

SWISS RE'S DEDUCTIBLE FEATURES ARE SECOND TO NONE



Swiss Re's E&O policy form deductible clause was rewritten in 2022 to offer the most competitive features in the industry. **While others may have one deductible reduction option that is similar, we have three ways to significantly reduce or eliminate your deductible.**



#1 DOCUMENTATION

Firstly, we believe in rewarding agencies who practice good documentation. We will waive the deductible if we successfully defend a claim using the agency's documentation of the rejection of coverage or limits in an allegation or error specific to that limit or coverage. The maximum we will waive is \$25,000.

EXAMPLE

Our policyholder had a deductible of \$10,000. In a claim stemming from an underlying auto accident, the customer alleged that the agency failed to offer adequate UM/UIM limits, but the agency produced written documentation that their customer had rejected an offer of higher UM/UIM limits. Instead of contributing \$10,000 toward the claim, the agency paid zero dollars.

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#2 "CLAIM FREE"

The second deductible reduction scenario requires no effort on the agency's part; only that the agency has been "claim free" for the past 3 consecutive policy periods. If we paid \$5,000 or less on any claim in excess of the deductible amount and it was over the course of three policy periods and then a claim is made, we will reduce the deductible by 50% regardless of the size of claim. Furthermore, we do not take the Additional Coverages payments into account when calculating the reduction. (Subpoena, CAT Extra Expense, Regulatory Defense, etc.) The maximum we will reduce a deductible by is \$25,000.

EXAMPLE

An insured had 3 subpoena expense payments in a three- year period, totaling \$7500+. During the fourth policy term, the agency had a claim for failing to add a vehicle to the customer's auto schedule. The agency had been carrying a \$25,000 deductible. The Swiss Re claims adjuster applied this clause, resulting in a \$12,500 reduction in the agency's deductible.

#3 CONSENT TO SETTLE

The third potential scenario for having your Swiss Re deductible reduced is a piggyback onto the second method described above. Using the example in number two above, the agency consented to the settlement of the claim and the settlement was completed before a lawsuit was filed. Using the third clause of our deductible reduction language, this resulted in a 75% reduction of their deductible. Instead of paying \$25,000, the agency paid only \$6,250. Had the claim gone into suit, the agency could still have reaped a 50% deductible reduction if we were able to settle the claim at the first mediation.

While only one of these deductible reduction methods will be applied for any given claim, Swiss Re will choose the biggest deductible savings for you during the claim process.

Please consult your Swiss Re policy for the full deductible language. This explanation and the examples given are simplified to illustrate how much money our policyholders have been saving by having their E&O coverage with Swiss Re Corporate Solutions America Insurance Corporation. If you are not yet a Swiss Re policyholder, ask your state program manager for a sample of our policy and for all the additional ways we make E&O claims as painless as possible.

Whether or not any claim or potential claim is covered under our policy is dependent on the individual facts, circumstances and allegations made by a claimant in each claim situation.

Questions? Contact your state E&O Program Manager.

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