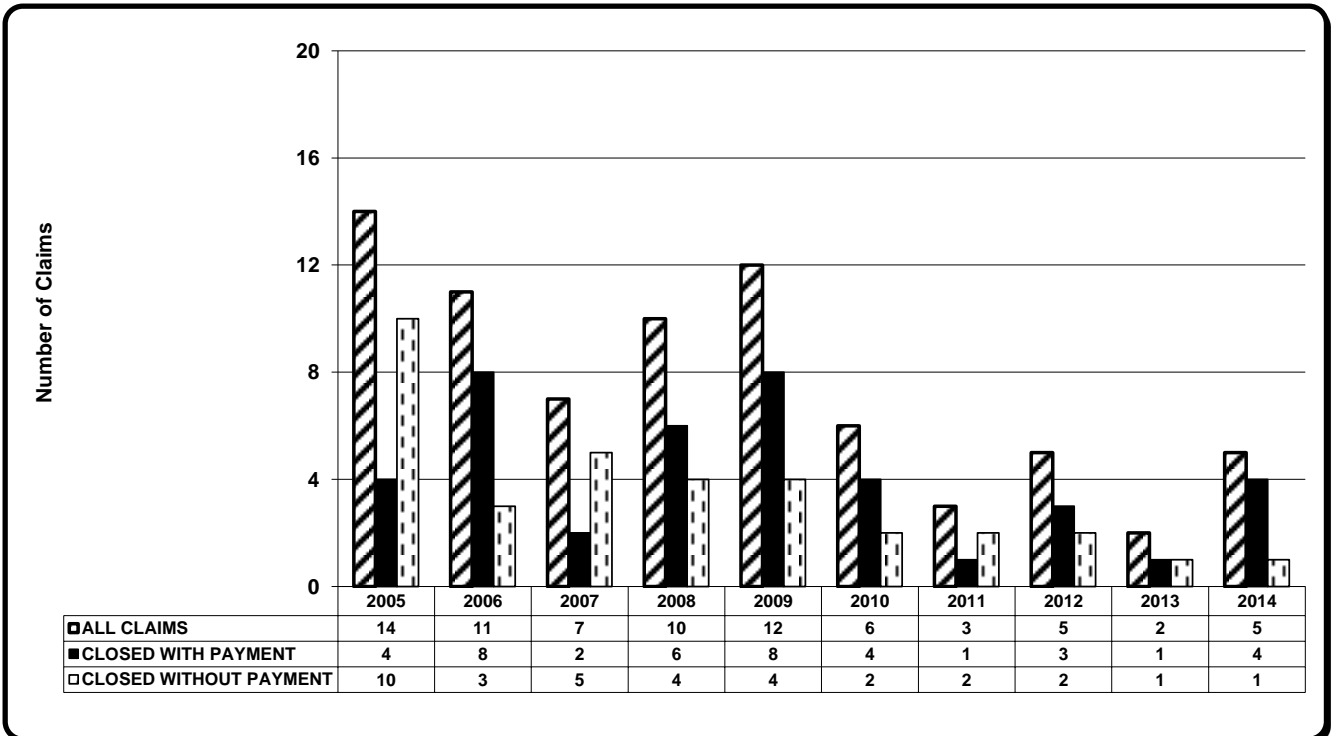


FAILURE TO CALENDAR PROPERLY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

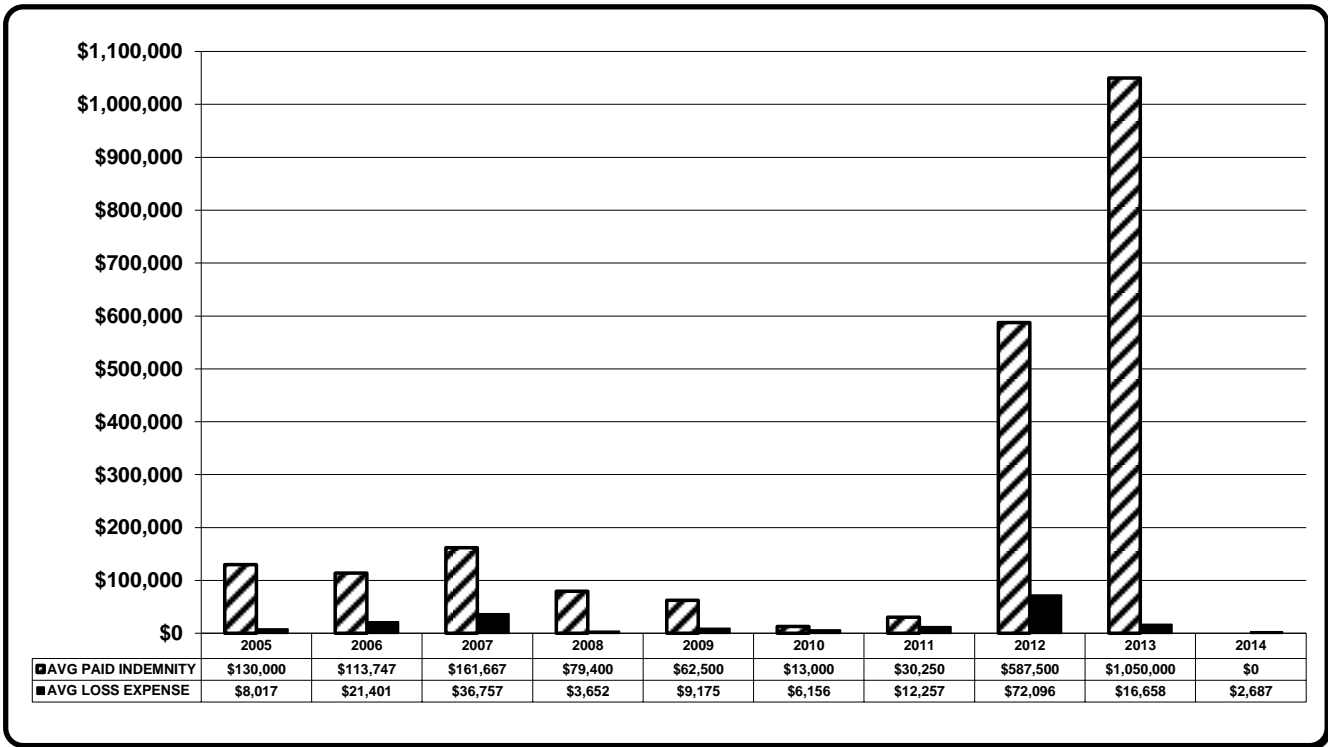


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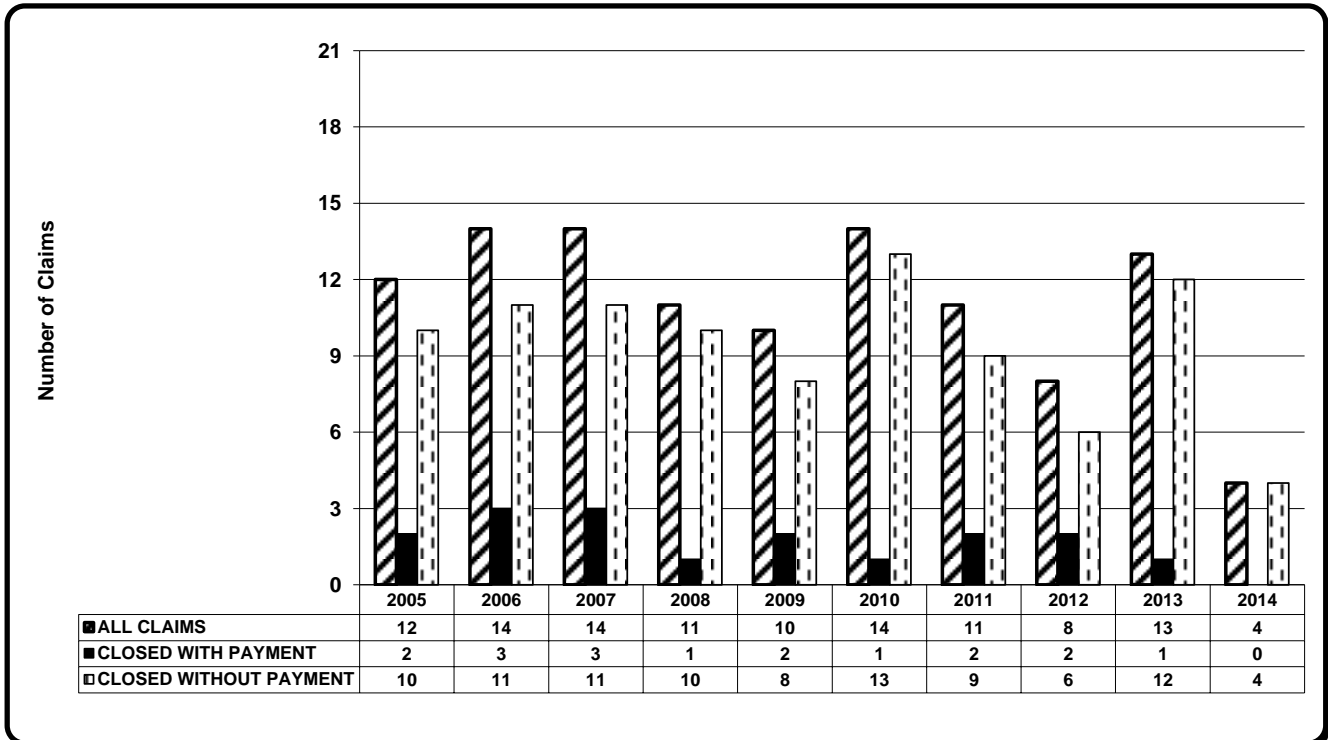


FAIL TO FOLLOW CLIENTS INSTRUCTIONS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2014 SUMMARY
BY
CLAIM DISPOSITIONS**

**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 2005-2014**

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY		TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
				PERCENT OF PAID CLAIMS	PER PAID CLAIM			
BEFORE TRIAL OR HEARING	963	323	57.37%	\$127,742	\$41,260,516	59.18%	\$30,819	
BEFORE FILING SUIT OR DEMANDING HEARING	952	209	37.12%	\$99,281	\$20,749,802	29.76%	\$2,640	
CLAIM OR SUIT ABANDONED	198	0	0.00%	N/A	\$0	0.00%	\$1,915	
AFTER APPEAL	68	5	0.89%	\$523,173	\$2,615,867	3.75%	\$91,826	
AFTER TRIAL OR HEARING, BEFORE JUDGMENT	54	5	0.89%	\$133,977	\$669,885	0.96%	\$35,380	
DURING TRIAL OR HEARING	52	10	1.78%	\$164,573	\$1,645,730	2.36%	\$58,263	
AFTER JUDGMENT, BEFORE APPEAL	50	8	1.42%	\$304,339	\$2,434,715	3.49%	\$55,237	
DURING APPEAL	16	3	0.53%	\$113,747	\$341,240	0.49%	\$85,380	
DURING REVIEW PANEL	9	0	0.00%	N/A	\$0	0.00%	\$2,588	
TOTAL	2,362	563	100.00%	\$123,833	\$69,717,755	100.00%	\$20,282	

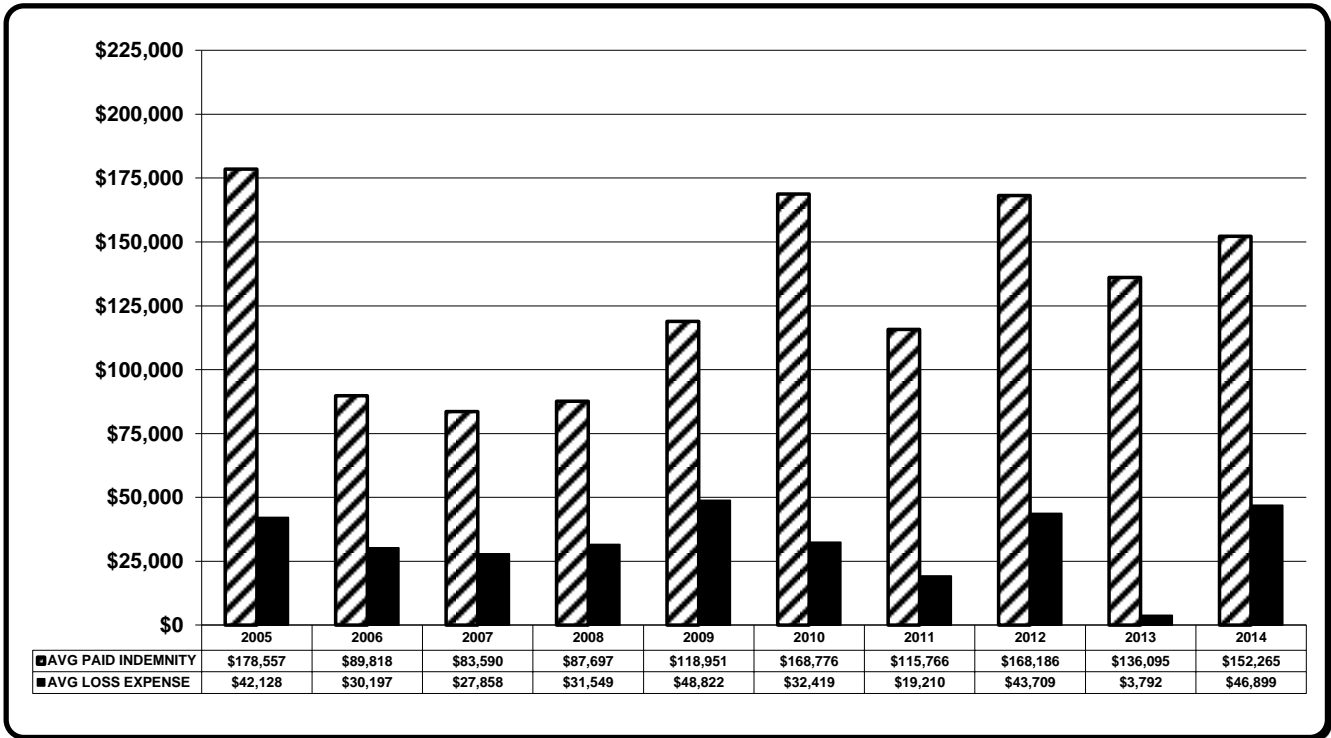
**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
CLAIMS CLOSED IN 2014**

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	95	28	62.22%	\$152,265	\$4,263,409	55.35%	\$46,899
BEFORE FILING SUIT OR DEMANDING HEARING	74	15	33.33%	\$176,933	\$2,653,997	34.45%	\$10,618
CLAIM OR SUIT ABANDONED	12	0	0.00%	N/A	\$0	0.00%	\$486
AFTER TRIAL OR HEARING, BEFORE JUDGMENT	10	0	0.00%	N/A	\$0	0.00%	\$10,050
AFTER JUDGMENT, BEFORE APPEAL	8	0	0.00%	N/A	\$0	0.00%	\$16,363
DURING TRIAL OR HEARING	7	2	4.44%	\$392,877	\$785,754	10.20%	\$64,904
AFTER APPEAL	5	0	0.00%	N/A	\$0	0.00%	\$66,539
DURING APPEAL	1	0	0.00%	N/A	\$0	0.00%	\$113,828
DURING REVIEW PANEL	1	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	213	45	100.00%	\$171,181	\$7,703,160	100.00%	\$29,950

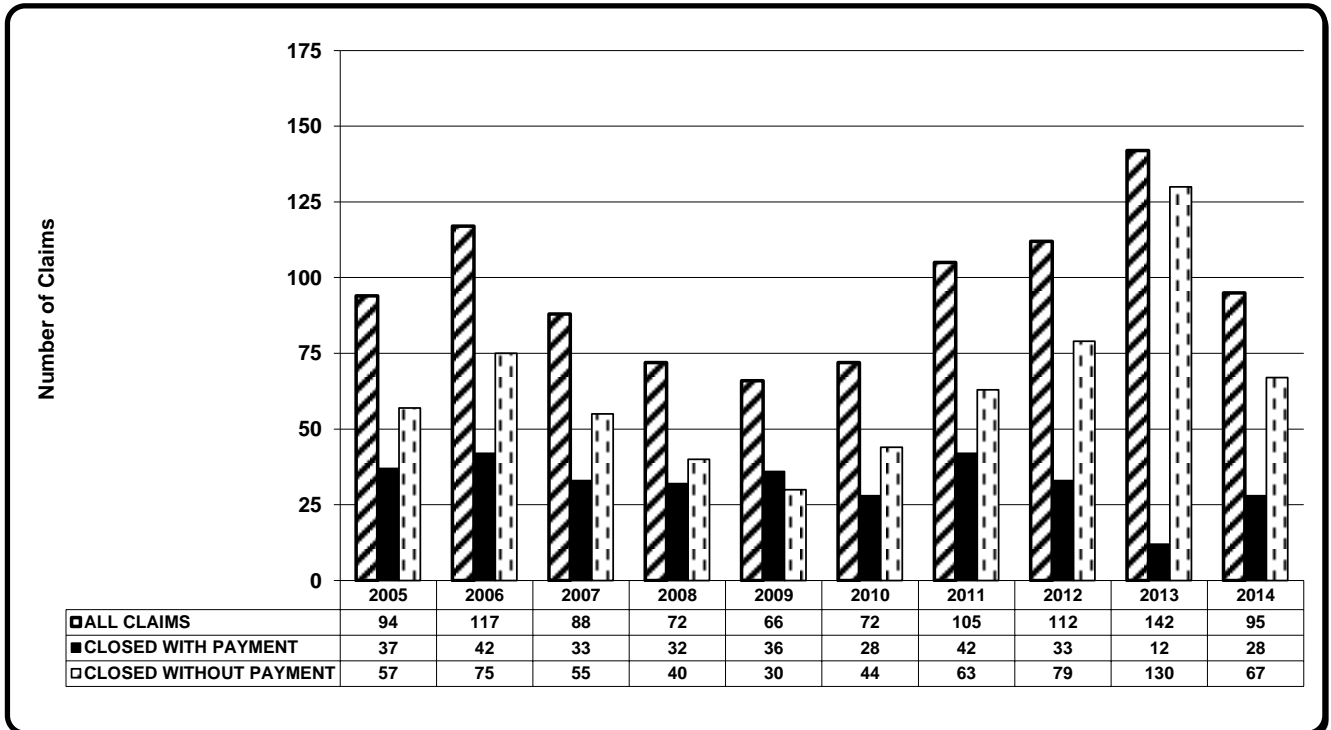
**TRENDS
OF THE TOP NINE
CLAIM DISPOSITIONS
OF 2014**

BEFORE TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

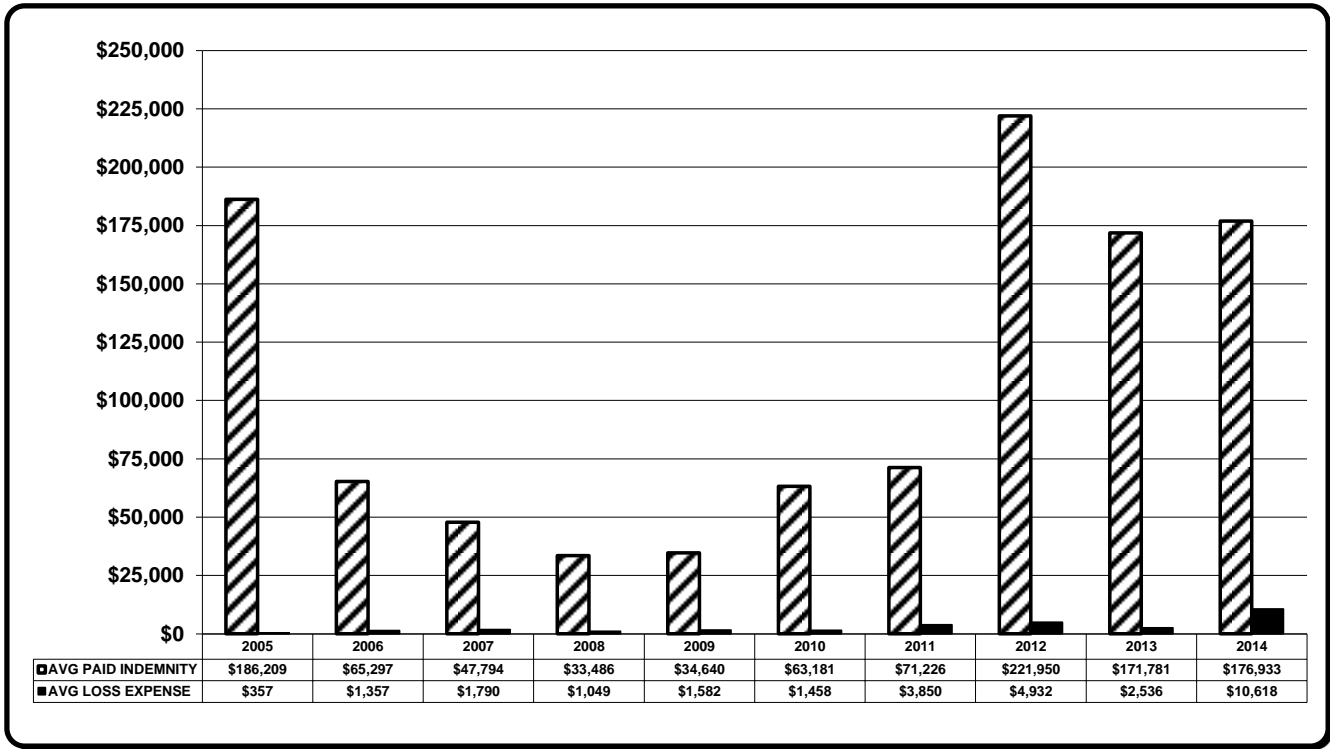


CLAIM COUNT

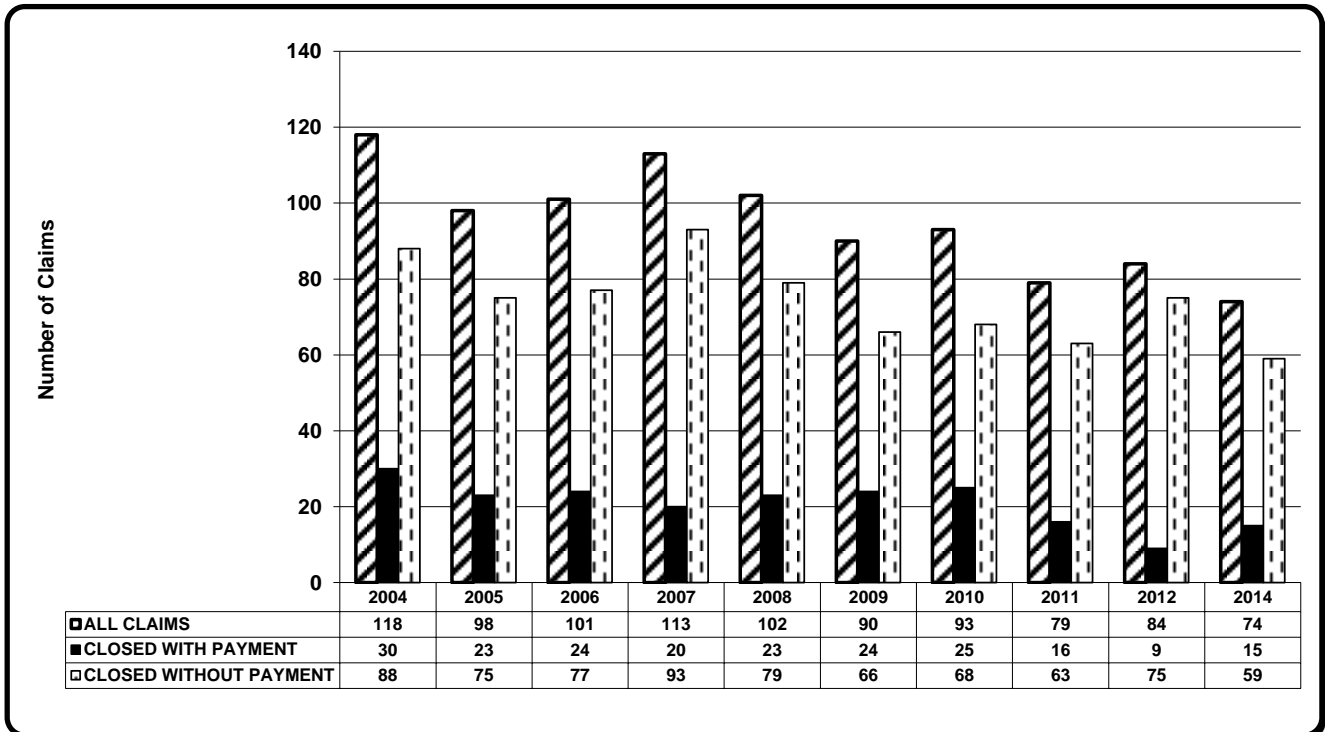


BEFORE FILING SUIT OR DEMANDING HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

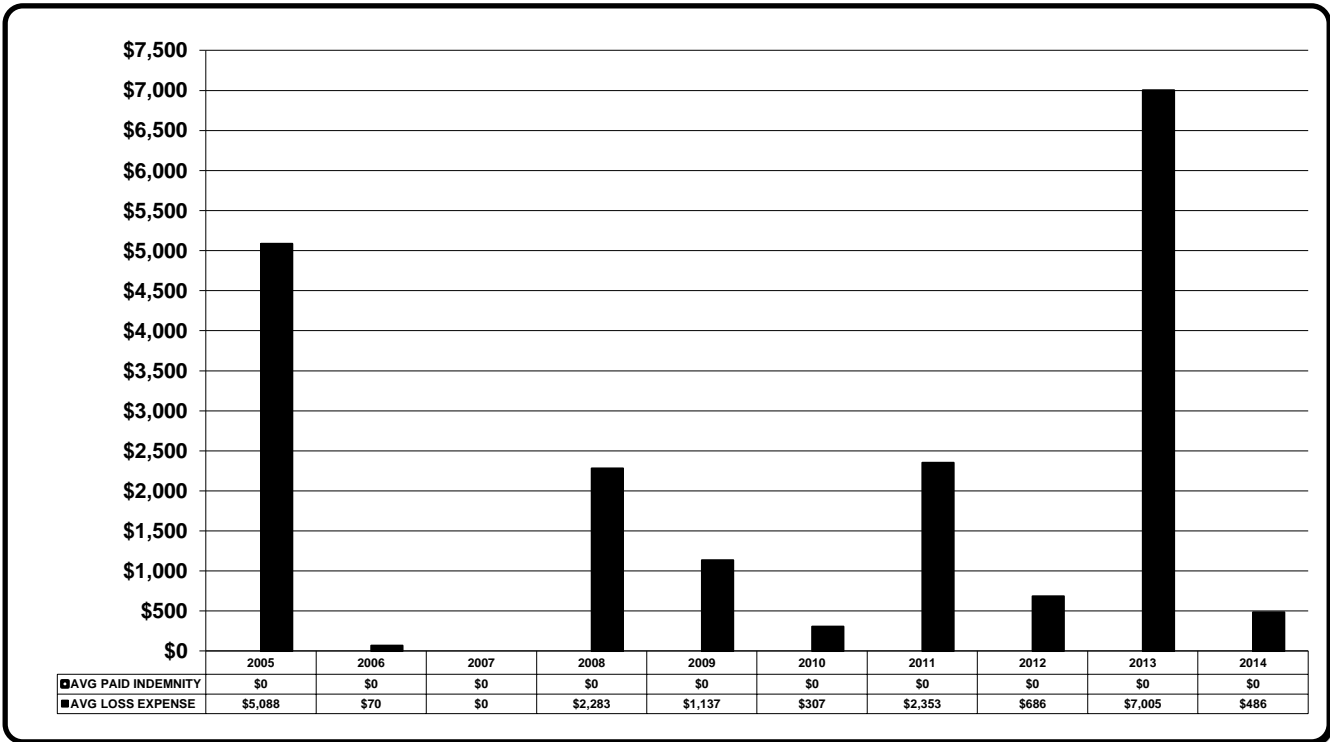


CLAIM COUNT

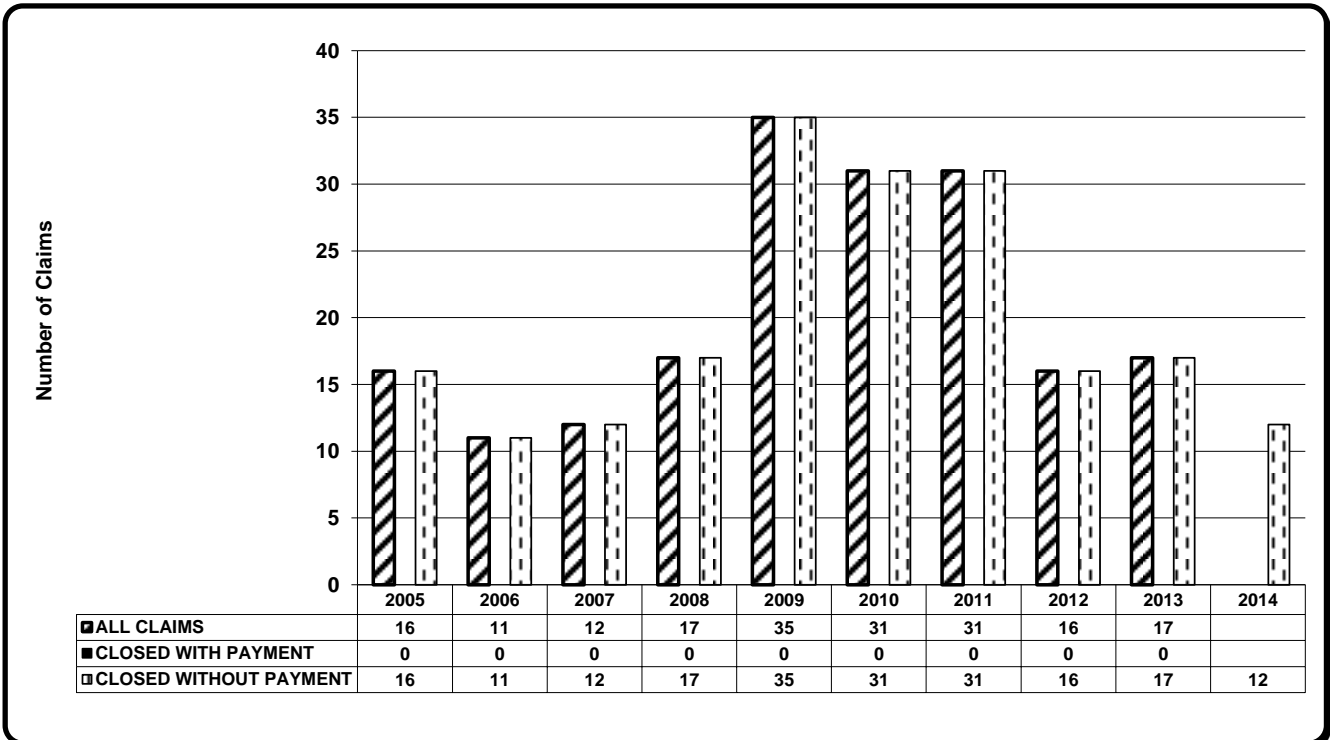


CLAIM OR SUIT ABANDONED

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

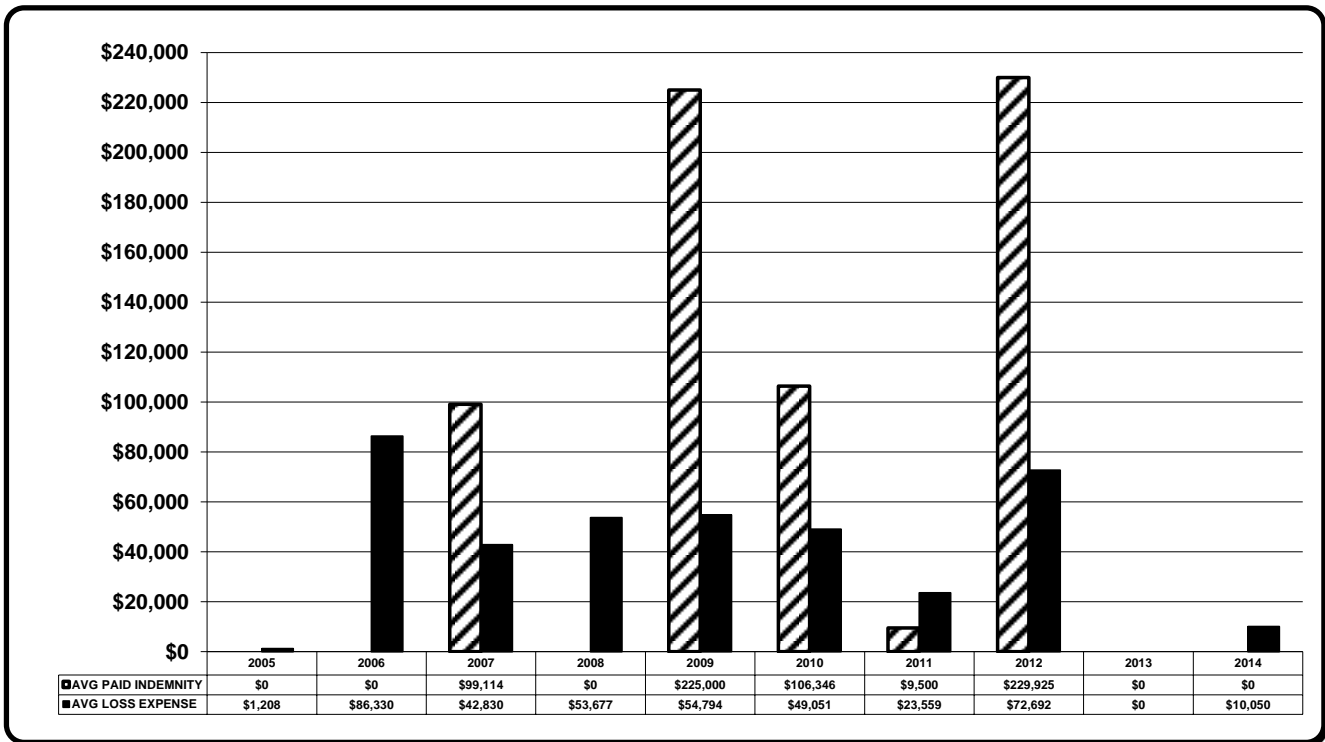


CLAIM COUNT

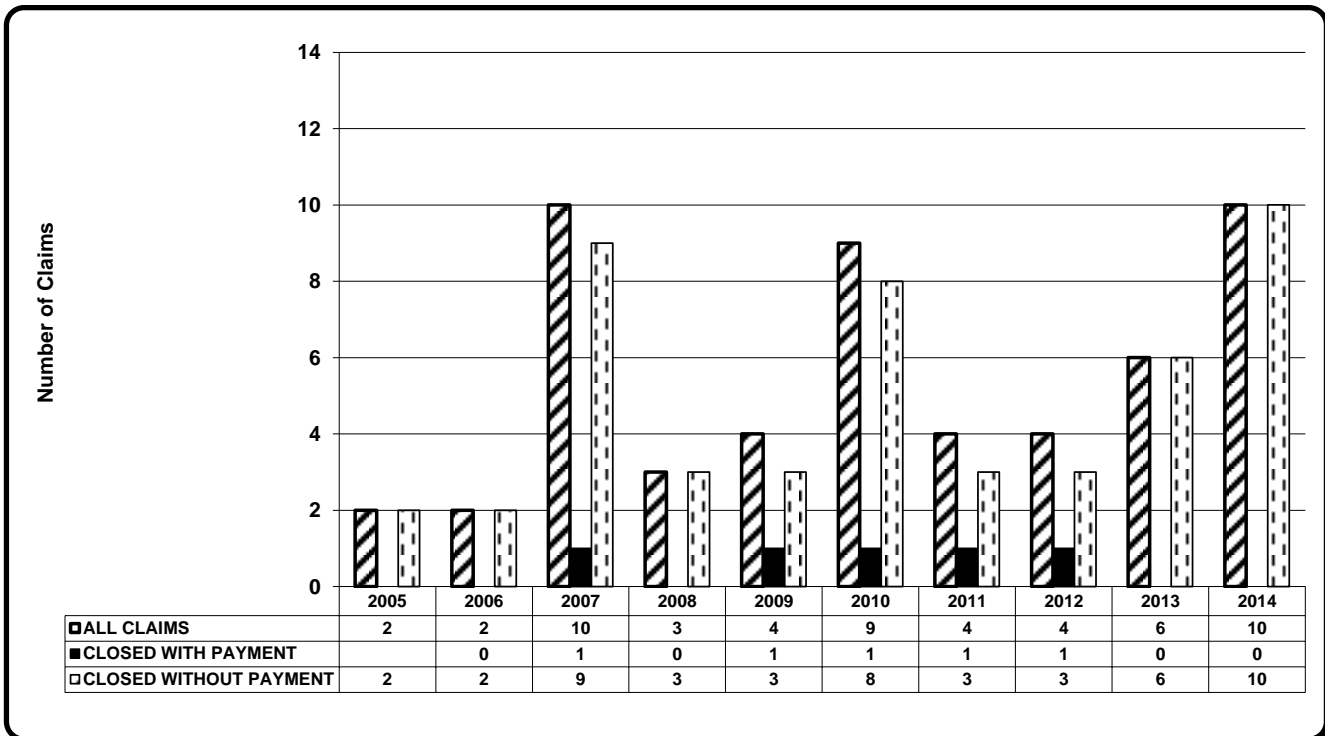


AFTER TRIAL OR HEARING, BEFORE JUDGMENT

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

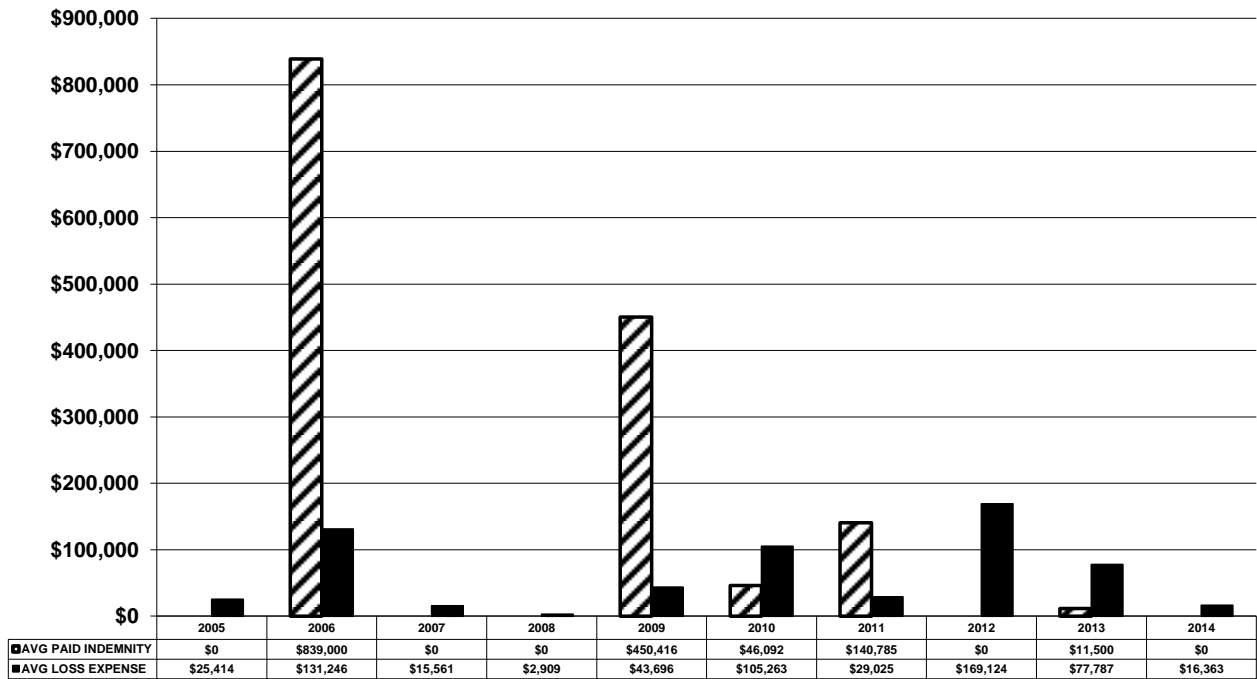


CLAIM COUNT

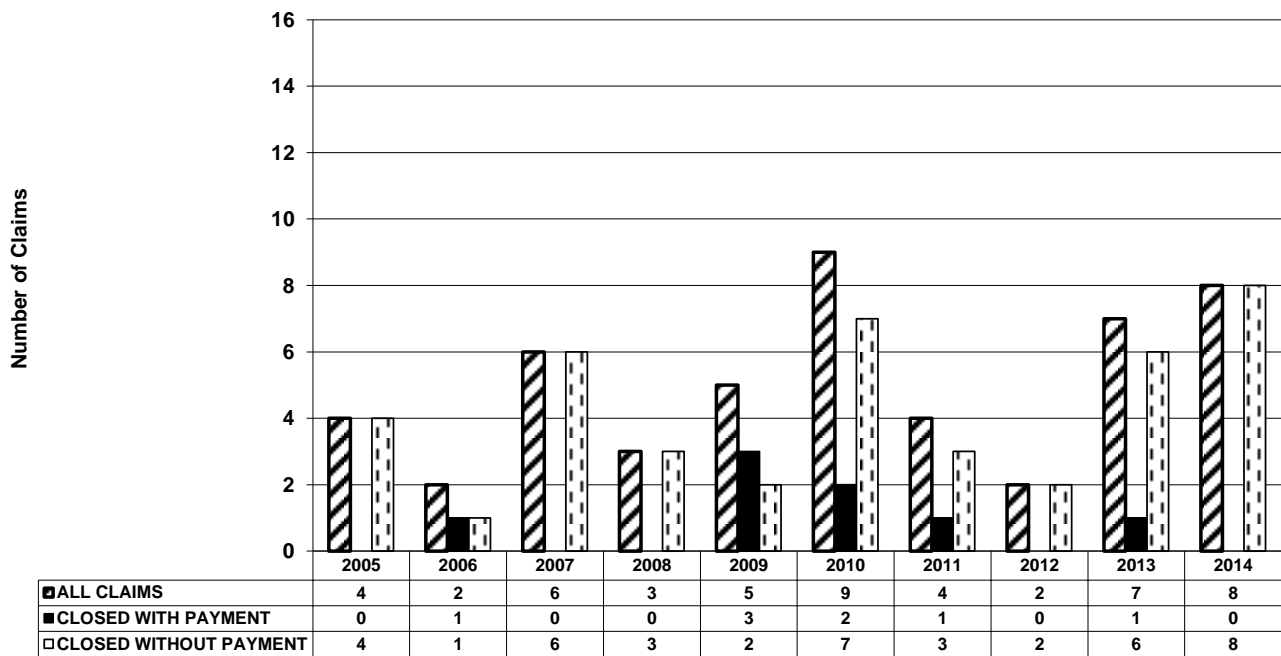


AFTER JUDGMENT, BEFORE APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

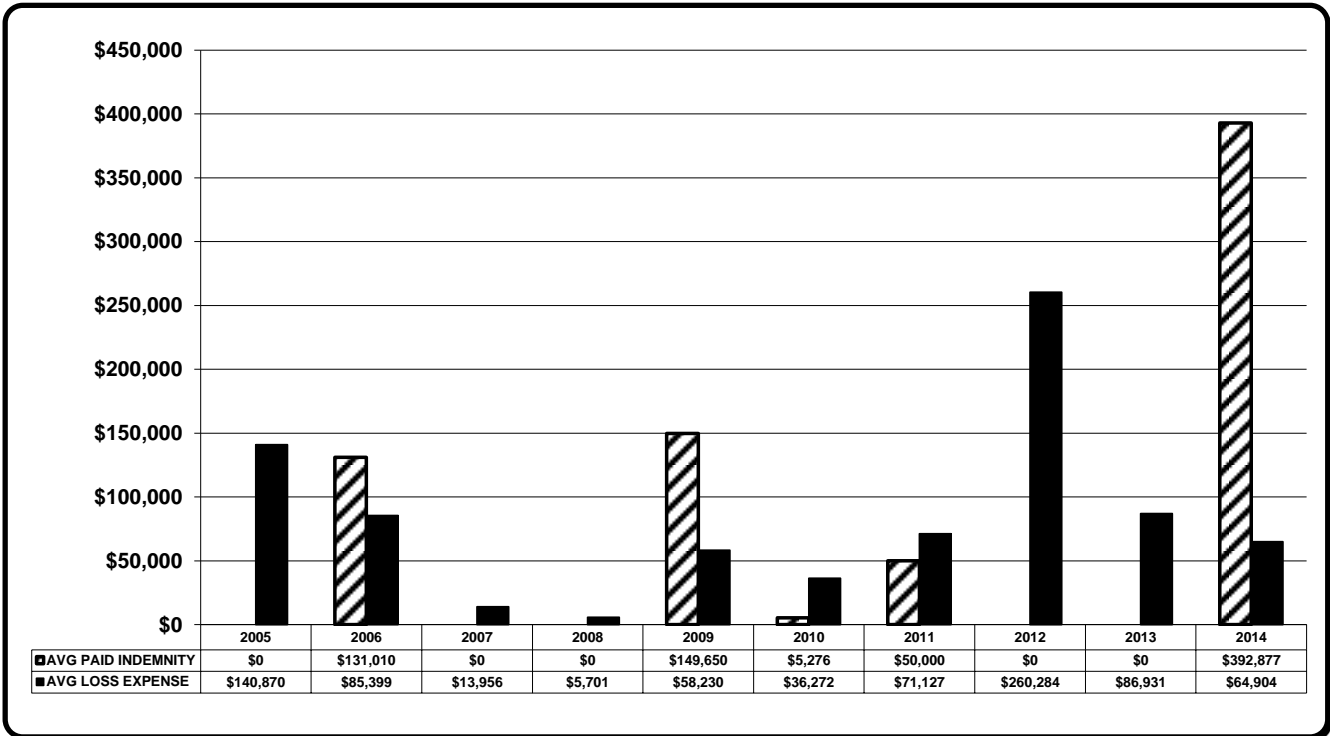


CLAIM COUNT

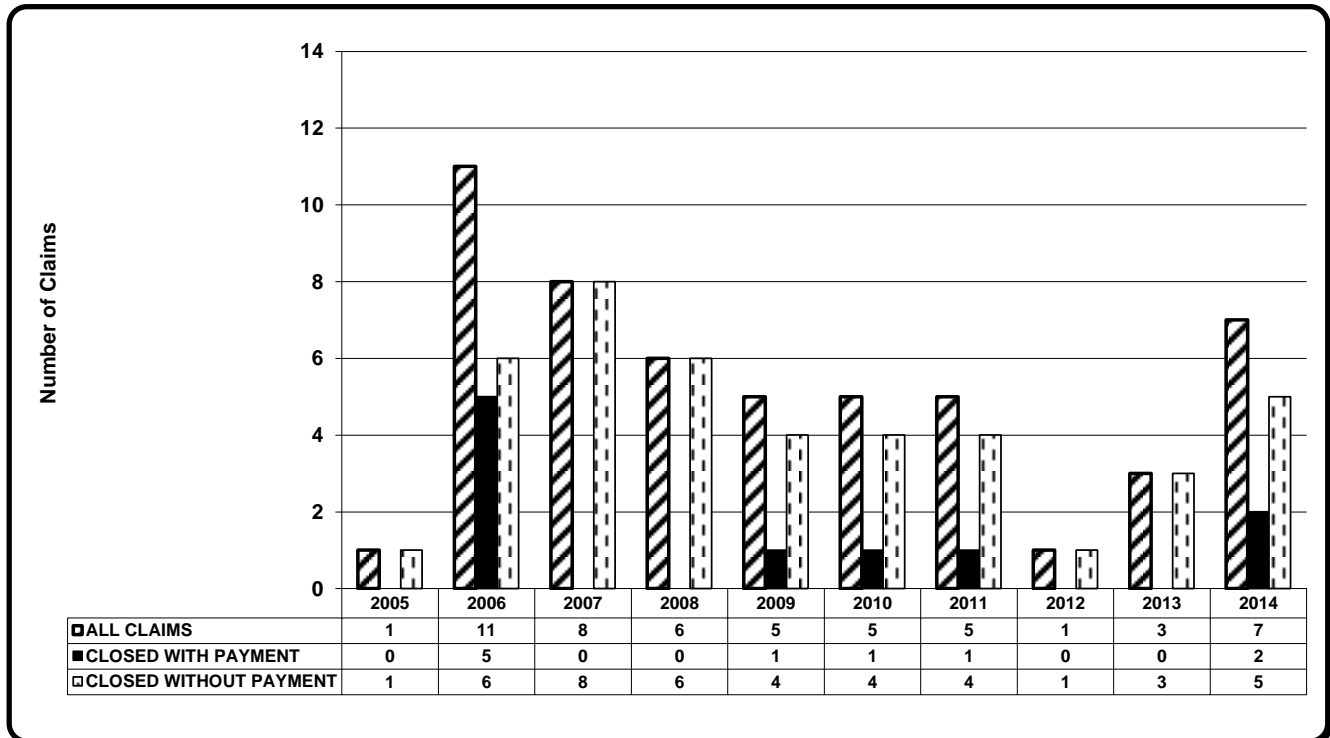


DURING TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

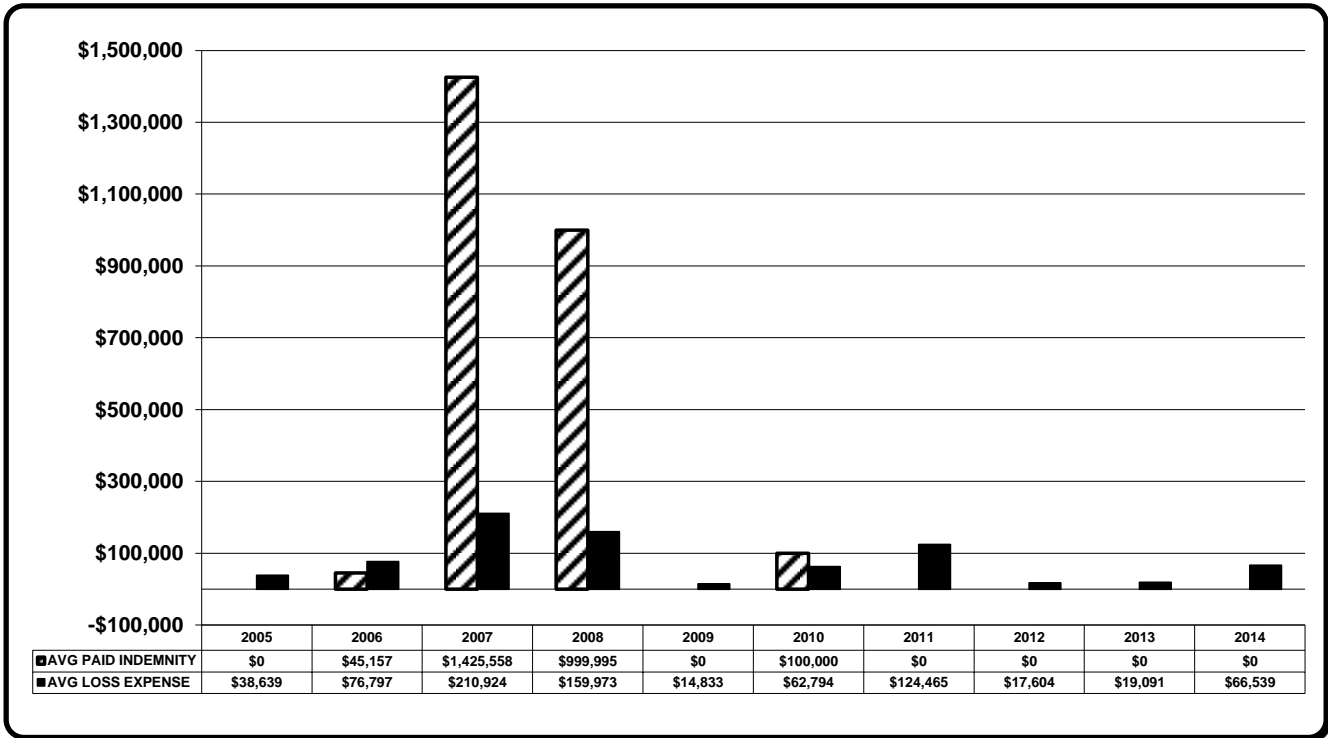


CLAIM COUNT

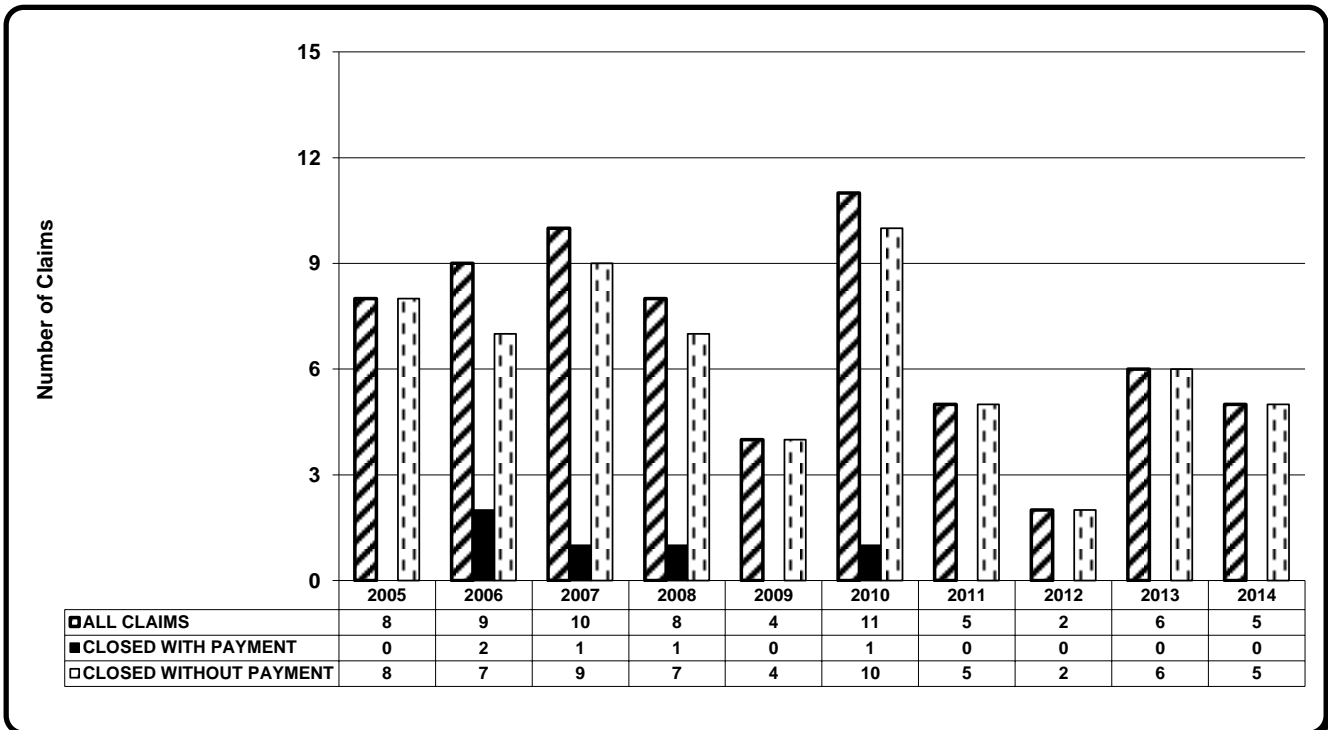


AFTER APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

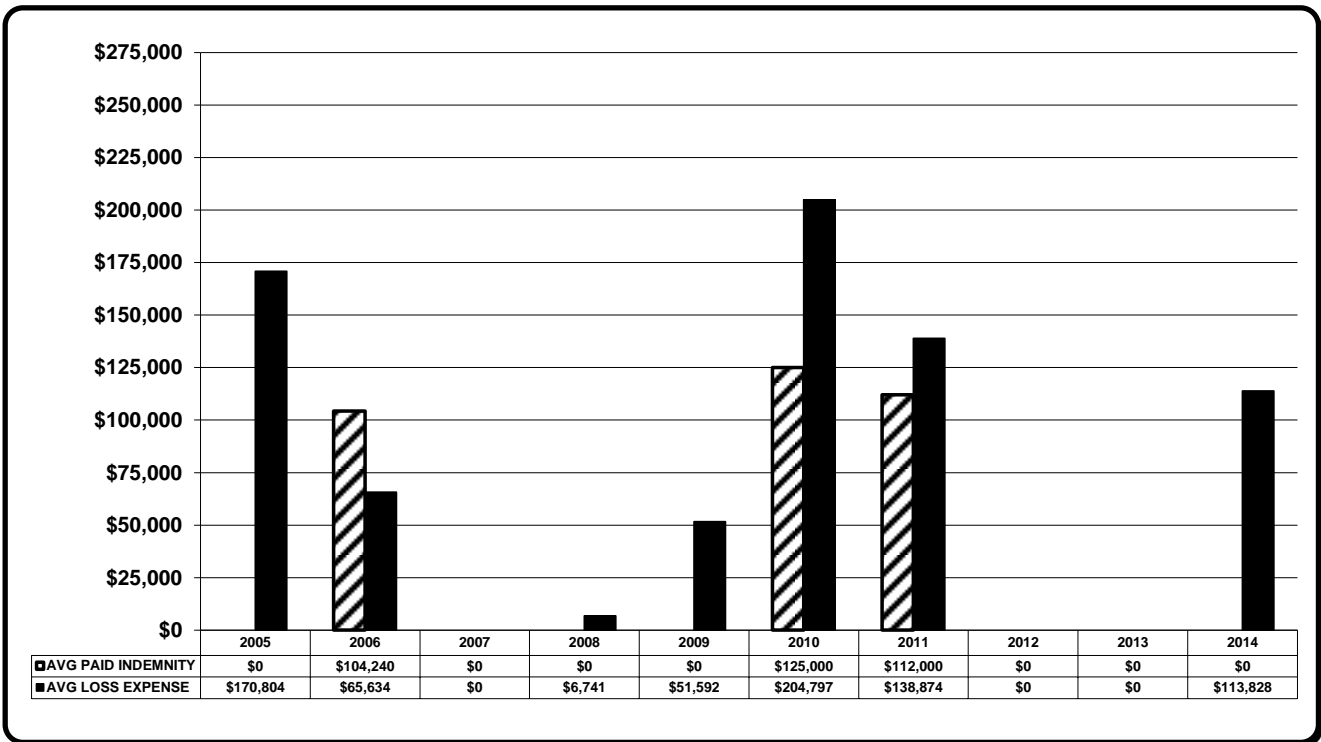


CLAIM COUNT

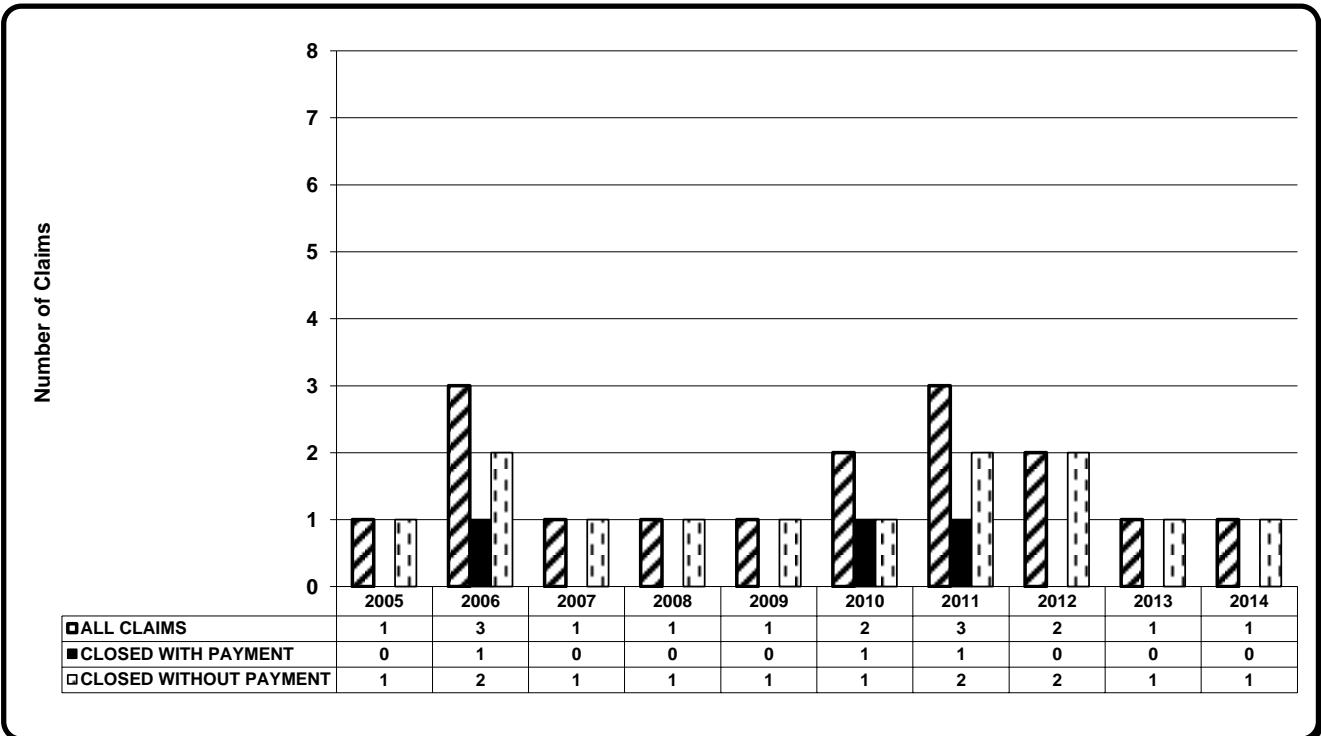


DURING APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

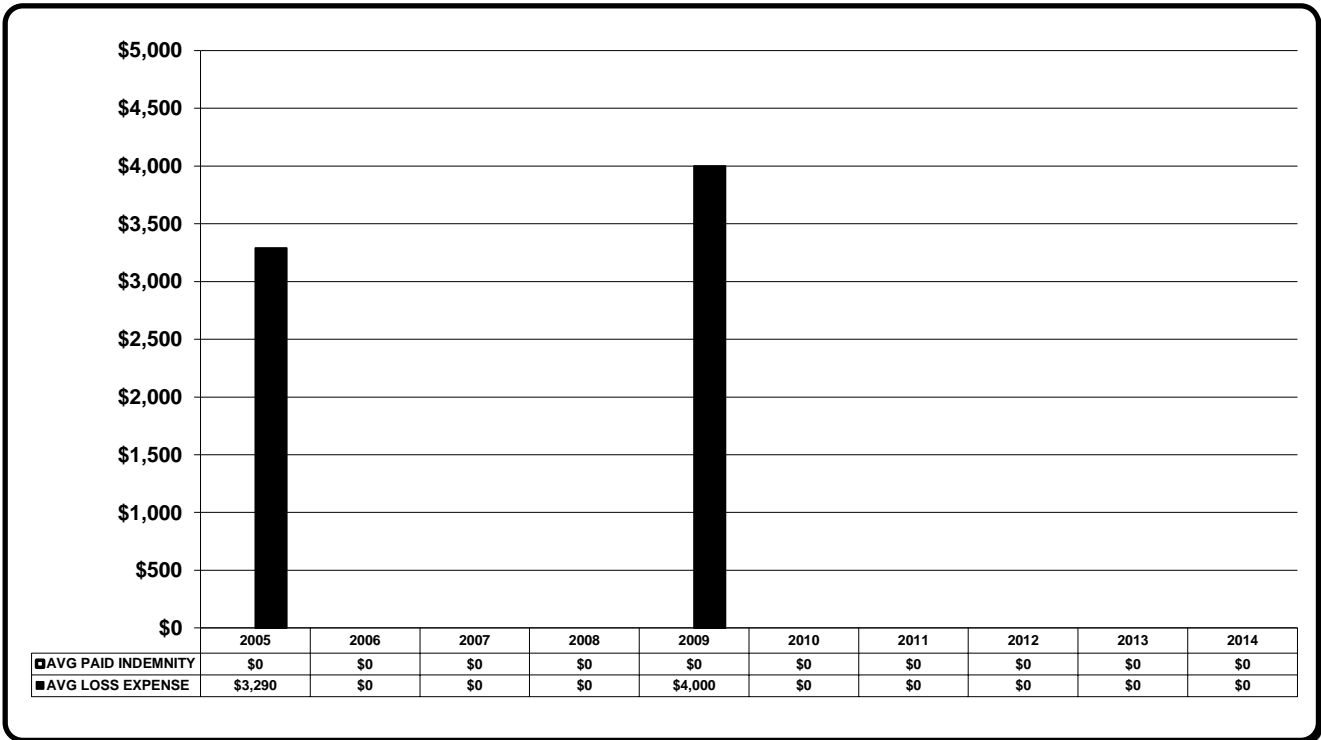


CLAIM COUNT

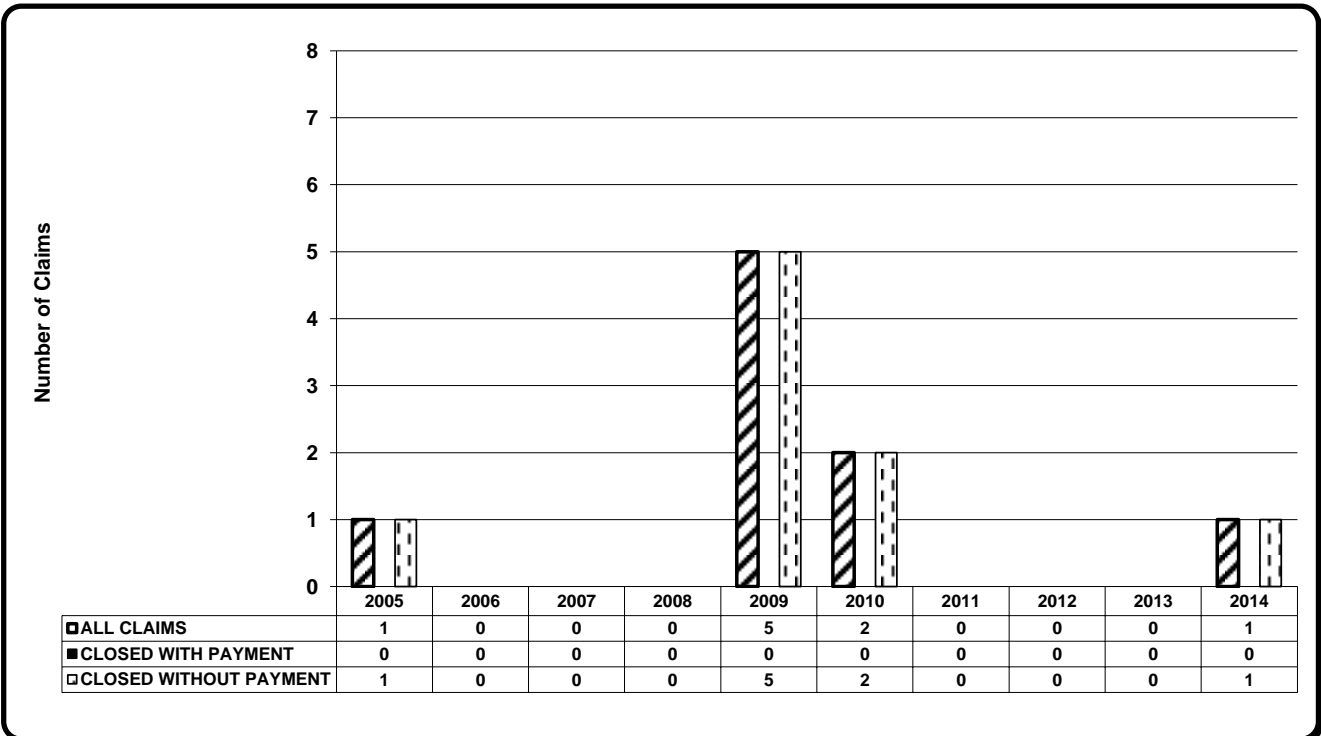


DURING REVIEW PANEL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2014 SUMMARY
BY
YEARS ADMITTED TO PRACTICE**

**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 2005-2014**

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	2,248	528	93.78%	\$119,061	\$62,864,210	90.17%	\$20,323
4 TO 10 YEARS	95	31	5.51%	\$195,748	\$6,068,195	8.70%	\$21,815
UNDER 4 YEARS	19	4	0.71%	\$196,338	\$785,350	1.13%	\$7,798
TOTAL	2,362	563	100.00%	\$123,833	\$69,717,755	100.00%	\$20,282

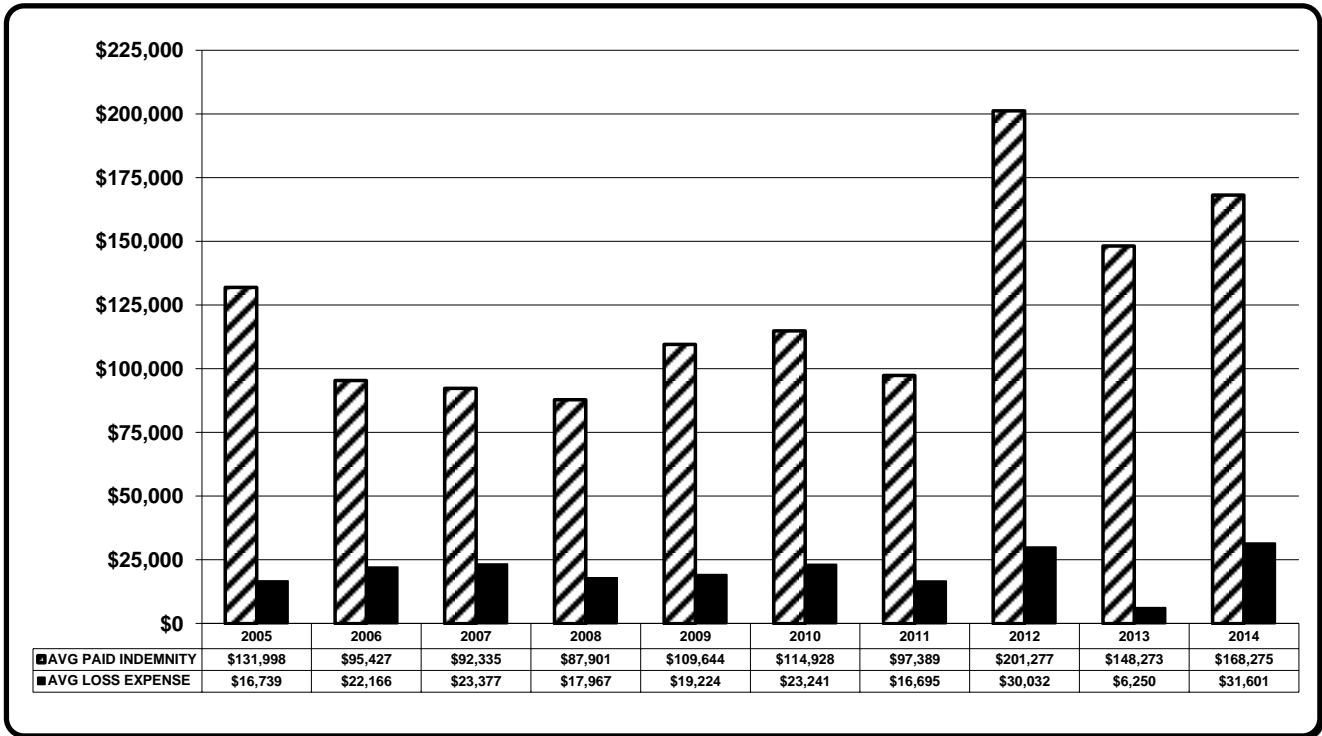
**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
CLAIMS CLOSED IN 2014**

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	198	39	86.67%	\$168,275	\$6,562,738	85.20%	\$31,601
4 TO 10 YEARS	14	6	13.33%	\$190,070	\$1,140,422	14.80%	\$8,733
UNDER 4 YEARS	1	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	213	45	100.00%	\$171,181	\$7,703,160	100.00%	\$29,950

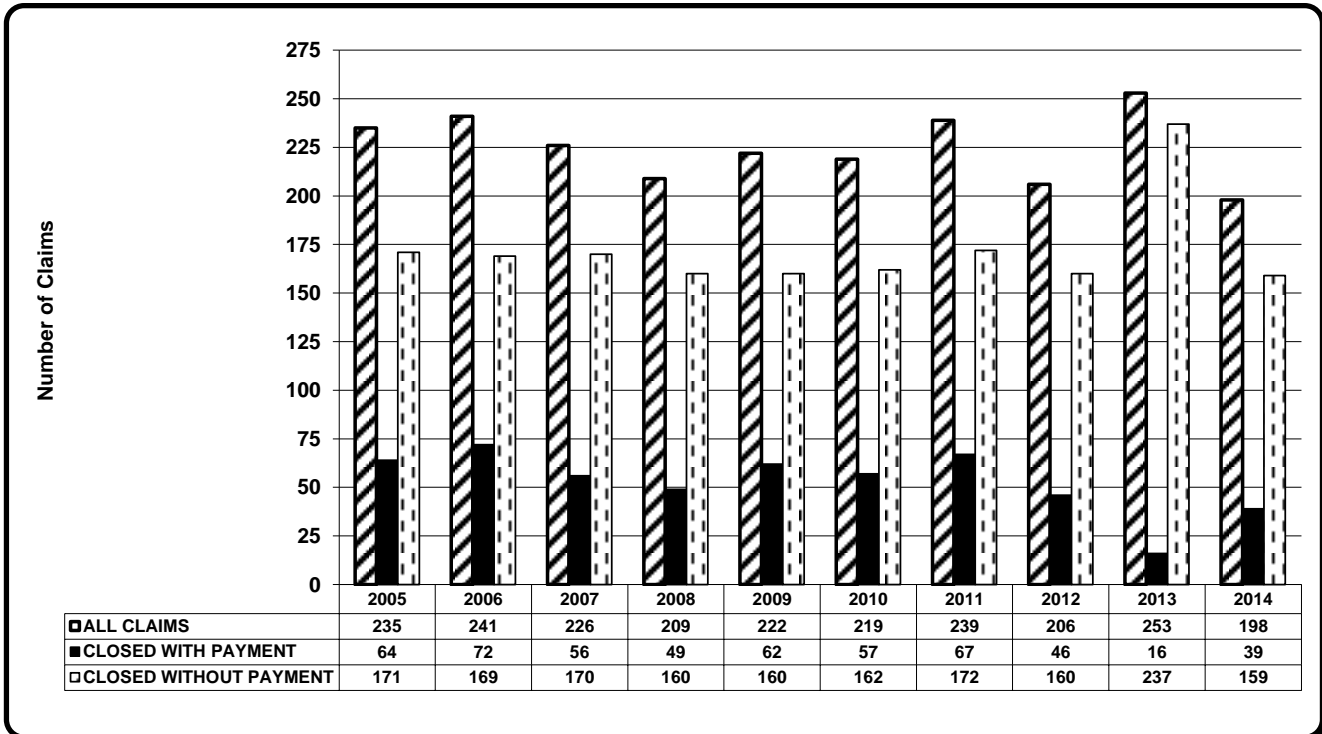
**TRENDS
OF
YEARS ADMITTED TO PRACTICE
FOR 2014**

OVER 10 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

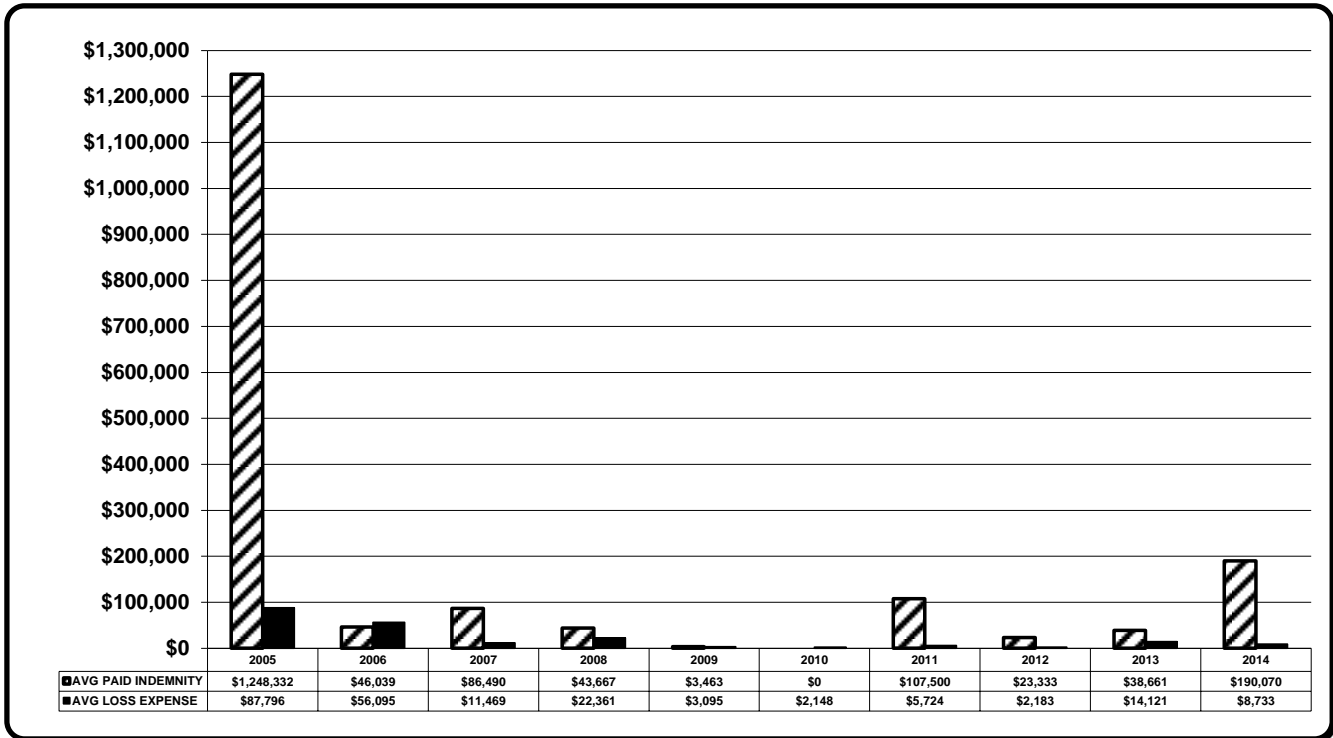


CLAIM COUNT

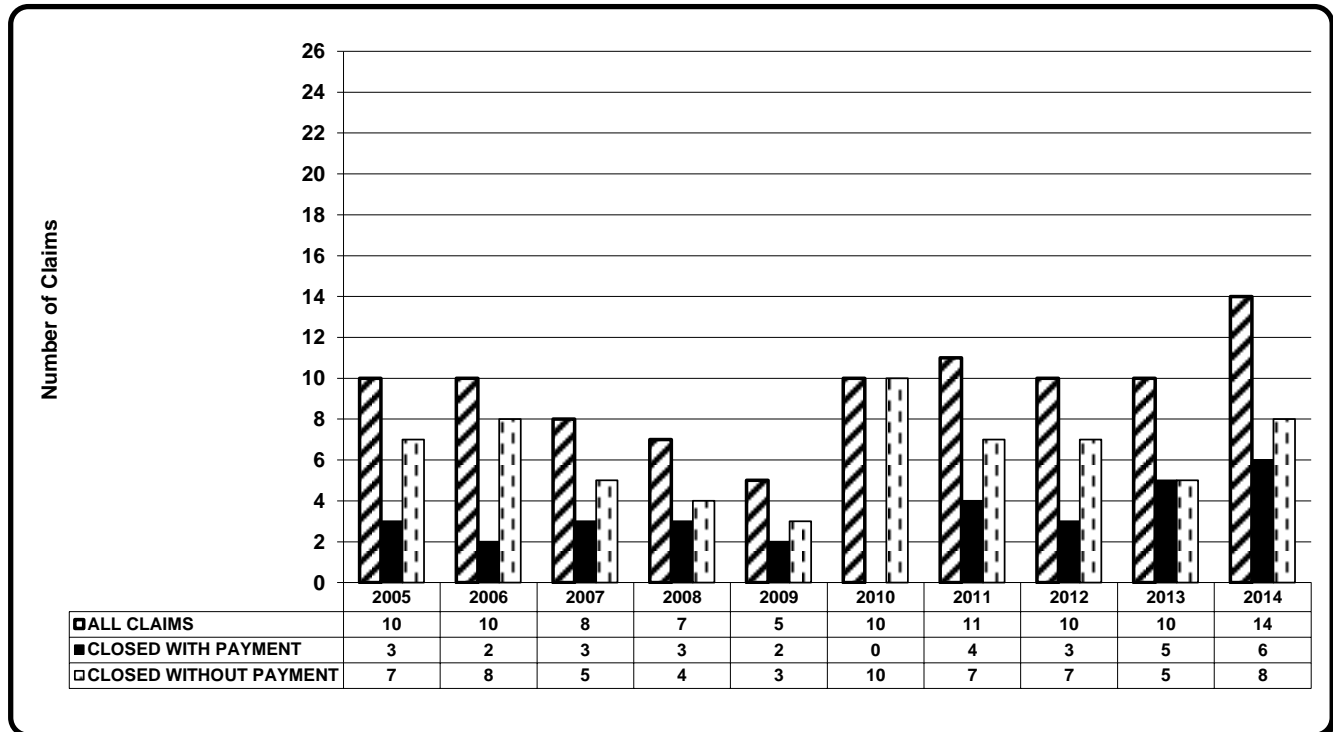


4 TO 10 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

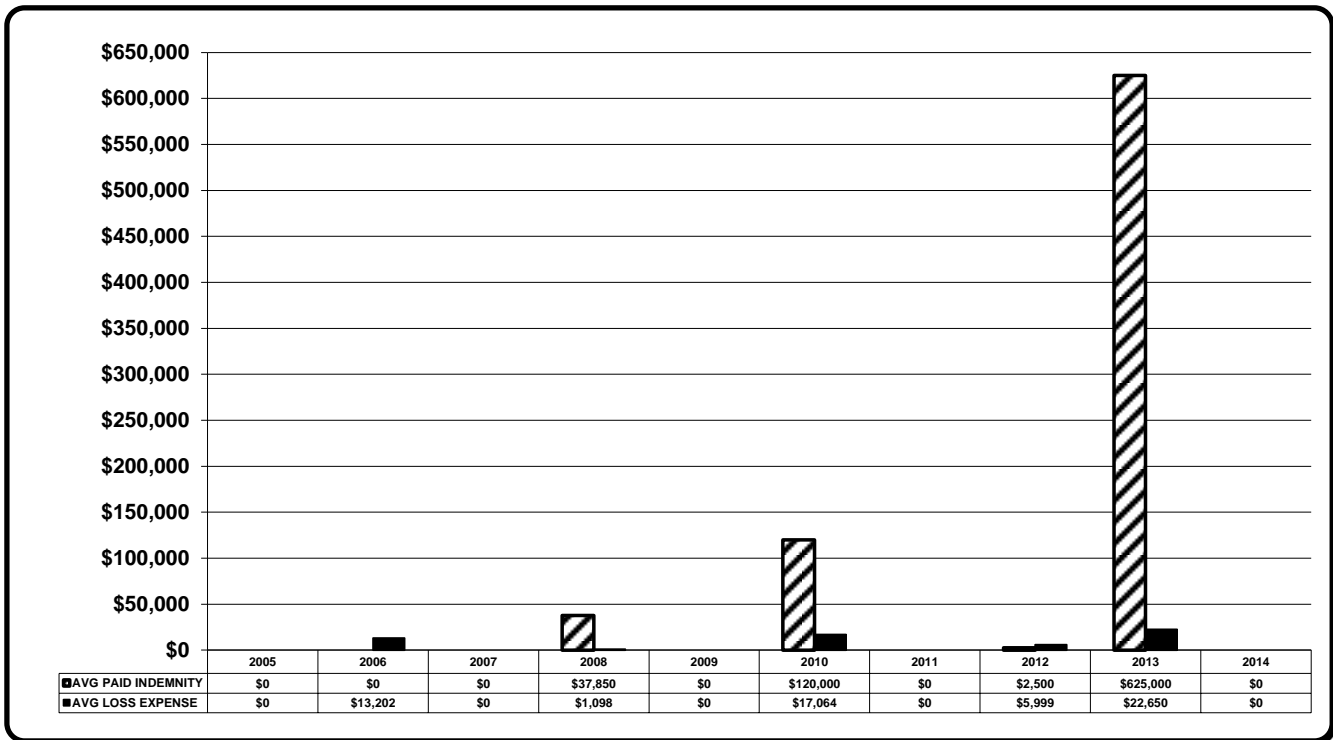


CLAIM COUNT

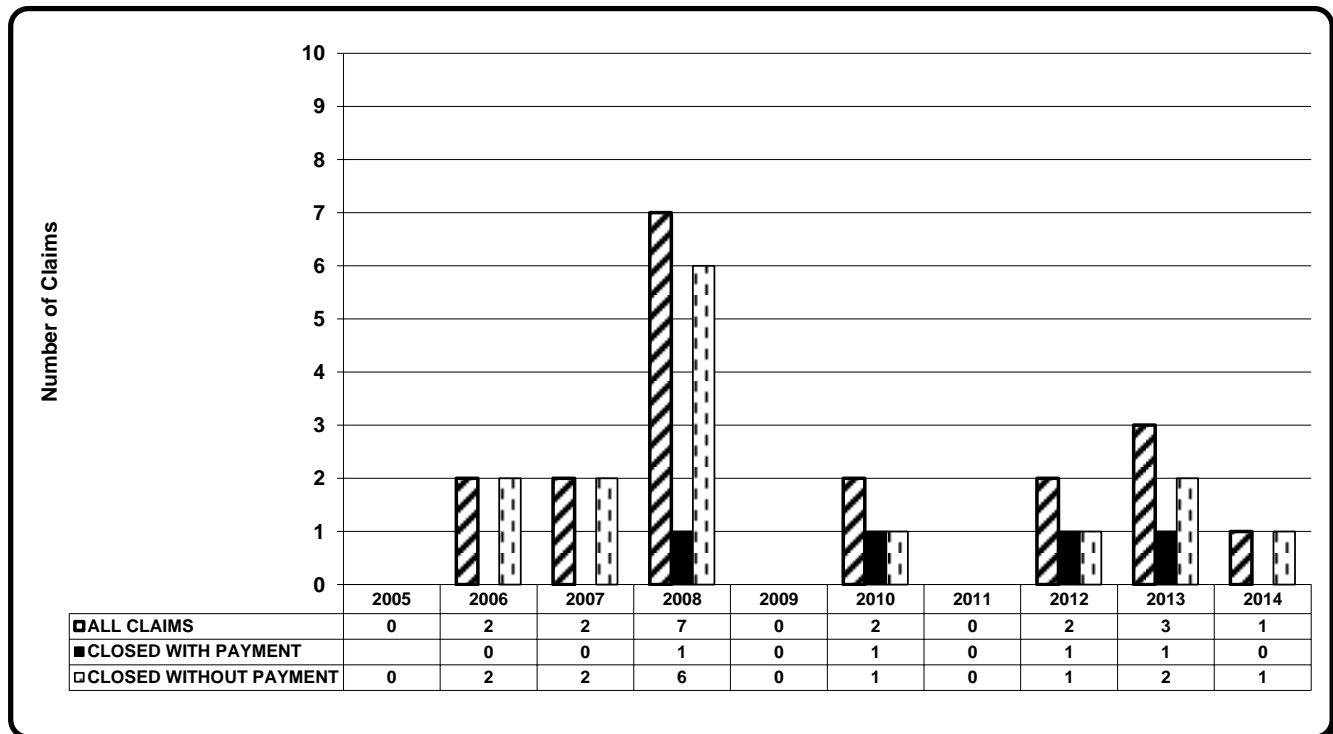


UNDER 4 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2014 SUMMARY
BY
INSURED/CLAIMANT RELATIONSHIP**

**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
FOR YEARS 2005-2014**

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	1,723	473	84.01%	\$124,346	\$58,815,592	84.36%	\$22,880
NON-CLIENT	626	87	15.45%	\$69,680	\$6,062,163	8.70%	\$11,654
MEMBER PRE-PAID LEGAL PLAN	8	3	0.53%	\$1,613,333	\$4,840,000	6.94%	\$72,897
FREE LEGAL SERVICE	5	0	0.00%	N/A	\$0	0.00%	\$121,163
TOTAL	2,362	563	100.00%	\$123,833	\$69,717,755	100.00%	\$20,282

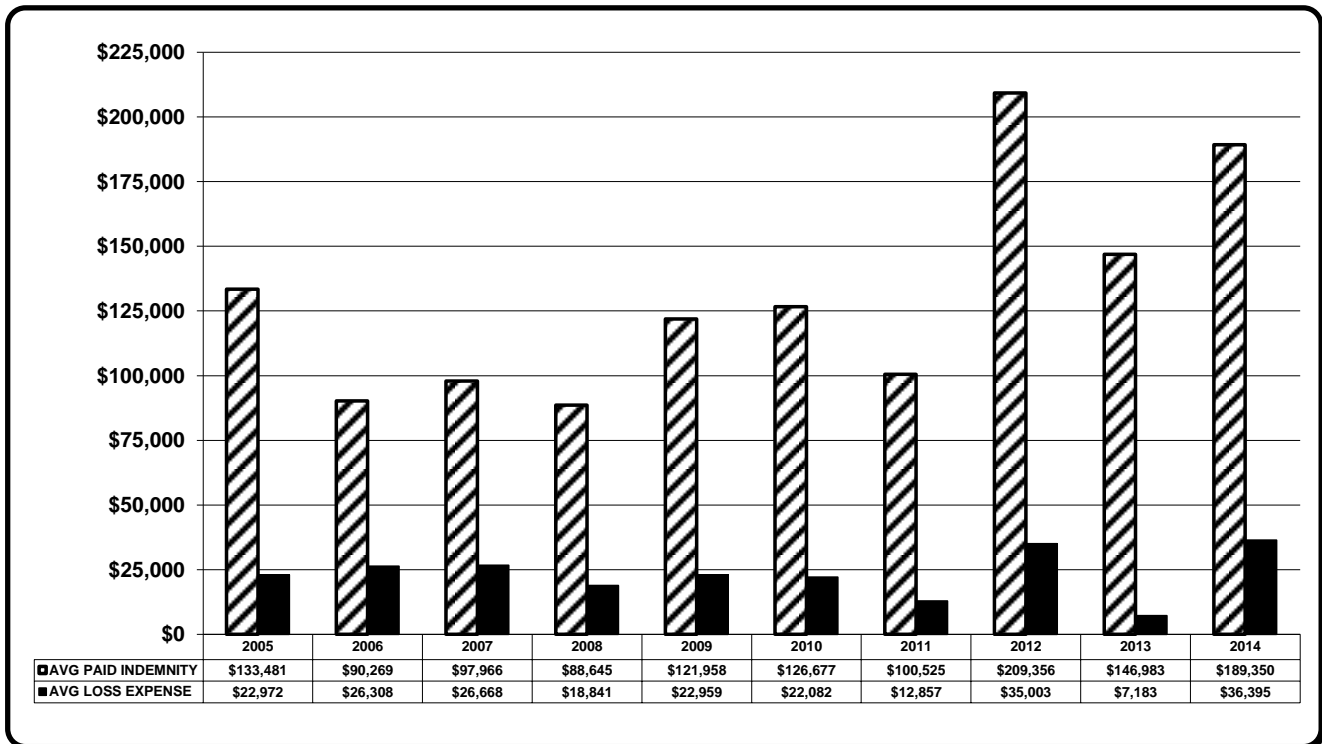
**LEGAL MALPRACTICE INSURANCE
INDEMNITY ANALYSIS
CLAIMS CLOSED IN 2014**

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	156	35	77.78%	\$189,350	\$6,627,237	86.03%	\$36,395
NON-CLIENT	56	10	22.22%	\$107,592	\$1,075,923	13.97%	\$12,427
FREE LEGAL SERVICE	1	0	0.00%	N/A	\$0	0.00%	\$5,747
TOTAL	213	45	100.00%	\$171,181	\$7,703,160	100.00%	\$29,950

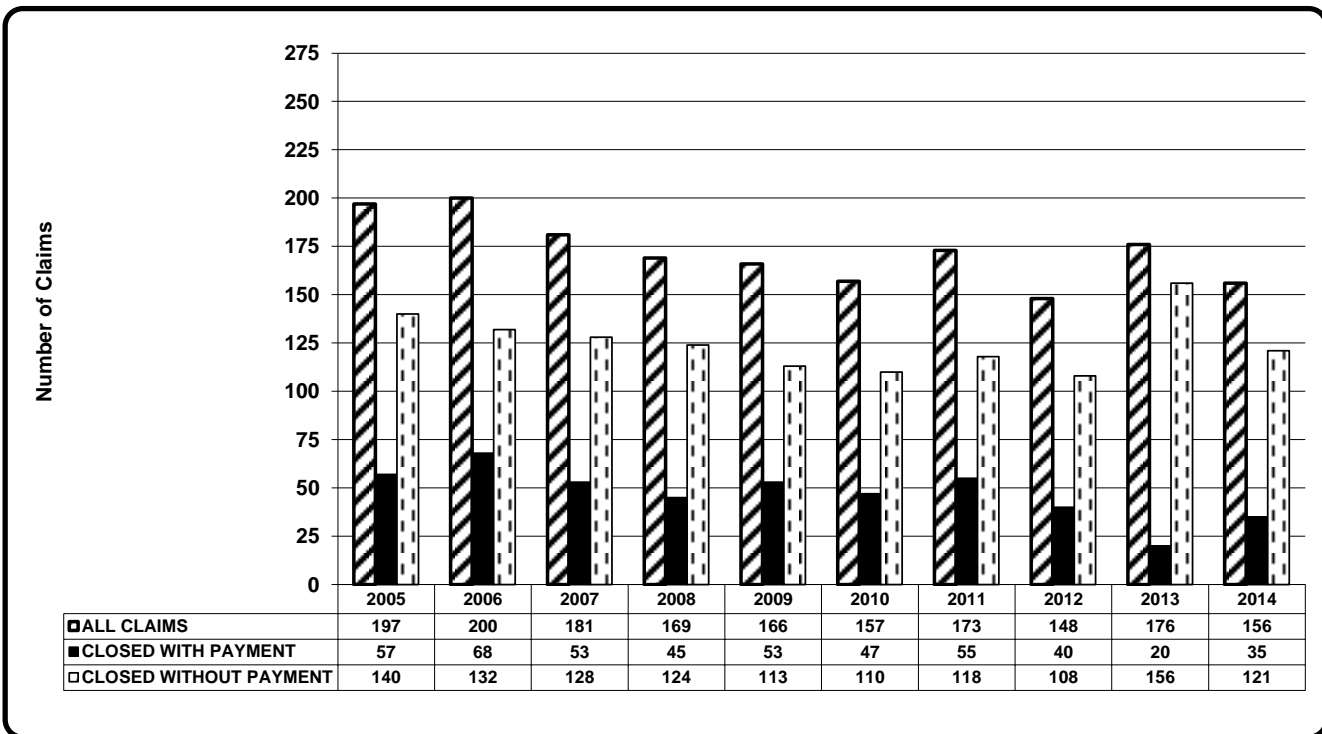
**TRENDS
OF
INSURED/CLAIMANT
RELATIONSHIP
FOR 2014**

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

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

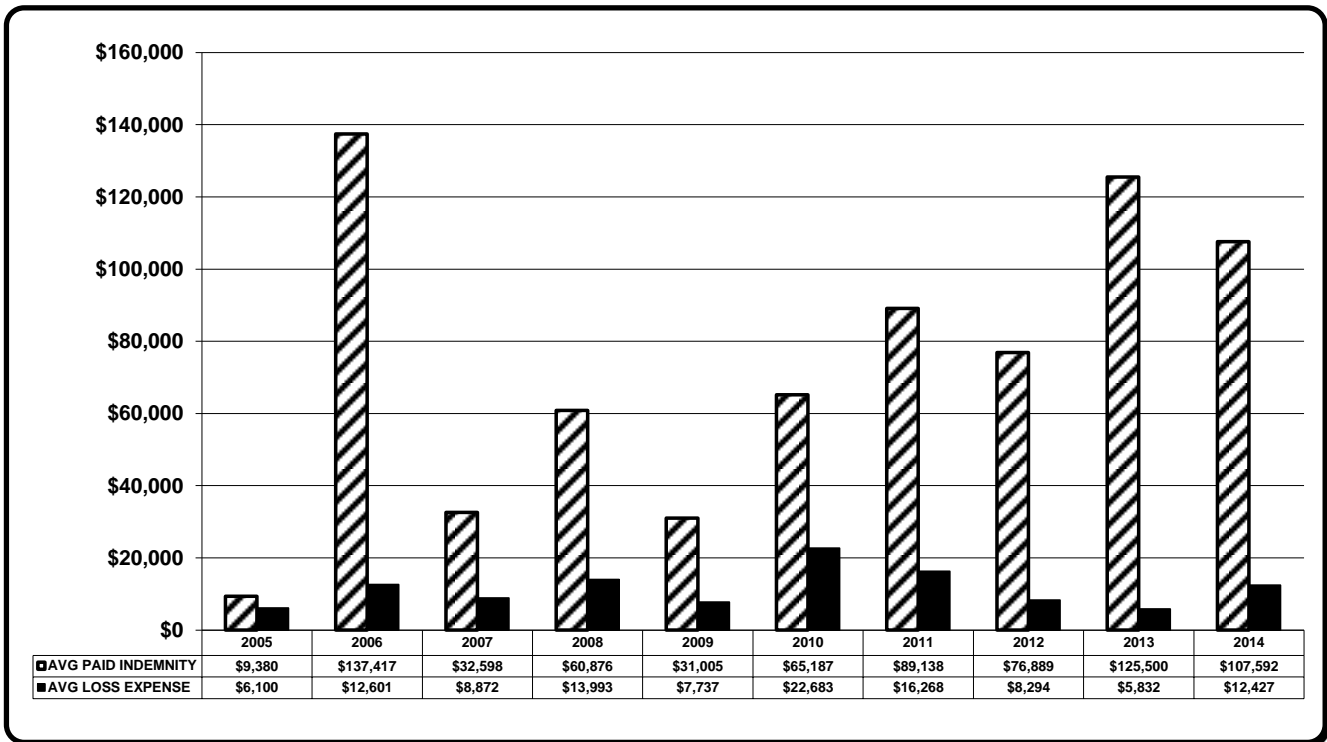


CLAIM COUNT

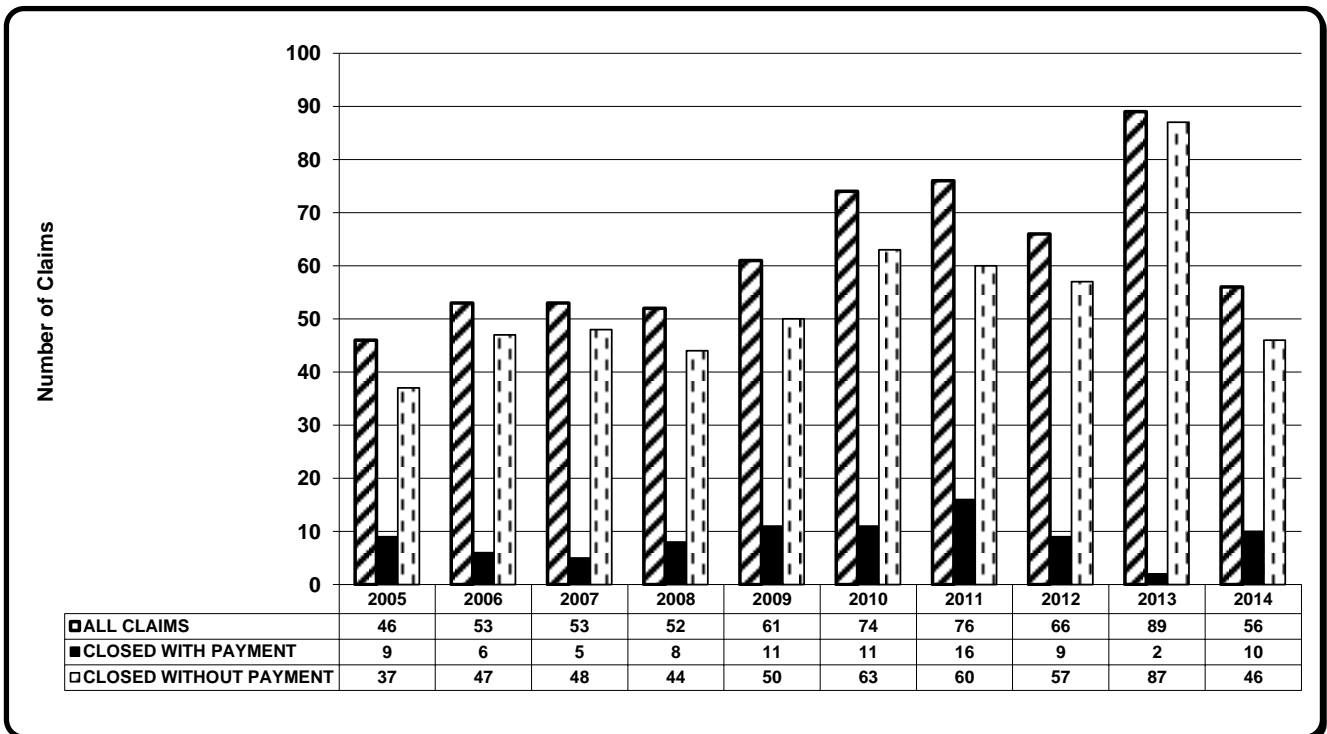


NON-CLIENT

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

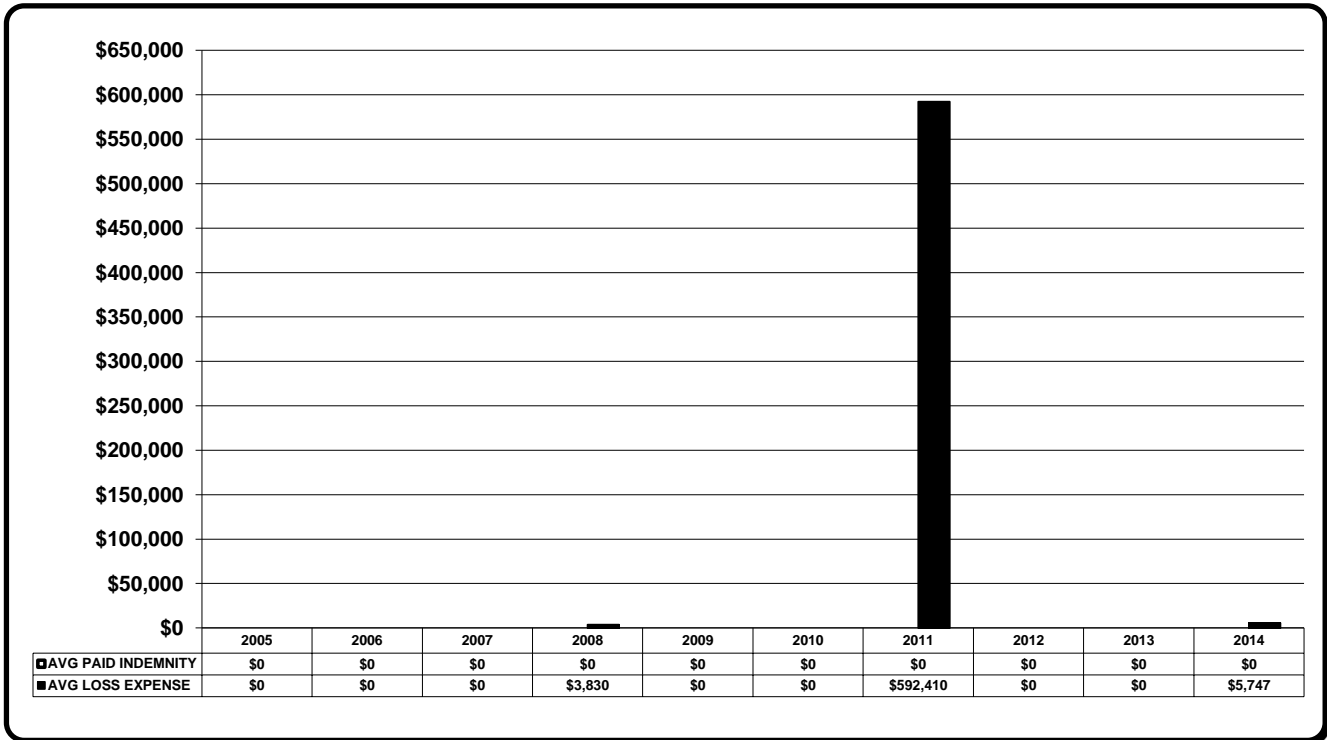


CLAIM COUNT

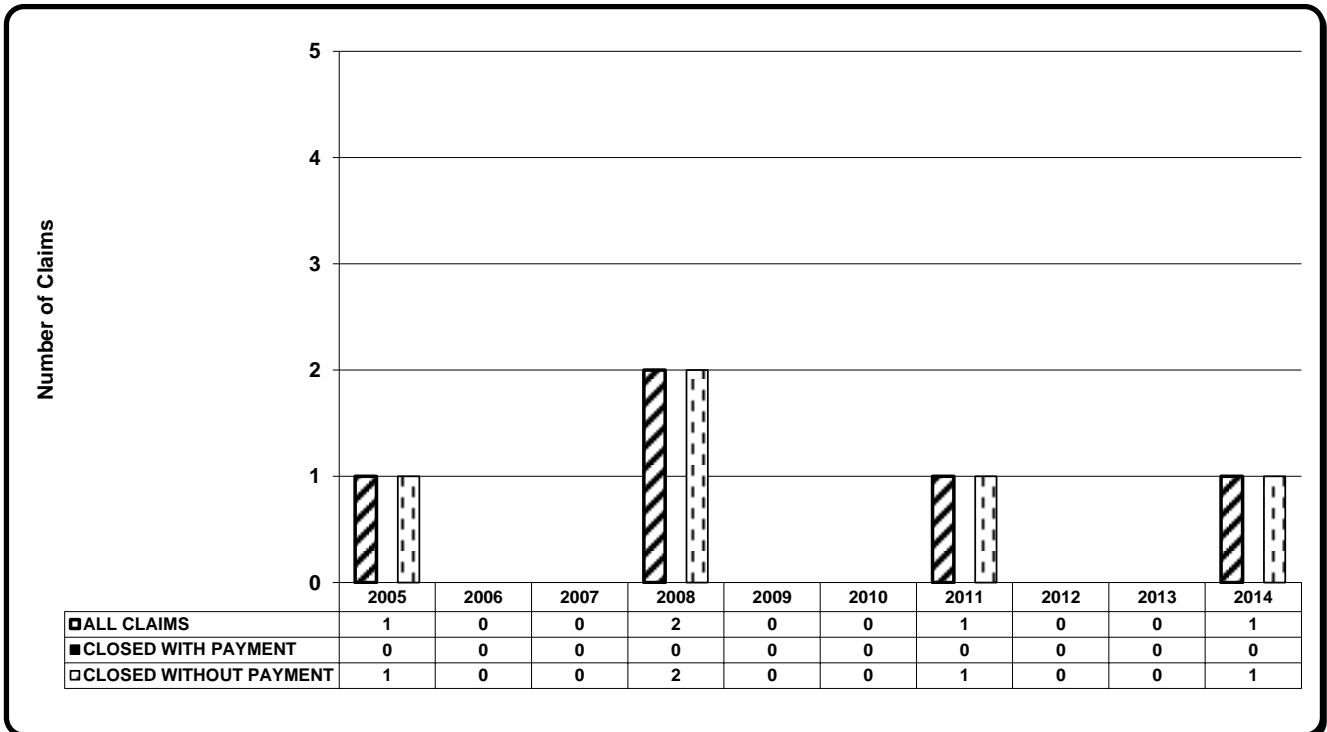


FREE LEGAL SERVICE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



PREMIUM AND LOSS DATA

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

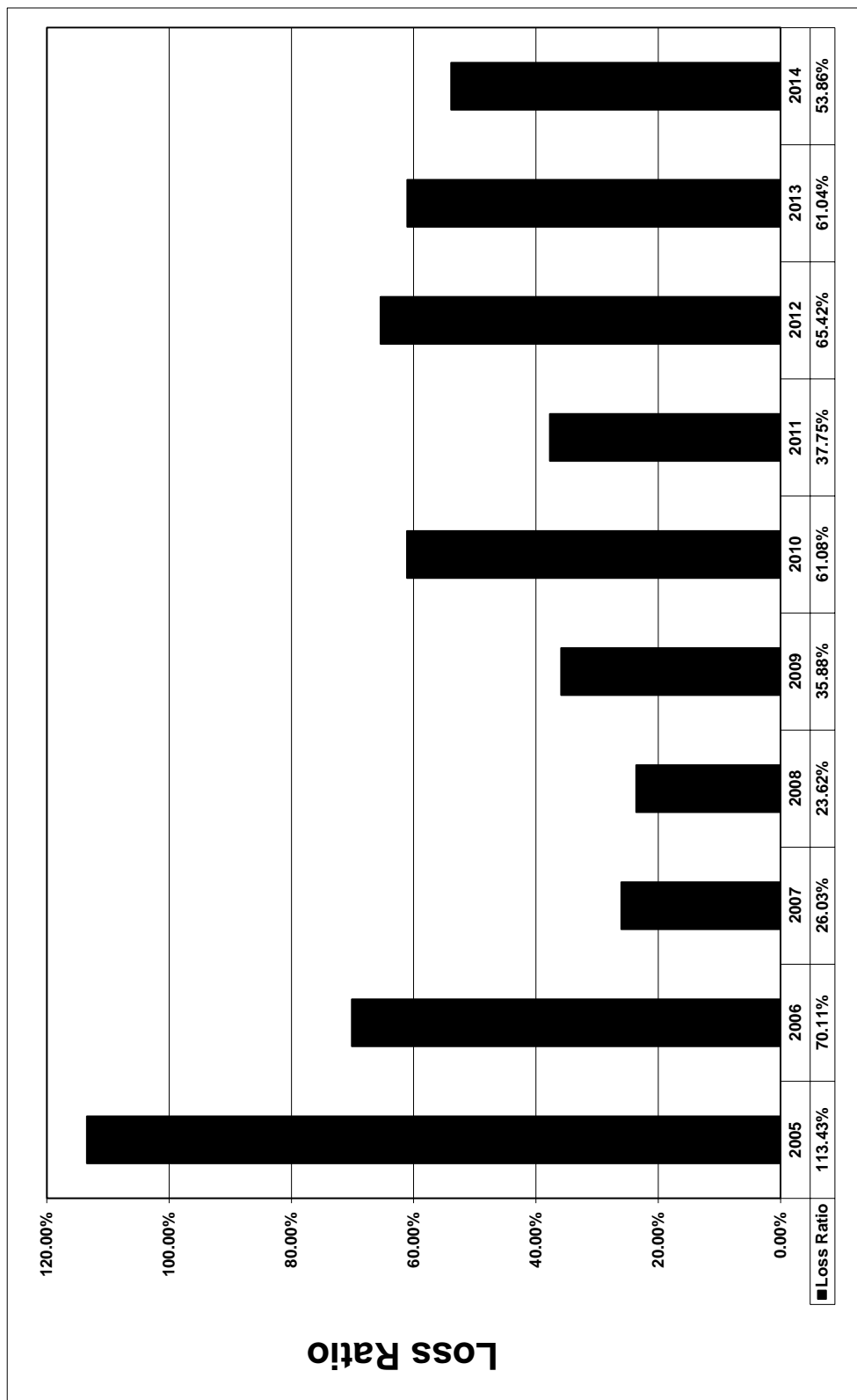
2014 EXPERIENCE

NAIC Company Code	Company Name	Market Share	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
29513	BAR PLAN MUTUAL INSURANCE COMPANY THE	66.83%	\$10,943,966	\$10,858,924	\$2,382,662	21.94%
20443	CONTINENTAL CASUALTY COMPANY	19.58%	\$3,206,424	\$3,222,685	\$4,576,714	142.02%
22292	HANOVER INSURANCE COMPANY THE	7.36%	\$1,204,568	\$1,337,799	\$305,950	22.87%
27154	ATLANTIC SPECIALTY INSURANCE COMPANY	3.70%	\$605,279	\$640,250	\$413,529	64.59%
29459	TWIN CITY FIRE INSURANCE COMPANY TRAVELLERS CASUALTY AND SURETY COMPANY OF AMER	1.03%	\$169,306	\$208,390	\$349,983	167.95%
31194	AMER	0.69%	\$112,686	\$117,810	\$40,000	33.95%
10510	CAROLINA CASUALTY INSURANCE COMPANY	0.44%	\$71,494	\$101,910	\$244,316	239.74%
22241	MEDMARC CASUALTY INSURANCE COMPANY	0.16%	\$26,476	\$13,238	\$8,457	63.88%
22322	GREENWICH INSURANCE COMPANY	0.11%	\$17,493	\$17,369	(\$3,268)	-18.82%
11000	SENTINEL INSURANCE COMPANY LTD	0.06%	\$10,086	\$8,513	\$0	0.00%
29424	HARTFORD CASUALTY INSURANCE CO	0.03%	\$5,121	\$3,957	\$0	0.00%
37273	AXIS INSURANCE COMPANY	0.01%	\$2,155	\$77,290	\$2,831	3.66%
12831	STATE NATIONAL INSURANCE COMPANY INC	0.00%	\$0	\$0	\$41,000	N/A
15865	NCMIC INSURANCE COMPANY	0.00%	\$0	\$0	(\$1,024)	N/A
16691	GREAT AMERICAN INSURANCE COMPANY	0.00%	\$0	\$0	(\$69,456)	N/A
21970	ONEBEACON INSURANCE COMPANY GREAT AMERICAN INSURANCE COMPANY OF NEW YORK	0.00%	\$0	\$0	\$0	N/A
22136	YORK	0.00%	\$0	\$0	(\$2,283)	N/A
24147	OLD REPUBLIC INSURANCE COMPANY	0.00%	\$0	\$0	(\$67,305)	N/A
24767	ST PAUL FIRE & MARINE INSURANCE COMPANY	0.00%	\$0	\$0	\$0	N/A
25585	PROFESSIONALS DIRECT INSURANCE COMPANY	0.00%	\$0	\$5,953	\$725,733	12191.05%
26344	GREAT AMERICAN ASSURANCE COMPANY	0.00%	\$0	\$0	\$2	N/A
	TOTAL	100.00%	\$16,375,054	\$16,614,088	\$8,947,841	53.86%

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

YEAR	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
2005	\$14,794,606	\$14,145,032	\$16,044,522	113.43%
2006	\$17,435,456	\$16,719,059	\$11,720,958	70.11%
2007	\$17,727,731	\$17,152,684	\$4,464,212	26.03%
2008	\$16,324,591	\$16,766,853	\$3,959,872	23.62%
2009	\$15,787,723	\$15,994,807	\$5,738,199	35.88%
2010	\$14,955,313	\$15,124,731	\$9,238,427	61.08%
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	\$16,375,054	\$16,614,088	\$8,947,841	53.86%
10-YEAR TOTAL	\$158,870,186	\$157,434,912	\$84,790,747	53.86%

PAGE 19 SUPPLEMENT
 LEGAL MALPRACTICE EXPERIENCE
 TEN YEAR LOSS RATIO SUMMARY



Insurance Consumer Hotline

Contact DIFP's Insurance Consumer Hotline
if you have questions about your insurance policy
or to file a complaint against an
insurance company or agent:

difp.mo.gov

800-726-7390



DIFP

Department of Insurance,
Financial Institutions &
Professional Registration

Harry S Truman Building, Room 530
301 W. High St.
PO Box 690
Jefferson City, MO 65102

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