



Two Florida Litigators Found First U.S. Litigation Cost Protection Insurance Company

*By Karen Kidd
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Two Miami-based litigators once asked themselves why there was no insurance coverage for attorneys to cover the costs of pursuing a case.

It was Larry Bassuk who first gave voice to the question, said his colleague Justin Leto.

"We stopped asking why we couldn't find this coverage anywhere," Leto said during a Florida Record telephone interview. "Then we started offering it ourselves."

Today, Bassuk is president and Leto is CEO, both are co-founders of Level Insurance, which offers litigation cost protection insurance coverage for the litigation costs spent by plaintiff attorneys or plaintiffs in the event a loss at trial, such as a defense verdict. If a case is lost, all money spent on litigation-related costs are paid to the insured, up to the policy limits selected at the time that coverage is purchased, according to the company's website.

"This is a valuable tool," Leto said. "This means that people can stop worrying about the costs and move on to the merits of the case."

Similar to after-the-event coverage products long available in Canada and Europe, Level Insurance is the first and, presently, the only insurance coverage available in the far more litigious U.S. that covers litigation costs. Level Insurance's stated goal is to offer protection and encouragement to lawyers, putting them in a position to take on more and, perhaps, riskier cases.

"These kind of losses can be devastating to a firm" Leto said. Worry about possible losses can cause a firm to turn down business, Leto said.

"They might be interested in pursuing a case, the merits of a case might be very good," Leto said. "But they might turn it down because of the significant amount of money they might lose."

Having litigation cost protection insurance coverage reduces that concern, Leto and Bassuk said.

Initially offered only in Florida, Level Insurance currently also is offering policies in California, Texas, Illinois and New York and soon will be offered in New Jersey.

"Our hope and belief is that this ultimately will be in all 50 states," Bussak said.

San Francisco-based broker Socius Insurance Services Inc. manages the product while the financial risk is backed by Bermuda-based Aspen Insurance Holdings LTD.

"Litigation cost protection is an affordable solution for plaintiffs' attorneys and litigants which insures against the loss of cost disbursements in the event of a loss at trial," Level Insurance's website says. "It covers costs spent in furtherance of litigation including expert fees, deposition transcripts, travel (hotels, airfare and ancillary travel expenses), filing fees, trial exhibits, mediator expenses, copies, e-discovery, and all other costs spent directly on the case. Litigation cost protection does not cover attorney's fees."

"You have the freedom to prepare and litigate your case without anyone second-guessing the necessity of your expenditures. When a claim is made, you will receive reimbursement for expenses covered under the policy. It's that simple."

Level Insurance's litigation cost protection coverage covers a wide variety of trial expenses, including expert witnesses and various litigation-presentation costs. Policies are written for a cost of 7 percent of the amount insured, with a \$100,000 coverage cap.

The coverage does not cover the time spent preparing for a case or if the case is lost through a motion to dismiss.

The pair would not say how many attorneys have signed up for their product, but Bussak and Leto said the response has been very enthusiastic.

"Our projections have been exceeded so far," Bussak said. "Substantially exceeded."