

Stamping Grounds

How agency management systems can help defend E&O claims

By John Nesbitt

Electronic communication is nothing new. But too many errors & omissions claims still result in a he said/she said credibility dispute.

Documenting all interactions with customers and carriers as well as every insurance transaction can be critically important in defending an E&O claim. Without time-stamped documentation, an agency will be left with little more than its employees' memories of conversations that may have taken place years earlier—and your E&O carrier may recommend you settle your claim.

Agency management systems provide many benefits, not least of which is contemporaneous documentation. Documenting a customer's file through a management system gives you more credible evidence because the automated system creates a record of the date and time of the entries, which cannot be manipulated later.

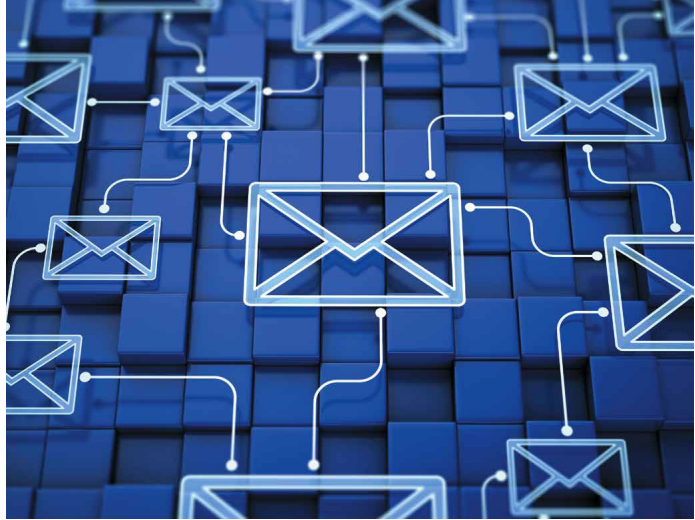
All employees should make electronic notes documenting every conversation with customers, carriers or anyone else with whom they discuss coverage. Many systems also integrate with other agency applications, such as email and word processing systems. This can ensure immediate placement of documents such as applications, quotes, change endorsements, rejections, checklists and other correspondence in the customer's electronic file.

If your system does not do this automatically, staff should scan such documents and route them to the system. Many systems document emails forwarding a copy of the policy to the customer or even just forwarding a link to the policy on the carrier's website, which can confirm that the customer received a copy of the policy. Staff should also automatically enter every certificate of insurance the agency issues for an insured as an activity into the management system. Some systems will even synchronize with the agency's phone systems to send voicemail messages to the file.

When consistently and properly used, a management system can increase an agency's efficiency—and serve as an invaluable ally in successfully defending E&O claims that arise.

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