

Client Protection Fund Committee

Fiscal Year 2019-2020

Jurisdiction: Advise the Board of Commissioners on the operation of the Client Protection Fund program pursuant to the [Client Protection Rules](#) adopted by the Board of Commissioners by:

- Making recommendations on the reimbursement of claims authorized by the Board of Commissioners
- Proposing or advising on revisions to rules and policies concerning the Client Protection Fund
- Recommending subrogation actions to recoup monies paid from the Client Protection Fund
- Reviewing and recommending loss prevention measures to minimize claims and public loss
- Determining how the committee's work might interact with and support the work of the Professional Ethics, Judicial Ethics, Lawyers and Judges Assistance, and Character and Fitness committees, including through conferring and coordinating regularly with them on trends, data, insights, and metrics
- Being aware of and discussing metrics measuring the effectiveness

Note: This committee may have more than 15 members.

Time Frame	Strategic Plan Goal/Strategy	Description of Activity
5/19-9/19	4.2	The Committee reviewed 47 claims during this time period, 28 were recommended for reimbursement totaling \$240,245 and 19 were recommended for denial.
	4.2	The Board of Commissioners approved the Standing Committee's recommended revisions to CPF Rule 9(B) requiring claimants with losses greater than \$20,000 to report the incident to law enforcement; Rule 10(B)(6) to permit a broader array of information to support reimbursement; Rule 11(I) to allow for evidence of a claim to be provided by source other than the claimant; the Loss Value policy to incorporate the proposed rules changes and new SBR 20.
	4.2	State Bar staff assists in and manages subrogation activities, working with outside counsel to recoup some of the money paid by the Fund.
	4.2	Staff attended the ABA National Forum on Client Protection and the National Client Protection Organization's (NCPO) Annual meeting held concurrently and the NCPO's fall workshop.
10/19-5/20	4.2	The Committee reviewed 50 claims during this time period, 20 were recommended for reimbursement totaling \$415,087 and 30 were recommended for denial.
	4.2	The CPF rule book, claim application and website pages were updated to reflect the rule and policy changes.
	4.2	State Bar staff assists in and manages subrogation activities, working with outside counsel to recoup some of the money paid by the Fund.
	4.2	The Committee is monitoring the progress of SBR 20 to the Michigan Supreme Court in October 2019.

	4.2	Staff Bar staff implemented modifications to the CPF process to accommodate working remotely during covid-19.
Current Projects	4.2	The Committee is working on creating a streamlined, online application, which will launch once the rule changes are complete.
Future Goals	4.2	The Committee will investigate and work to implement additional proactive client protection initiatives such as random audits, fiduciary bonding, fee arbitration/mediation and payee notification.
	4.3	Staff will investigate and work to implement an updated case management system with a portal interface.
	4.2	Staff to work with the Attorney Discipline Board and Attorney Grievance Commission to streamline processes.

Recommended Committee Changes: None.

Additional Comments: None.