

Big "I" Professional Liability Risk Management presents:

To App, or Not to App?

August 17, 2016

Featured panelists:

Bill Wilson, director of the Big "I" Virtual University

Brian Butcher, claims expert and vice president at Swiss Re Corporate Solutions

Howard Kronberg, Esq. of Keidel, Weldon & Cunningham, LLP



Big "I"
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens



Swiss Re
Corporate Solutions

Meet our Panelists:

- **Bill Wilson, CPCU, ARM, AIM, AAM**- Director of Big “I” Virtual University (VU) for IIABA and coordinator of the Big “I” VU’s “Ask an Expert” Service. Bill has conducted many seminars and workshops to include a monthly “First Monday Live” webinar. Bill has also written hundreds of articles and is the author of Virtual University’s “VU Point Newsletter.”
- **Brian Butcher, JD, CPCU** Claims Expert/Vice President for Swiss Re Corporate Solutions. Brian has 30 years' claims handling and claims management experience. Author of several articles regarding a variety of E and O issues, published in Independent Agent Magazine, including "Full Coverage", "Catastrophic Weather Events Affect Coverage", "Covering Your Bases with Special Events Coverage", "Avoid Replacement Policy Traps.“
- **Howard Kronberg**- Founding partner of the New York law firm of Keidel, Weldon & Cunningham. For the past two decades he has devoted himself to defending agents and brokers in all manner of E&O claims running the gamut from suits and coverage issues involving multi-million dollar Sandy claims to Art Fraud even to Equine Mortality insurance. He has written many E&O Articles on current topics for IIABNY and is widely known for authoring the definitive section on Surety and Fidelity Insurance in the multi-volume work, New Appleman’s New York Insurance Law.



Big “I”
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens



Meet our Moderator:

- **Richard Lund, J.D.** Vice President, Senior Underwriter Richard is responsible for underwriting E&O business. In addition to his underwriting duties, Richard is the E&O Risk Management Coordinator and oversees loss control and risk management. He works closely with the Independent Insurance Agents and Brokers Association (IIABA) both nationally and with the individual state associations to develop, implement and promote ongoing risk management efforts for independent insurance agents. He has also authored numerous insurance agents E&O articles and presented loss control and risk management seminars, webinars and podcasts across the United States.



Big "I"
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens



Swiss Re
Corporate Solutions

Panel Discussion



Big "I"
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens



Swiss Re
Corporate Solutions

Claims Review



Big "I"
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens



Swiss Re
Corporate Solutions

Study the Application to make sure it is Signed by the Applicant

- Large property loss at an apartment complex near a state university.
- The loss occurred within 60 days of the policy being bound.
- The completed application indicated there was less than 10% student occupancy when in fact the student occupancy was about 90%.
- The policyholder did not sign the application.
- The agency principal knew the apartment complex owner well.
- The carrier paid the loss and filed suit against the agency.



Big "I"
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens



Crime Doesn't Pay

- Agent took an application for commercial coverage on a motel.
- Owner advised there had been no crimes committed at the location.
- At renewal, the agent provided the client with only the first page and signature page of the renewal application. The question about crime was not re-asked. However, several crimes took place on the premises between the initial application and renewal.
- During the renewal policy period, a crime was committed, suit filed against the motel owner and the claim was submitted.
- Carrier disclaimed coverage, based on misrepresentation.
- Agent and Agency were sued by the motel owner/insured.



Big "I"
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens



Swiss Re
Corporate Solutions

Electronic Applications Are Not Always Pretty

- Application for art collector's policy. Underwriting guidelines required no losses in the past 3 years.
- Application was completed on the agency's website, by the customer/applicant, according to the agency.
- The electronic signature line was left blank.
- Applicant sustained a loss. Carrier discovered 2 prior losses and disclaimed coverage, citing material misrepresentation. Agency was sued.
- Because there is no signature on the application, it will be more difficult to prove who completed the application (applicant or agent).



Big "I"
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens

 **Swiss Re**
Corporate Solutions

Contact Information:

- Richard Lund- Richard_lund@swissre.com
- Bill Wilson- Bill.Wilson@iiaba.net
- Brian Butcher- brian_butcher@swissre.com
- Howard Kronberg- Hkronberg@kwcllp.com
- Jim Hanley- jim.hanley@iiaba.net



Big "I"
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens



Swiss Re
Corporate Solutions

Thank you!



Big "I"
**PROFESSIONAL
LIABILITY**

www.iiaba.net/EOHappens



Swiss Re
Corporate Solutions