Tip of the Month

MARCH 2015

Don’t Forget About Law Firm Employees When it Comes to Risk Management

These individuals are often crucial to a lawyer’s success. However, these employees can also be potential liabilities. What if...

• A secretary misses an important filing deadline?
• A paralegal includes an inaccurate legal description for a property on a contract?
• A bookkeeper deposits client funds into the wrong account?
• A legal assistant forgets to send around a conflict-of-interest check to other firms and now there’s an issue?

When scenarios such as these arise, the wronged person (typically the client) will look to the law firm or you, as the supervising attorney, to correct the situation and/or pay for the resulting damages.

Be sure you implement risk-management steps to guard against the common employee mistakes and have the right insurance coverage protection for employee errors.

Risk-management steps may include:

• Educating your staff members to make sure they fully comprehend the importance of details and deadlines.
• Providing staff members with the tools and resources for their tracking responsibilities. You might have a calendaring system for filing deadlines and a detailed check list that must be followed for opening a new client/matter.
• Requiring staff members to review one another’s tasks to ensure accuracy and thoroughness. You might have a secretary proof a contract that a paralegal completed to check for correct names, addresses, dates, etc.

Having safeguards in place will likely prevent most mistakes, but you should also have a professional liability insurance policy should something get missed. Professional liability insurance policies will not only cover lawyers in the firm for acts or omissions in the performance of professional legal services, but it may also cover non-lawyer employees provided they are acting within the scope of their employment and on behalf of the firm. Be sure to check your policy language to make sure you have coverage if a non-lawyer employee makes a mistake.