No Retreat in Retirement
Liability claims may shadow lawyers who change practice status

BY KIRSTEN L. CHRISTOPHE

Every year, thousands of lawyers retire from their law firms.

Many retire in the traditional sense. For others, however, “retirement” simply means leaving a current practice setting for other work.

Whatever the nature of their retirements, lawyers changing their status should consider the professional liability ramifications of the change. In particular, lawyers should take steps to assure they will continue to be covered for claims that may arise from the practice they are leaving.

A crucial step in accomplishing this is for the departing lawyer to review the partnership agreement, professional liability insurance policy and recent claims at the firm.

Partnership agreements and insurance provisions can vary greatly from firm to firm. Often, for instance, the partnership agreement is silent about the firm’s ongoing indemnity or insurance obligations to former members.

While reviewing a law firm’s professional liability insurance policy, a departing lawyer should note that professional liability insurance typically is written on a “claims made” basis.

A claims-made policy covers any claims filed during the policy period, even if the events giving rise to claims occurred before a policy went into effect. This coverage encourages firms to keep liability in-

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...urance in force in the future to pay for claims related to today’s work.

At the same time, however, gaps may develop even in claims-made coverage, which could profoundly affect the

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