

Finding Your Feet

7 E&O tips for new insurance agents

By Julie Carter

The decision to become an insurance agent can be the beginning of a fulfilling and lucrative career. But it's imperative to know the basics as a new insurance professional.

Here are seven suggestions for new agents that can help reduce your errors & omissions exposure:

1) Know the marketplace. Take the time to learn the products you are selling, the coverage differences between those products, and what your competitors are up to. The more you stay on top of what is happening in the industry, the better you are able to provide a high level of customer service to your clients and ensure success in marketing new business.

2) Know the standard of care in the state(s) where you are licensed. Understand your legal duties to your customers. Is your state an "order-taker" state? Do you have a duty to proactively advise customers of exposures and the need for specific coverages? What is a "special relationship"?

An awareness of your state's basic laws can prevent claims of negligence in the future.

3) Listen to your customer. Being a good listener is an underrated skill in the business world. It not only helps you avoid errors in coverage placement, but also shows your customer that you care about them and their insurance needs.

4) Properly assess the risk. Listening carefully to the insurance needs of your client is the first step in obtaining proper coverage. Additional investigation, such as viewing the risk that is to be insured, may be advisable, if not required. Understand the insured's personal needs and/or the type of business they operate.

5) Document everything. Documenting your file with emails, documents received, calls made and more is one of the simplest yet most overlooked steps for E&O loss control. Many E&O claims can be dismissed based on a single document that proves an otherwise problematic claim to be baseless.

6) Review the policy. Upon issuance, review your client's policy for errors in coverage, limits, typos and more. Insureds usually have a "duty to read" their policies, but they seldom do. The expectation is for the agent to make sure everything is correct.

7) Continue your education as an insurance professional. All 50 states require insurance agents to be licensed, with requirements varying by state. But don't stop there. Continuing to pursue a variety of professional designations can do nothing but enhance your skills as an agent and boost your reputation in the community.

Good luck!



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