



Technology Technicalities

Technology can make or break your agency's errors & omissions mitigation procedures

By Donna Asta

Technology helps insurance agents and brokers service accounts more efficiently. It helps us issue policies and market our products. However, it is only as good as its

user. One error can have a lasting effect on the whole process.

I remember a claim in Georgia involving employment practices liability insurance coverage added by endorsement to a policy. The agency's internal system reflected that EPLI coverage was in place. When the agency moved the account to another carrier, its policy no longer contained EPLI coverage. However, the broker relied on the agency's system and assumed that a standalone policy had been issued.

When the customer was sued by several former employees and had no coverage, the error came to light. As a result, the agency faced a high-exposure claim. In this case, technology provided the information, but the user failed to confirm its accuracy.

Similarly, renewal time can come with its opportunities and challenges. It is a great time to market new coverages and to recommend that customers reassess their insurance needs but also to protect yourself from a future claim. A renewal letter is an excellent example of using technology to meet your clients' needs.

Often, a client rejects umbrella coverage but later insists that such coverage was never recommended. Issuing letters recommending umbrella coverage at renewal will help dispute such a claim. For example, in 2008, a New York claim argued that umbrella coverage was offered and rejected. However, we did not have any communication to prove that the coverage was offered. Sending a renewal letter would have addressed that discrepancy.

Today, websites, social media and e-newsletters are common marketing tools that promote your products and offerings. They can also help your clients understand the insurance that you offer better.

In a California claim, an agency placed workers compensation insurance for a rehab facility. The agency placed the coverage and helped the client develop its workers comp program. However, the client did not understand the process, resulting in the misclassification of certain employees, which led to claims against the client and a corresponding claim against the agency.

Educating your clients and providing resources on your website and via e-newsletters help them better understand what they are purchasing and can help minimize misunderstandings. The clients also appreciate access to such information because it empowers them to make better-informed decisions.

With many of us working from home right now, we rely on technology more than ever. In this time of less face-to-face contact, the way that agents and brokers use their resources can make or break them. To make the best use of what you have available, know the limits of your technology, and continue to communicate with your teams and your clients.

Donna Asta is vice president and claims expert at Swiss Re Corporate Solutions and works out of the office in Chicago. Insurance products underwritten by Westport Insurance Corporation, Kansas City, Missouri, a member of Swiss Re Corporate Solutions.

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