

Crisis Management Coverage

CRISIS!!!!

What do you do when you don't know what to do?

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Crisis! Scandal! Imbroglio! Disaster! What do these words have in common? They all relate to what could happen to your agency if someone or something causes your agency's reputation to be put on the line due to some outside force. Agencies from time to time will face significant incidents – from a disgruntled customer who turns to social media to damage your agency's reputation to an employee involved in a local scandal. Every day we see where an individual or company has had an event that suddenly causes a situation where they must deal with what are seemingly unbearable circumstances and they are thrust into the local, regional or even national news. As a result, the general public begins to take a different view of them and that could lead to a serious reputational problem.

Examples of what could happen include workplace violence, negative portrayals on social media, negative publicity from civil litigation, or even death of an individual. If you don't have Olivia Pope (the lead character in the TV show "Scandal" portrayed by Kerry Washington) on your speed dial, what do you do? You would turn to a crisis management specialist. These specialists can help an agency limit the negative impact of events on their reputation by helping you identify the issues and stakeholders, use clear decision-making to deal with the crisis, develop a plan to deal with the issues, and then proceed with the plan.

In 2016, Swiss Re Corporate Solutions implemented a new coverage for agents insured by Westport Insurance Corporation to address just these issues called "Crisis Management." The coverage provides assistance, up to \$20,000 reimbursement per policy period, for fees, costs, and expenses incurred by a named insured in addressing a "crisis event." What is a "crisis event"? It can include the death or debilitating illness of a sole proprietor; national or regional news exposure regarding the professional services of an agency that is reasonably likely to have a negative impact on its reputation, community relations, public confidence or goodwill; an incident of workplace violence or the filing of an involuntary bankruptcy petition against the named insured. Think of this coverage as something to help protect your people, your assets, and your brand.

Here are a few examples:

An agency had a disgruntled customer that began a social media campaign to discredit the agency due to their (unfounded) belief that the agency had failed to properly provide coverage for them. The carrier denied the customer's claim; they sued the agency and lost and then decided to exact their revenge via social media. The agency notified the Swiss Re claims department, and the claims team contacted a crisis management expert to assist in examining the problem and taking action to protect the agency's reputation.

What happens when a sole proprietor passes away and a family member wants to continue the business but is not sure what to do? In this situation, assistance is provided to help the family member take action to publicize the transition and work to develop a plan to let the public know.

Another situation might involve the negative publicity to an agency when it is determined that an employee committed a criminal act, be it fraud, embezzlement, or even some violent crime, that would cause the agency to be put in an unfavorable light. Again, the agency would contact the claims department and they would assist them in contacting a crisis management expert to help them work through the situation and help restore the public's confidence in the agency.

While the policy provision is for reimbursement, in all of these situations, the agency should contact the Swiss Re/Westport claims team at the start and they will assist them in contacting the appropriate party to help them work through the situation. Even if you aren't sure if there's a crisis event, contact them and they will be glad to help you work through it.

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