



E&O Loss Prevention Tip:

ALWAYS document when a client declines to purchase coverage.



COACH SAYS:

If an insured refuses to purchase coverage for an exposure or asks that coverage be terminated, always document that decision. If you don't and a claim arises later, it will be your word against your client's. American juries tend to empathize with aggrieved plaintiffs, and without documentation, the agent usually loses in a credibility match with a client.

DON'T LET THIS HAPPEN TO YOU

A client sustained an underinsured fire loss and said the agent had misrepresented policy limits. Although the agent claimed the client was only interested in "cheap coverage" and declined higher limits, no file notes existed to substantiate this. During discovery, the agent who was the only individual to deal with the client moved out of state and could not be located. Without adequate file documentation and no agent to testify, nearly \$150,000 was paid out against the agent's E&O policy plus the deductible.

Route this to your team roster!

<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____

For more information about the Big "I" Professional Liability program, your trusted source for insurance agents and brokers E&O coverage, contact your state association or visit www.independentagent.com/EO

*This claims scenario is fictional. Westport employees created it based on experience and knowledge of case law using relatively common facts, allegations, defenses and amounts. Do not rely upon such scenarios to predict an outcome, or to make claim and litigation decisions.

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