

Articles to Help Agents Avoid E&O Claims

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Avoiding Errors and Omissions in Excess and Surplus Lines

The excess and surplus (E&S) lines insurance market is like a sharp knife. It is a useful tool but will cut you if you aren't careful. Retail insurance agents who do not use it with skill and respect are likely to suffer the injury of an errors and omissions claim. What can agents do when working with E&S markets to reduce the chance of an E&O claim? Here are five recommendations.

<https://www.irmi.com/articles/expert-commentary/avoiding-errors-and-omissions-in-excess-and-surplus-lines>

Explain Ordinance or Law Coverage To Avoid E&O Claims

One key to selling adequate ordinance or law coverage is explaining it clearly. When agents discuss this coverage with their policyholders, policyholders want to know why they need it and how much they should buy. Because those answers are complicated, a lot less ordinance or law coverage is purchased than is needed. At claim time, that can result in an errors and omissions claim against the agent. I offer this short article as a handout agents can use to answer clients' questions about this complicated coverage. I hope it will lead some of your commercial policyholders to purchase the coverage they need and also help you to avoid an E&O claim.

<https://www.irmi.com/articles/expert-commentary/explain-ordinance-or-law-coverage-to-avoid-e-o-claims>

Agents: Reach Out to Your "E&O Tag Team"

When agents report potential errors and omissions claims to their insurers promptly, those insurers can often provide vital assistance, protecting agents from suit, turning around a claim denial, and maintaining agents' credibility with their clients.

<https://www.irmi.com/articles/expert-commentary/agents-reach-out-to-your-e-o-insurer>

Avoid Agent E&O Claim Denial

Insurance agents do not want their own errors and omissions claims denied or their policies canceled because of the way they have handled E&O incidents. To avoid that situation, agents should overcome their fear of reporting E&O claims and potential claims and be careful not to violate the other requirements in their own policies. The claims manager for a surplus lines broker that specializes in professional liability policies told me, "When it comes to E&O claims against themselves, retail insurance agents are unrealistic. They downplay the severity of the problem and overestimate their own ability to solve it." That rose-colored glasses approach often leads to the following mistakes—mistakes that can have severe consequences.

<https://www.irmi.com/articles/expert-commentary/avoid-agent-e-o-claim-denial>

Avoid Agent E&O When Handling Problem Claims

Insurance agents—be careful about advocating for your clients when the insurance company has denied their claim. Insureds—understand that your insurance agents may be more hesitant to "go to the wall" for you on a claim than in the past for fear that you may end up suing them. Most agents tell their insureds that one of the prime benefits they provide for their clients is that they will advocate for them with the insurance company when there is a claim. So, I was surprised recently to hear advice from one of the nation's leading providers of insurance agents' errors and omissions coverage that agents should be very careful about advocating for a client when there is a claim denial. Their bottom line was that agents need to take due precautions about when and how they advocate for their clients so they do not end up on the wrong end of a lawsuit themselves. As a result of that shift, I believe insureds may need to take more responsibility to advocate for themselves.

<https://www.irmi.com/articles/expert-commentary/avoid-agent-e-o-when-handling-problem-claims>

Independent Agents: Pay Special Attention to Your "Special Relationship" Clients

Independent insurance agents—chances are the courts in your state will say that you have a greater responsibility to give insurance advice to some of your policyholders than to others. Who are those policyholders, and what services should they be receiving from your agency?

<https://www.irmi.com/articles/expert-commentary/independent-agents-pay-special-attention-to-your-special-relationship-clients>

Agent E&O Tips from the Streets in Rhyming Tweets

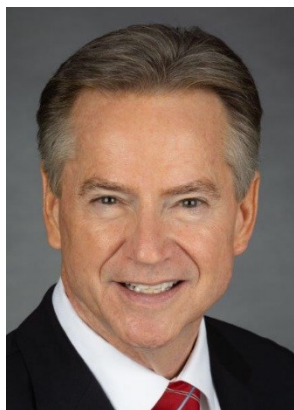
Each E&O tweet is short and sweet

To help us recall what's best for us all.

And they rhyme, too, so they must be true.

<https://www.irmi.com/articles/expert-commentary/agent-e-o-tips-in-tweets>

All of these articles were published by the International Risk Management Institute (IRMI) in their "Expert Commentary" series and are available on their website free of charge. They can all be accessed by Googling "IRMI Brent Winans bio" and then scrolling down to the bottom for link to each of the articles. The links to individual articles are also shown above.



Brent Winans, CPCU, ARM, started his career in insurance as a State Farm Insurance agent. In the years since he has held positions as an independent insurance broker, insurance agency office manager, corporate risk manager and risk management consultant. He presently is Vice President of Clear Advantage Risk Management, a division of the Plastridge Insurance Agency in Delray Beach, Florida, and provides fee-based risk management consulting to larger insureds and expert witness testimony on insurance agent E&O claims. He has served as an expert witness on both sides of such claims in over 100 cases across the country. He can be reached at bwinans@cleararm.com and 561-276-9158. Website at www.ClearAdvantageRisk.com.