

Don't Let Texting Create an E&O Wreck

MG! Distracted driving continues to be a serious issue at both the state and national levels. Text messaging while driving is a primary distraction and can have the same effect as driving while intoxicated when it comes to increasing the chances of an accident while behind the wheel. Your agency may be thinking about texting and its effects on the risk exposure of your commercial and personal auto policyholders, but have you ever stopped to think about how text messaging may be affecting your agency's E&O exposure? Think about it now, before you wind up with an E&O wreck on your hands.

The ways agencies communicate with their customers and carriers in today's fast-paced world continue to change. Phone, fax, e-mail, websites, blogs, social media websites, Twitter accounts and texting are all vehicles of communication. Is your agency staff texting customers or carriers? If so, what information and for what purposes? Text messaging could be used by agency staff to maintain customer relationships, communicate and gather relevant information or bind or modify coverage. In fact, it may even be your customers' preference to communicate with the agency via text message because of the convenience. But does your agency have existing procedures to address texting and have a consistent policy for how agency personnel should handle both incoming and outgoing texts? Here are some things to think about when it comes to utilizing texting in the agency:

Create an agency policy on texting. Does your agency have a written procedure for how texts should be handled? The procedure should be thorough with clear standards for all agency staff. It should cover how texting can be used with both customers and carriers. If you don't have any procedural guidelines in place, sit down with agency staff and talk about who is texting and how it's being used for business purposes. Also, consider any nuances with agency staff texting from personal phones versus agency-provided phones.

File documentation of texts. Should an E&O claim arise against the agency, the No. 1 tool for a defense is going to be documentation in the customer file. E&O claims are often the customer's word against the agent's, and well-documented files can be the difference between winning and losing. Text messages to and from both customers and carriers can serve as vital documentation. That's right—carriers! E&O claims from carriers against agents continue to rise. Important file documentation includes offers and declinations of coverage, information for the application, changes to the policy or limits, carriers' permission to bind, declinations to offer terms and midterm change requests. The author of the text, along with date, time and summary of the text should be in the customer's file in the agency management system. Remember, the ability to provide optimal customer service relies on all agency staff knowing what has been discussed with the customer. A disciplined approach to documentation is extremely important.

With so many ways to communicate with customers and carriers, it is important to understand what agency staff is doing. Valuable customer documentation that could help defend the agency should an E&O claim occur could be getting lost in the form of text messages. If your agency has never thought about texting or doesn't have written guidelines for using it, take the time to discuss the issue with agency staff and come up with a plan. **IA**

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Keep it Professional

OMG, BRT, OOTO, CYE and LMK (Oh my God, be right there, out of the office, check your e-mail and let me know) are all commonly used texting abbreviations. To say that texting is a more relaxed form of communication is an understatement. Don't let employees fall into this trap if the agency is using texts to communicate with customers. Communication should stay professional and clear to both parties. Ambiguity is not the agency's friend in defending an E&O claim. When it comes to customer file documentation in the agency management system, just like all documentation, it should adhere to the agency's standard input procedures so that all employees can reconstruct the conversation, the action taken and any additional follow-up required.

—D.H.