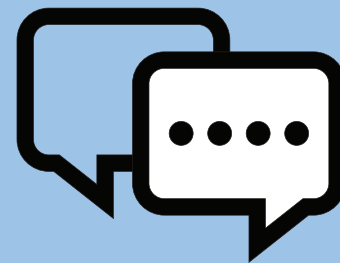


DO'S AND DON'TS TO AVOID AND MANAGE E&O CLAIMS (OR AVOID MAKING THEM WORSE)

- ▶ Do not admit liability—to the insured or the insured's insurance company.
- ▶ Be empathetic, but be careful what you say.
- ▶ Do not discuss the existence of an E&O policy with anyone—and don't provide copies.
- ▶ Complete a claim reporting form and forward it to your E&O carrier or producing state association along with details of any conversation or correspondence you have received making a demand for damages.
- ▶ Do not offer to pay the claim yourself.
- ▶ Involve your E&O Improvement Specialist, or other appropriate agency personnel, and appoint a person who will be the agency's sole point of contact for all matters related to the claim.
- ▶ Interview every person involved in the claim—and remember it's not about the "who," it's about the what, when, where, and how.
- ▶ Have each person involved in the situation write a narrative describing the incident and check the customer's file to determine the chronology of events.
- ▶ Forward all documentation to your E&O carrier.
- ▶ Cooperate fully with your E&O carrier.

As a reminder, when communicating with clients:

- ▶ **DON'T MAKE CLAIMS DECISIONS.** Let the insurance carriers do that.
- ▶ **DON'T ADVISE YOUR CUSTOMERS** if claims are covered or not. Let the insurance carriers do that.
- ▶ If a carrier takes the position that losses are not, or may not be covered, do not engage in advocacy asserting that, "We thought it was covered..." That will simply be used by your client to prove that you knew the client wanted coverage but you failed to procure coverage.
- ▶ **DOCUMENT, DOCUMENT, DOCUMENT.** Document every telephone conversation, email, text, tweet, or any other type of communication with your customers.
- ▶ Assume that any telephone conversation with your customers or carrier claims representatives is **BEING RECORDED**. While some states prohibit recording of telephone conversations without advising that they are doing so, **IT DOESN'T STOP SOME PEOPLE FROM DOING SO**.
- ▶ If you use social media for your business, make sure it is up to date! Do not make any promises that something may or may not be covered by insurance companies and policies.
- ▶ **DO NOT GIVE ANY STATEMENTS, RECORDED OR OTHERWISE, WITHOUT FIRST CONTACTING YOUR E&O PROVIDER.**
- ▶ If you have a conversation with your customer that leads you to believe they may be fishing to make a claim against you, **DO NOT HESITATE** to contact your E&O provider.



Get more risk management
tips and information at
www.iiaba.net/EOGuardian.

Questions?
Reach out to
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