

# E&O Claims Advisor

An exclusive risk management service of the  
Big "I" Professional Liability Program



## Hard Market Brings Unwanted E&O Claims

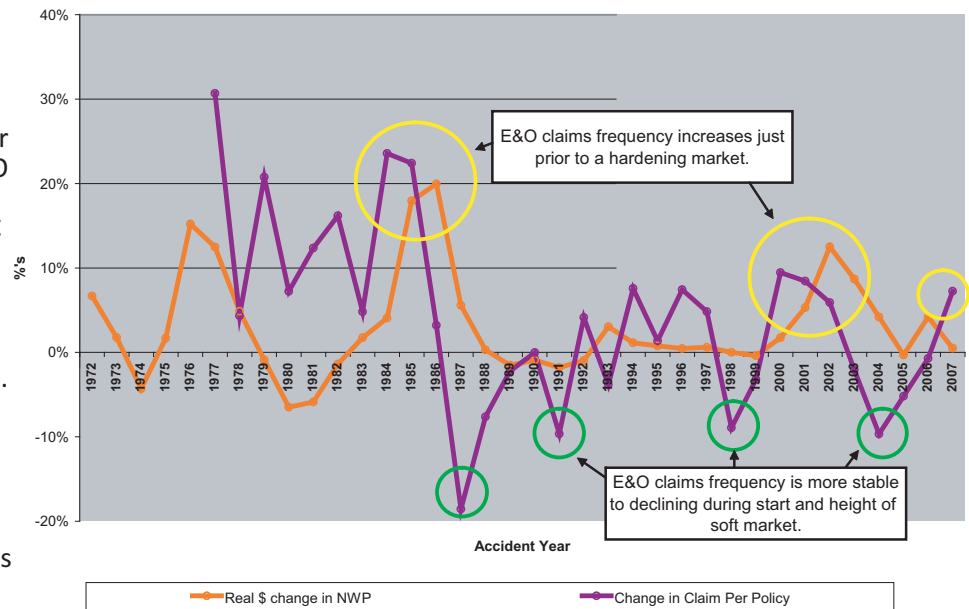
April 2009

We all want the insurance marketplace to harden but historical data from Swiss Re shows that the start of a hardening market can bring something that no agency wants - E&O CLAIMS. The graph at right looks at year over year percentage changes in agency E&O claims frequency per policy, compared to changes in net written premiums of the P&C insurance market.

The graph reveals that historically the frequency of agency E&O claims increases prior to a hardening of the P&C marketplace. Increases in claims frequency in 2007 may reveal that a hardening market is looming. Good news, but what can your agency do to avoid E&O claims? Remember the true cost of can E&O claim is not measured simply by the deductible but by loss of productive sales time in dealing with the claim, stress to agency employees, damage to the agency's reputation, and loss of E&O coverage or premium increases. Here are some things you can do to avoid E&O claims:

1. Review your procedures manual to make sure that is up-to-date and being followed invariably by employees.
2. Review customer files to make sure proper client documentation is included, procedures are followed and proposals include proper risk exposure assessments, offer increased limits, and include proper sign-off from customers.
3. Sign-up the agency for a service that offers risk exposure analysis checklists to better understand the insurance needs of clients and prospects. They are affordable, will increase the agency's professionalism, and will help the agency write more coverage and avoid E&O claims. (The Big "I" Risk Management team is working to bring you such a tool soon—the Virtual Risk Consultant powered by Rough Notes. Stay tuned.)
4. Hold periodic staff meetings to talk about the importance of E&O risk management.

Agents E&O Claims Frequency And P&C Market Conditions



5. Send EVERY employee to an E&O seminar put on by your local state association. There are also online E&O seminars offered by many states. Attendance can allow you to become eligible to receive a 10% loss control credit off your E&O premium.

6. Complete the online agency self-assessment tool Agency Shield Program™. It will reduce E&O exposure, improve client service and build sustainable, profitable processes. Policyholders that complete the Agency Shield Program™ will be eligible to receive a 10% agency audit credit off their E&O premium good for three years on their next renewal.

7. Make sure that all agency staff have access to the Big "I" Risk Management Website - E&O Happens. There is valuable risk management information that will benefit all agency staff. The website address is [www.independentagent.com/EOhappens](http://www.independentagent.com/EOhappens) and your user name is the email address in the Big "I" database and your 6 digit ID used for other national websites is your password. Don't know your user name and password - [CLICK HERE](#). If you want to add staff to be able to access the website contact your local state association.

8. Share the E&O Claims Advisor newsletter with all agency staff.

These are a few steps will change the culture of your agency and help avoid the increased claims E&O frequency associated with a hard market. The time for action is now! What does you have to lose since an agency that focuses on risk management is one that is more efficient and profitable?

# Agency Staff News

## Disclaimer Language Your Agency Can't Do Without

A disclaimer is a repudiation or denial of responsibility or connection with something. This is a concept that my four year-old daughter is very familiar with, however, she has yet to commit to putting anything in writing. Disclaimer language is something that your agency should be familiar with as well and unlike my daughter it should be on your work product. Whether it be your voice mail greeting or a client proposal, simply using an E&O disclaimer may prove helpful in the prevention or defense of an E&O claim.

Are disclaimers going to avoid or absolve the agency from all claims? The answer to that is no. Putting disclaimers on voice mails, emails, faxes, and websites is simple to do and it demonstrates a consistent pattern or invariable practice which could be used in a defending an E&O claim. This builds credibility in your agency procedures and practices. Further, they put customers on notice of the process for actions such as changes to the policy and binding coverage. Telling the customer they need to speak with a licensed staff person also puts employees in a better position of understanding the exact needs of the customer.

Below is some sample disclaimer language that agency staff can use as a template for voice mail greetings. For disclaimer language for emails, faxes, proposals and websites visit the "Disclaimers" section under the "Getting Started Prevention" tab of [www.iiaba.net/EOHappens](http://www.iiaba.net/EOHappens).



## SAMPLE SCRIPT

"You have reached the voice mail of Joe Smith on Monday, April 20, 2009. I will be out of the office all day. Please leave a detailed message, and I will return your call as soon as possible. If you require immediate assistance, please press 0, followed by the pound key and you will be transferred to Mary Jones who can help you. For your protection, coverage cannot be bound or changed via voice mail, email, fax, or online via the agency's website, and is not effective until confirmed directly with a licensed agent. Thank you for calling and have a great day."

*Trusted Choice agencies may want to add info about 24/7 access to service. All agencies should investigate services available from IIABA-endorsed providers Artizan, CSR24, and Service 911. Visit [www.iiaba.net/Advantage](http://www.iiaba.net/Advantage) and click on non-insurance products to learn more.*

## Don't Forget Your Right to Remain Silent Should An E&O Incident Arise

Day in and day out agency staff strives to meet the needs of customers. Years are spent nurturing client relationships and building the reputation of the agency. Then one day the customer calls to report a claim. Together you work to make sure that the carrier has the appropriate information and all of the policy claims reporting provisions are met. A week later the phone rings and on the other end is an upset customer. The carrier denied that claim submission due to a lack of coverage. You've worked with the customer for a number of years and have sincere empathy for their feelings. What do you do? While you want to say something that will make them feel secure - it may be best to take advantage of your right to remain silent so you don't jeopardize the coverage provided under your agency E&O policy. **Do not admit liability as it can affect your coverage!**

The actions you take prior to reporting an incident to your E&O carrier can have an affect on coverage available. Most agency E&O policies state that the insured shall not admit liability, enter into a settlement, or incur any costs or expenses. While you may very badly want to apologize for an oversight or mistake, keep in mind that these comments can be used against you in future litigation whether your E&O carrier is defending you or not. Uncovered customer claims can occur at anytime, catching staff off guard, so it is important to prepared. As they say, "hope for the best and plan for the worst." Below is some language for responding that agency staff should keep close in case they are faced with this situation.

*"I don't believe I made an error but if you think I have, I do carry Errors & Omissions insurance and you may make a claim." Then ask them to put their thoughts in writing and say you'll forward those to your E&O carrier.*

*"Out of an abundance of caution, I have reported this matter to my Errors and Omissions carrier. I don't want to appear uncooperative but they've cautioned me against discussing this matter further. If you'd like to discuss this matter, I can refer you to the appropriate claims professional. "*

These approaches recognize and seek to balance the importance of maintaining the client relationship with the agent's interest in not making damaging admissions nor running afoul of the terms and conditions of the E&O policy.

# Agency Staff News

## The Times They Are A Changin' Are you following changes in carrier ratings?

With the current financial crisis and ongoing recession the times are definitely changing. We've seen the government provide billions of dollars in assistance to financial institutions to help them weather the storm of troubled assets on their books. Their financial health remains a question of great interest. We've seen as decreasing GDP and job cuts pushing unemployment to the 8% mark. The Dow Jones Industrial Average is down 40%. Home values are down and foreclosures are up. It's impossible not hear this type of news but how is it affecting the carriers that you do business with? In these changing times it is a best practice for agencies to continually monitor the financial ratings of carriers.

The regulation of insurance company solvency falls under the domain of state regulators. Many of problems reported in the news have involved non-insurance business units which are under federal oversight. All states have procedures for handling the unpaid claims from insolvent carriers, most commonly guaranty funds. Over that past several years the insolvency or impairment rates of insurers has been declining. This is likely due to improving underwriting profitability, relatively mild hurricane activity, and greater focus on company-wide risk management. But agencies can't get overly comfortable and must remain vigilant in setting the threshold for the ratings of the carriers they work with

and continually monitoring those ratings. Factors such as the soft market, growing competition further depressing premiums, current economic conditions, and an increase in future catastrophes could reverse this downward trend of carrier impairments. Here are a few tips to help you prepare for handling a carrier downgrade:

Visit the [www.iiaba.net/EOhappens](http://www.iiaba.net/EOhappens) for sample client letters for situations such as a carriers rating downgrade, insolvency, receivership, or withdrawal from the marketplace.

### ***Tips for Handling a Carrier Downgrade***

- ☑ First, have a procedure in place to monitor the ratings and activities of your carriers.
- ☑ Review the facts concerning the ratings downgrade using your agency's market selection and review process. Decide on a course of action and apply it consistently to all policyholders. Document all decisions reached and develop a written plan to follow.
- ☑ Document all actions taken by the agency in responding to the situation.
- ☑ Notify policyholders in writing about the change in carrier rating and respond to any queries without delay. Be prepared to explain the reasons given for the downgrade by referencing the comments of the rating agency.
- ☑ Make policyholders aware of what protection exists via any state or other guaranty fund.
- ☑ Keep policyholders informed as events transpire, including any open hearings that are scheduled. Let them know that you are concerned with keeping them informed.
- ☑ Keep informed as to what the carrier is doing to notify your policyholders of its actions.
- ☑ Use carrier supplied or approved notices whenever possible.
- ☑ Keep informed about the issue in order to answer policyholder questions without delay and to demonstrate full and accurate knowledge to the policyholders.
- ☑ Offer the policyholders the option to move coverage midterm, and if declined, advise them that you will investigate replacement coverage at renewal with their agreement.
- ☑ Let the policyholders make the decision regarding coverage. Have them confirm the option selected in writing.
- ☑ In letters to policyholders consider using wording such as:  
    *"As we discussed when you selected this coverage option..."*  
    *"Per the summary sheet provided you, that you initialed..."*

The intent is to remind policyholders that THEY made the decision and were properly informed as to all options available.

- ☑ Clear any correspondence with the carrier if required. Check your contract with the carrier to determine what your duties or limitations may be in regards to the issue.
- ☑ Maintain positive relationships with both the carrier and policyholders. Policyholders should understand that you are looking out for their interests by doing all you can do to protect and inform them.
- ☑ Be consistent! If you do something for one policyholder, do it for all of them.

# Agency Shield Program™ - Protection Moment

Does your agency have procedures for all client file documentation? Are you confident that phone conversations, voice mails, emails and notes from customer meetings find their way to the clients file in systematic way? If not here are some Agency Shield Program protection steps:

**Step 1:** Meet with all of department managers on the critical importance of consistent documentation standards across all divisions. If you have documentation procedures in place revisit them to make sure they are current. If there are no standard documentation procedures in place develop them for all forms of documentation.

**Step 2:** For conversations that occur outside of the office provide staff with remote access to the agency management system or develop a “conversation worksheet” to record conversations.

**Step 3:** A protocol should also be established and enforced outlining acceptable timeframes for entering client file documentation.

**Step 4:** Meet with all staff, especially producers, to discuss the importance of consistent and thorough documentation and to provide them with an overview of standard procedures they are to follow as developed from the department managers meeting.

**Step 5:** Managers should periodically pull customer files to make sure file documentation is consistent with the standard procedures.

Available through Big “I” state associations, the Agency Shield Program is an online agency self-assessment tool to avoid E&O exposure, improve client service and build sustainable, profitable processes.

*Visit [www.iiaba.net/EO](http://www.iiaba.net/EO) to learn more. The ASP self assessment will provide an excellent roadmap of where you stand and completion of the program will reduce the E&O risk in your agency. The program can also deliver increased operational effectiveness. By completing ASP, you may be eligible to receive an additional 10% E&O policy credit!*

Swiss Re  


## They say the best defense is a good offense.

The Agency Shield Program is a customized, manageable and affordable self-assessment package that will tame your E&O exposures and get your back on target.

Let Swiss Re help streamline your workflow and enable you to concentrate on new business production and other activities critical to your success - all while safeguarding your policies and procedures to protect you from E&O claims.

The Agency Shield Program is your best offense.

For more information, contact your IIABA state association.



## Certificates of Insurance: What Do They Really Cost?



By Bill Wilson, CPCU, ARM, AIM, AAM  
is Director of Big "I" Virtual University

Probably the single most frustrating area of agency operations centers around certificates of insurance. At one time in your agency, certificates were probably a rarity, particularly outside the construction industry. Today, it seems like EVERYBODY is on the certificate bandwagon. Just recently we were sent an inquiry where a lender on a real estate property wanted a certificate confirming additional insured status on the property insurance, general liability, AUTO, and (no kidding) workers compensation.

### Operational Costs

One consultant estimated the cost to issue a plain vanilla ACORD 25 at \$7 and if some customization was required, it could be as much as \$15-18 (or more). This could be even higher when you get into requests that some third parties make that involve lists of questions in addition to the certificate. One agent was given a 40-question survey he was required to complete, along with an "affidavit" warranting that coverage was in place and conformed to the construction contract (of which he had read 2 of 88 pages) that was to be notarized and witnessed by a disinterested third party and sent to the certificate holder via certified mail.

One producer and a CSR spent a total

of two and a half hours on one certificate that had to be redone 4 times. The last time they had to reissue it because a field on the form was not applicable and they had entered "NA"...the certificate holder would only accept an entry of "N.A." so they had to reissue the certificate and add the two periods after the "N" and "A". The contractor was due \$300,000 on a job and the GC refused to pay until the certificate met their satisfaction to the letter (or, better, punctuation mark).

We have been advised by a number of agencies that they are issuing upwards of 30,000 certificates a year (one was doing 40,000) and sometimes 3,000-4,000 for an individual insured annually...i.e., close to a dozen a day for some accounts. Two agencies had full-time staff devoted to this function, one agency using two people they call the "certificate ladies."

Another agent estimated that 3% of their commercial lines revenue went to pay for their certificate operation. That's a big chunk of agency profit being invested in an activity that is being provided to third parties virtually free of charge. It was estimated that their cost of issuing certificates is double the cost just 3 years ago due to the increase in requests and the complexity of requests. Needless to say, unlike insurers who can increase premiums when expenses rise, agents have no way of passing along these costs unless they can (and are willing to) charge a fee for this service. If they charge a fee, they open a potential E&O exposure in that a fee might be construed as consideration, creating a contract out of the certificate that might be actionable against the agent.

### E&O Costs

Clearly, for many agencies, certificates have become a costly black hole that takes valuable time away from servicing clients while creating unnecessary expense for the agency, not to mention increasing its E&O exposure. For example, consider these E&O claim statistics:

- ▶ In 2007, E&O claim frequency was up 28% for certificate-related claims.
- ▶ 1 in 25 E&O claims involve certificates (higher in some states).
- ▶ 36% of these claims involve additional insured status (or lack thereof).
- ▶ CSRs are most often responsible for certificate claims.
- ▶ Certificates issued on lapsed coverage are more common in larger agencies.

If those don't grab your attention, consider three recent E&O claims:

- ▶ The insured requested an additional insured endorsement as required by the construction contract but the agent failed to request it. \$180,000 settlement cost.
- ▶ An agent used a blanket additional insured endorsement. However, it required that AI status requests arise from written contracts. There was no written contract so the blanket AI endorsement was not triggered. \$445,000 settlement cost.
- ▶ An account was nonrenewed and the agent could not find another market. The insured found an E&S carrier but the carrier couldn't or wouldn't issue certificates of insurance. As a favor to his former client, the agent used the agency's agency management system to issue 4,000 certificates. As it turned out, the coverage was not actually in force. Following several accidents, including a fatality, an E&O lawsuit was filed. \$10,290,000 settlement cost. (Yes, \$10+ MILLION)

Essentially, the agency is providing FREE services to parties (certificate holders) with which the agency has no business relationship, services that create significant operational expenses for the agency and sometimes catastrophic legal claims. Some certificate holders arrogantly view insurance agencies as government agencies that offer services to which they're entitled.

Do you have certificates of insurance stories to tell? If so, email [bill.wilson@iiaba.net](mailto:bill.wilson@iiaba.net).

# Producer Tips

Changes to the real estate market are leaving more homes and businesses vacant. These vacant properties can create an E&O exposure to the agency because many customers may assume that they are covered and unaware of restrictions in coverage provided by their insurance policy. This also presents a selling opportunity for producers, but do you have a market for these types of risks? Big "I" Markets has a market for vacant properties. If you are not familiar with Big "I" Markets, it provides free online access to specialty/niche coverages, program business and hard-to-find markets access exclusively for IIABA members. Visit [www.bigimarkets.com](http://www.bigimarkets.com) to learn more.

Here are some tips for avoiding E&O tips relating to claims involving vacant properties.

**E&O Tip #1:** Develop a complete property inventory to determine who owns the property, where it is located, the nature of the property and the types of losses to which the property is exposed.

**E&O Tip #2:** Gain a thorough understanding of how the property is used and how often it is occupied.

**E&O Tip #3:** If the property is vacant make the insured aware of restrictions in coverage such as suspension of coverage for broken glass, no coverage for vandalism, and no coverage for freezing pipes due to insufficient heat.

**E&O Tip #4:** Make sure the carrier is aware of which properties are vacant.

**E&O Tip #5:** Send out a letter to existing clients making them aware of this potential exposure for vacant properties and letting them know you have a market to assist them.

## SAMPLE LETTER - VACANT PROPERTIES

*Compliments of The Rough Notes Company*

Dear [Customer Name]:

The news is filled with stories about the unfortunate reality of vacant properties. Homes and businesses alike are standing empty. Many owners may have purchased homeowners/dwelling or business insurance policies while the homes or businesses were occupied and now that there is a vacancy may have incorrectly assumed they are secure with that coverage in place.

Vacant or unoccupied property presents special challenges. The premium charged for occupied property does not take into consideration the increased exposure of vacant and/or unoccupied property. The insurance provided by most policies is limited, and may not respond at all if the property has been vacant for more than 60 consecutive days (prior to a loss)!

Many if not most insurance companies will cancel coverage immediately if they become aware of the vacancy. Even if the policy is not cancelled there may be major problems in the event of a loss. The occupancy status is considered essential (material) to the insurance company. When the use and/or occupancy of a property changes many insurance companies no longer want to insure the property.

Of major importance:

- Insurance is suspended on glass (window/block) breakage
- Vandalism and theft is not covered
- There is no coverage for freezing of a plumbing, heating, air conditioning, or automatic fire protection sprinkler system or of household appliance caused by freezing if a structure has insufficient heat, and/or the water system has not been shut off and drained

Depending on the policy and insurance company involved the entire policy may be void in the event of a vacancy or unoccupancy. There are, however, solutions. We [agency name] pride ourselves on finding solutions for our clients. We must, however, be first made aware of the vacancy or occupancy. Please contact us if your property undergoes an unoccupancy change and we will help guide you through the necessary steps to obtain proper coverage.

Sincerely,

Agent Name

# The Real World: Producer Case Study

The TLC Agency specializes in providing insurance coverage for owners and operators of senior living centers, including nursing homes, assisted living facilities, and cooperative apartments. All lines of property and casualty coverage were provided for most customers, including Professional Liability.

One of the agency's customers called to add a new location to their package policy. The producer took the call and inquired whether or not Professional Liability should be included for this location. The insured said it was not required as the new location was managed by them only indirectly.

The producer made a hand-written note that the insured did not want Professional Liability coverage, and placed the note in the insured's paper file.

The location was added to the insured's package policy for property and liability coverage and an endorsement and invoice were sent by the CSR when they were received from the insurer.

Several years later, and following the deaths of two patients at the "new" facility, the customer was sued for negligence. When they notified the agency of the suit, they were advised to send the lawsuit to the agency for submission to the insurer. The agency turned the claim in to both the General Liability and the Professional Liability carrier who insured the customer's other locations.

The claim was denied by the General Liability carrier because the nature of the claim was not within the insuring agreement of the General Liability policy. The claim was denied by the Professional Liability insurer because the entity operating that location was not listed as a Named Insured on the policy.

## **What are the major issues in this case?**

This case is a good example of not asking enough questions and truly assessing the loss exposures of the customer. The producer (who really shouldn't have been taking this kind of a service call from a customer in the first place), asked the customer whether or not professional liability coverage was needed, rather than asking sufficient questions to help the customer determine whether or not it was necessary.

## **What were the root causes of the loss?**

Joint ventures, as legal entities, are not automatically covered by a standard liability policy. The carriers' denial of these claims was proper and in keeping with the letter of the contracts. The producer did not do a thorough job of risk assessment.

## **What could have been done differently by the producer?**

The customer had indicated that the management of the new location was "handled indirectly". The natural follow-up question should have been to determine exactly how this location was being managed. If he had asked the question, he would have found out that his customer had entered into a joint venture arrangement with a management firm for the operation of the nursing home.

## **What do you think was the outcome?**

The customer did not sue the agency or the producer in this case. The joint venture arrangement did not become known to the agency until the claim happened and the customer felt it was their responsibility to have brought this to the producer's attention. The nursing home was able to successfully defend itself from the wrongful death action brought by the patients' families, so there was no underlying cause of action for which to bring a suit against the agency. In a sense, the agency and the producer "dodged a bullet."

# CSR Tips



It seems like every household in America is looking to cut costs. While tough financial decisions are being made by many households, making certain changes to the insurance carried is one potentially fraught with peril. A short-term gain in premium savings to the customer can bring a long-term E&O exposure to the agency if not handled well. CSR's can help reduce this exposure following the below tips.

## **E&O Tip #1: Document all coverage changes requested**

**by the customer.** We say it all the time but good documentation is what can save the agency should an E&O claim arise. It is especially important that changes to the coverage requested by the customer be thoroughly documented in the customer file in a timely basis.

## **E&O Tip #2: Advise the client against decreases in auto liability limits.**

While the customer ultimately makes the insurance purchasing decision, dropping liability limits is obviously not recommended. This is especially important if the customer is requesting limits below the agency's minimum limits requirement. Help them understand the long-term financial risk they put themselves in and the effect this could have on their assets. Confirm in writing and request a client signature if limits are reduced.

## **E&O Tip #3: Explain concerns about the customer dropping collision and comprehensive.**

It may be a good cost saving strategy to drop collision and comprehensive coverage if you drive a 1993 Honda Accord, but the same can not be said for a car that is only several years old. Make sure the customer understands the value of the vehicle at risk.

## **E&O Tip #4: Help the customer understand they don't want to drop uninsured motorist (UM) coverage.**

While you UM laws vary by state, dropping UM limits is another area of serious financial risk. Put it in these terms for the customer - "If you are thinking about saving money so are a lot of other folks out on the road so UM/UIM becomes even more important."

Hopefully, the financial fortunes of many turn around in the next six months to a year. CSR's have an opportunity to influence the long-term security of customers and of that of the agency by documenting customer decisions in writing.



# The Real World: CSR Case Study

Olivia, a CSR for Joust Insurance Agency, has been placing coverage for P&G Construction for a number of years with Heritage Insurance.

Joust has a membership with Ambest.com and receives regular updates on the rating of its carriers. Joust's producers are trained to review the information and to note in their client files any negative ratings issues. While Joust will not specifically recommend moving a policyholder to a different carrier, it will recommend consideration of the same to a client if a carrier's rating falls below B+. Of note, Joust's E&O policy excludes coverage for claims arising out of a carrier's insolvency if the carrier is rated below B+. As such, Joust will have the client sign a waiver of any claims against the agency due to insolvency if it decides to continue coverage with the low rated carrier.

Olivia recently got married and was out of the office for just over two weeks. She returned to a desk full of work about a month ago, August 13, 2008. In her inbox was a July 1, 2008 AM Best weekly newsletter advising of Heritage's downgrade from B+ with an outlook of "stable" to B with an outlook of "negative." Olivia noted the same in P&G's file in order to discuss the same with P&G at its upcoming renewal.

P&G's CGL policy expired January 15, 2009. In mid-November Olivia met with the principle of P&G to discuss the renewal. She advised P&G of the rating issue and brought along several quotes from better rated carriers. The quotes were much higher than Heritage's quote. In order to save money, P&G decided to renew with Heritage. In accordance with Joust's guidelines, Olivia obtained a signed waiver of claim from P&G.

Heritage was placed in receivership on March 15, 2009. On April 3, 2009, P&G Construction reported a claim to Olivia at Joust. At that time Olivia first discovered Heritage had been placed in receivership. Olivia assisted P&G with submission of the claim to the trustee, but it appears that P&G will receive much less

than the full value of the indemnity it would have recovered if Heritage had not gone into receivership. The claimant has indicated it intends to seek any uncovered amounts from P&G's assets.

## What are the major issues in this case?

Joust still faces some exposure if a claim is made despite the waiver. In addition, there was no coverage for this claim with their E&O carrier. Joust should consider whether they should institute a policy of prohibiting the writing of insurance with carrier's rated below B+ in any circumstance. Also, what duty does an agent have to a policyholder to communicate potentially negative financial information regarding carriers? Another issue is communication and documentation of communication to policyholders regarding the financial strength of the carriers where coverage is placed.

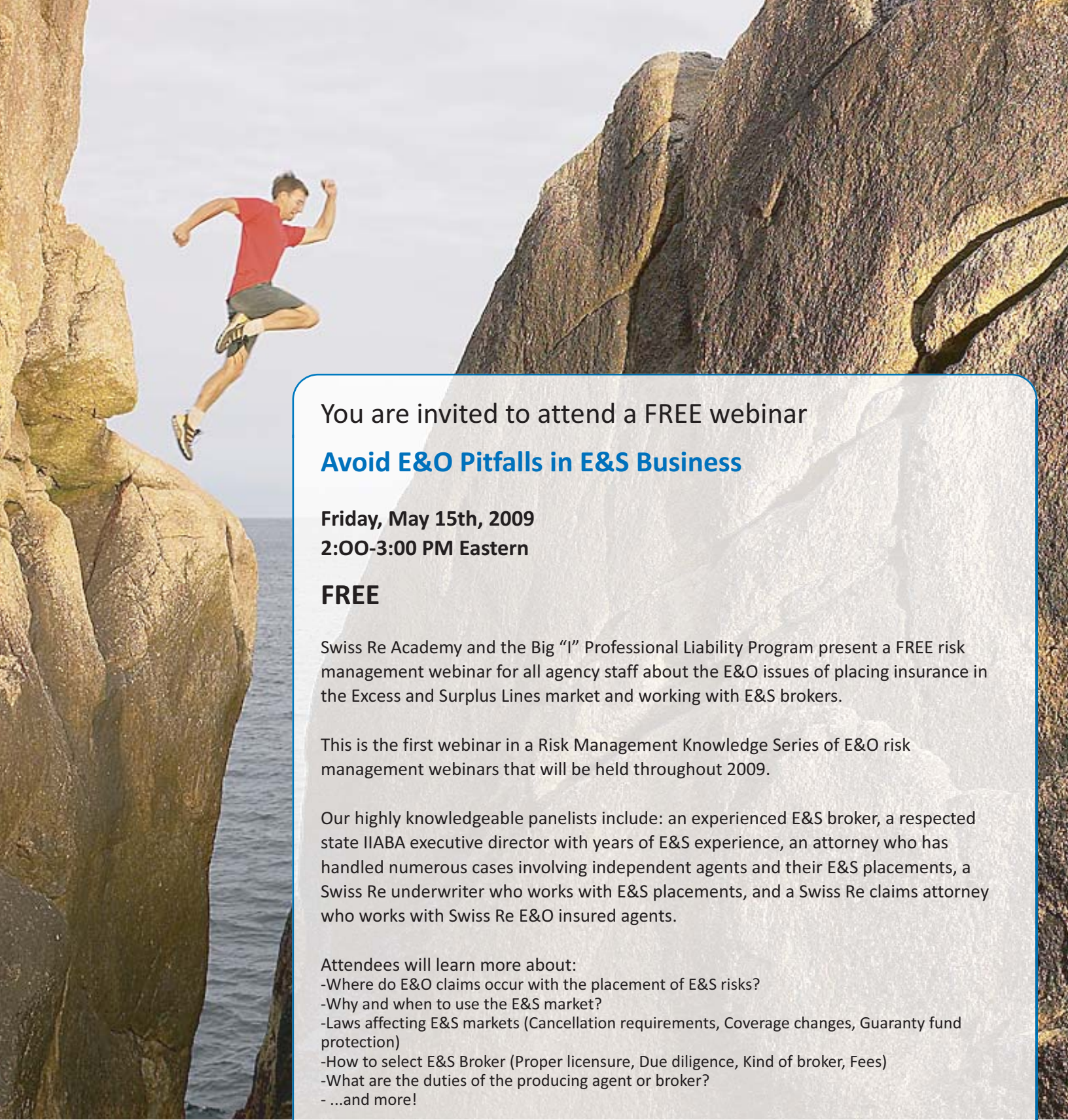
## What could have been done differently by the agency? By the CSR?

Joust has good processes in place regarding communication of carrier financial stability information. These processes could be refined to ensure that the communication is sent in a timely fashion. Joust should also consider whether the communication should go immediately to policyholders. Olivia/Joust need a system in place to confirm this information is communicated to policyholder clients in a timely fashion rather than simply waiting for the renewal process to begin.

## What do you think was the outcome?

P&G's attorney submitted a claim against Joust. Joust, through its counsel sent a copy of the waiver to P&G's attorney, putting him on notice that it had advised of the danger of renewal with Heritage. No further claim was made.

*Newsletter disclaimer: The information provided in this newsletter is for informational purposes and is not intended as legal or other professional advice. Please procure the appropriate legal or other professional advice and services to address your individual circumstances. There is no representation, guaranty or warranty made as to the sufficiency or accuracy of the information provided. The premise of the above claim scenario(s) is based in part on actual errors and omissions claim(s). The facts and circumstances may have been revised to better illustrate the subject matter. For questions or comments about the E&O Claims Advisor email EO@iiaba.net.*



You are invited to attend a FREE webinar

## **Avoid E&O Pitfalls in E&S Business**

**Friday, May 15th, 2009**

**2:00-3:00 PM Eastern**

### **FREE**

Swiss Re Academy and the Big "I" Professional Liability Program present a FREE risk management webinar for all agency staff about the E&O issues of placing insurance in the Excess and Surplus Lines market and working with E&S brokers.

This is the first webinar in a Risk Management Knowledge Series of E&O risk management webinars that will be held throughout 2009.

Our highly knowledgeable panelists include: an experienced E&S broker, a respected state IIABA executive director with years of E&S experience, an attorney who has handled numerous cases involving independent agents and their E&S placements, a Swiss Re underwriter who works with E&S placements, and a Swiss Re claims attorney who works with Swiss Re E&O insured agents.

Attendees will learn more about:

- Where do E&O claims occur with the placement of E&S risks?
- Why and when to use the E&S market?
- Laws affecting E&S markets (Cancellation requirements, Coverage changes, Guaranty fund protection)
- How to select E&S Broker (Proper licensure, Due diligence, Kind of broker, Fees)
- What are the duties of the producing agent or broker?
- ...and more!

**Register today at [www.independentagent.com/EO](http://www.independentagent.com/EO).**