ALTA’s Best Practices -- Sample Policies and Procedures

Pillar #6 – Professional Liability, Errors & Omissions and Fidelity Coverage  
INSERT LAW FIRM NAME HERE

|  |  |  |
| --- | --- | --- |
| **Policy** | **Best Practice Pillar #6 – PROFESSIONAL LIABILITY INSURANCE AND FIDELITY COVERAGE – Maintain appropriate professional liability insurance, errors & omissions and fidelity coverage.** | |
| **Name of Procedure** | Professional Liability Insurance and Fidelity Coverage  [***NOTE: This procedure is stricter than the ALTA Procedure for Pillar #1 because of NC state law requirements under N.C.G.S. 58-26-1(a) and Chapter 84 requiring independence of law firms from title insurance agencies.]*** | |
| **Reference Number** | **6.01 Professional Liability Insurance and Fidelity Bond Coverage** | |
|  | The Practice Manager  Insurer(s)  [Third Party Service Providers – Attach Addendum] | |
| **Effective Date** | Highlight this text, then type effective date here | |
| **Supporting Documentation** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing. | |
| **Procedures** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing.  **6.01 Professional Liability Insurance and Fidelity Coverage**  The Firm maintains professional liability insurance in the amount of no less than $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. This amount is appropriate given the company’s size and complexity and the nature and scope of its operations.  The Practice Manager maintains a list of all attorneys and personnel, the applicable coverage related to each employee and any issues which must be reported to the carrier. [See Best Practice #1 list of attorneys and verification of malpractice insurance coverage.]  The Practice Manager reports, as required by the respective policies, any matters required to be reported by the terms of the policies.  Coverage’s / Endorsements are reviewed annually and are added or subtracted to reflect current changes in the practices of the industry and to reflect new threats to the Firm’s business as they arise, such as cybercrime.  The Practice Manager and the Firm annually (or more frequently if needed) review coverages to determine if amounts and coverages are appropriate for the practice. | |
| **Approved by / Date** | Highlight this text, then type name of person approving here | Highlight this text, then enter date of approval here |

|  |  |  |
| --- | --- | --- |
| **Policy** | **Best Practice Pillar #6 – PROFESSIONAL LIABILITY INSURANCE AND FIDELITY COVERAGE – Maintain appropriate professional liability insurance, errors & omissions and fidelity coverage.** | |
| **Name of Procedure** | Professional Liability Insurance and Fidelity Coverage  [***NOTE: This procedure is stricter than the ALTA Procedure for Pillar #1 because of NC state law requirements under N.C.G.S. 58-26-1(a) and Chapter 84 requiring independence of law firms from title insurance agencies.]*** | |
| **Reference Number** | **6.02 Errors & Omissions Coverage for Non-attorney Errors** | |
|  | The Practice Manager  Insurer(s)  [Third Party Service Providers – Attach Addendum] | |
| **Effective Date** | Highlight this text, then type effective date here | |
| **Supporting Documentation** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing. | |
| **Procedures** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing.  **6.02 Errors & Omissions Coverage for Non-attorney Errors**  If the Firm relies upon independent searchers, the Firm verifies they obtain a policy covering searching errors.  The Practice Manager reports, as required by the respective policies, any matters required to be reported by the terms of the policies.  The Practice Manager and the Firm annually (or more frequently if needed) review coverages to determine if amounts and coverages are appropriate for the practice. | |
| **Approved by / Date** | Highlight this text, then type name of person approving here | Highlight this text, then enter date of approval here |

|  |  |  |
| --- | --- | --- |
| **Policy** | **Best Practice Pillar #6 – PROFESSIONAL LIABILITY INSURANCE AND FIDELITY COVERAGE – Maintain appropriate professional liability insurance, errors & omissions and fidelity coverage.** | |
| **Name of Procedure** | Professional Liability Insurance and Fidelity Coverage  [***NOTE: This procedure is stricter than the ALTA Procedure for Pillar #1 because of NC state law requirements under N.C.G.S. 58-26-1(a) and Chapter 84 requiring independence of law firms from title insurance agencies.]*** | |
| **Reference Number** | **6.03 Fidelity Bond Coverage** | |
|  | The Practice Manager  Insurer(s)  [Third Party Service Providers – Attach Addendum] | |
| **Effective Date** | Highlight this text, then type effective date here | |
| **Supporting Documentation** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing. | |
| **Procedures** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing.  **6.03 Fidelity Bond Coverage**  The Firm maintains a fidelity bond policy in an amount of not less than $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.  The Practice Manager and the Firm annually (or more frequently if needed) review coverages to determine if amounts and coverages are appropriate for the practice.  The Practice Manager reports, as required by the respective policies, any matters required to be reported by the terms of the policies. | |
| **Approved by / Date** | Highlight this text, then type name of person approving here | Highlight this text, then enter date of approval here |

|  |  |  |
| --- | --- | --- |
| **Policy** | **Best Practice Pillar #6 – PROFESSIONAL LIABILITY INSURANCE AND FIDELITY COVERAGE – Maintain appropriate professional liability insurance, errors & omissions and fidelity coverage.** | |
| **Name of Procedure** | Professional Liability Insurance and Fidelity Coverage  [***NOTE: This procedure is stricter than the ALTA Procedure for Pillar #1 because of NC state law requirements under N.C.G.S. 58-26-1(a) and Chapter 84 requiring independence of law firms from title insurance agencies.]*** | |
| **Reference Number** | **6.04 Cyberinsurance Coverage** | |
|  | The Practice Manager  Insurer(s)  [Third Party Service Providers – Attach Addendum] | |
| **Effective Date** | Highlight this text, then type effective date here | |
| **Supporting Documentation** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing. | |
| **Procedures** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing.  **6.04 Cybercrime Insurance**  The Firm maintains cybercrime insurance in an amount of not less than $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.  The Practice Manager and the Firm annually (or more frequently if needed) review coverages to determine if amounts and coverages are appropriate for the practice.  The Practice Manager reports, as required by the respective policies, any matters required to be reported by the terms of the policies. | |
| **Approved by / Date** | Highlight this text, then type name of person approving here | Highlight this text, then enter date of approval here |

|  |  |  |
| --- | --- | --- |
| **Review/Revision History for Professional Liability, Errors & Omissions and Fidelity Coverage Policies and Procedures:**  Each time the above information pertinent to these Policies and Procedures is:   * Reviewed for accuracy and no changes made, enter the date of the review, the person doing the review and a brief description such as “Reviewed by \_\_\_\_\_\_\_\_\_\_\_\_. No revisions needed.” * Reviewed for accuracy and revision(s) made, enter the date of the revision(s), the name of the person making the revision(s), and a detailed description of the change(s) such as “Reviewed by Sally Doe. Employment status of Notary Elizabeth Watson updated to Inactive.” | | |
| Date of Review/Revision | Person Reviewing/Revising | Description |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**ADDENDUM: THIRD PARTY SERVICE PROVIDERS**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name of Service Provider  Principals  Address | | | Service Provided  (Attach contract to electronic file, especially Non-disclosure agreement) | | Firm Employee Responsible for Regular Review of Service Provider | Last Renewal Date | Next Renewal Date | |
|  | | |  | |  |  |  | |
|  | | |  | |  |  |  | |
|  | | |  | |  |  |  | |
|  | | |  | |  |  |  | |
|  | | |  | |  |  |  | |
| **Review/Revision History of Relationship with Third Party Service Providers:**  Each time the above information pertinent to Third Party Service Providers is:   * Reviewed for accuracy and no changes made, enter the date of the review, the person doing the review and a brief description such as “Reviewed by \_\_\_\_\_\_\_\_\_\_\_\_. No revisions needed.” * Reviewed for accuracy and revision(s) made, enter the date of the revision(s), the name of the person making the revision(s), and a detailed description of the change(s) such as “Reviewed by Sally Doe. John Wilson removed as Wire Initiator and added as Wire Approver.” | | | | | | | |
| Date of Review/Revision | Person Reviewing/Revising | | Description | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |
|  |  | |  | | | |