

LOSS PREVENTION LESSONS

January 2015

Provided by CalSurance® exclusively for Farmers Agents

*Keeping You
Informed & Protected*

Year in Review - 2014

CalSurance wishes you a happy New Year! Hopefully, all of you were able to take some time off to relax with your families and celebrate over the holidays. However, now that the holidays are over, it is time to get back into the normal swing of things. Although it may be an easy issue to overlook, loss prevention should be a topic of consideration during each insurance transaction. We hope that these lessons serve as a reminder to be cognizant of the issues that could arise on a daily basis during the course of your day to day business activities. Hopefully you can set aside a few moments from your busy schedules to briefly review the lessons covered over the last year.



February 2014 –

Declarations Page: Road Hazard or Road Map

The declarations page can be a tremendous aid in marketing, customer service, and risk management. However, when used carelessly, it often becomes an exhibit in an E&O claim. The dec page should be a touch point for agents when providing information about coverage to a customer and can aid in determining answers to basic questions regarding limits, renewal/expiration dates, deductibles, etc. It is much safer to refer to a dec page when faced with a basic policy question than to rely on your memory.



March 2014 –

EPLI Basics

Employment Practices Liability Insurance is used to protect employers from employment practice related claims. If you are engaging in the sale and/or servicing of commercial insurance, a discussion regarding the availability and need for EPLI coverage should be part of your presentation to every customer.



April 2014 –

Definitions: Every Policy's Built in Dictionary

The function of definitions in the insurance policy is to clarify the meanings of terms so that outside interpretation does not expand or restrict the intended coverage. You should have a comprehensive understanding of the definitions in each policy so that you are equipped to answer questions posed by your clients.



May 2014 –

10 Tips to Reduce Your Exposure to E&O Claims

We switched things up a bit with this lesson and decided to forego the real world claim example in favor of a top 10 list of topics to reduce E&O exposure along with practical applications for each topic. Notable topics include investing in your agency, knowing your binding authority, being careful with your conduct, and assisting with claims.



June 2014 – What is not covered is Equally as Important as what is Covered

Exclusions eliminate coverage for certain acts, property, types of damage, locations, etc. Some are very common and appear in nearly all insurance policies, while some are mandated by public policy or particular to certain jurisdictions. Others are policy specific. It is vital that you understand the exclusions under the policies that you sell and/or service.



July 2014 – Conditions: Avoiding the Pitfalls

Insurers expect certain things from both the client and agent before, during, and after a loss. The policy Conditions sets forth the rules of conduct, duties, and obligations required for coverage to be triggered. You should be aware of the Conditions and take prudent steps to remind your customers of the terms of their policy, including the Conditions.



August 2014 – Documentation: How to Have Your Own Back

Binding coverage, advising customers, changing coverage, and keeping customers are all factors to take into consideration while conducting your business as an insurance agent. Agents must take care to provide their customers with information that allows the customer to make an informed decision about his or her insurance needs. All customer conversations and interactions should be documented.



September 2014 – Conditions: Claims Made and Reported and the Necessity of the Timely Reporting

It is vital that you have a good understanding of your coverage and obligations under your E&O policy. Professional Liability policies are typically written on a claims made and reported basis as opposed to an occurrence basis. These policies require that you notify your insurance carrier when you first become aware of a potential loss and the notification must occur within the current policy period.



October 2014 – Standardizing Office Procedures

Each employee within your organization should have a job description outlining their role and responsibilities. All basic day to day agency tasks should be standardized. The need for consistent and concise documentation should be stressed to everyone in your agency. A diary system to effectively track reminders for tasks and follow up activities should be implemented.



November 2014 – Understanding Endorsements.

Endorsements can add, restrict, or clarify the intent of coverage on a policy as needed. Endorsements can be used to enhance an insurance policy or to provide individualized coverage to your clients. It is important to understand what endorsements are available for a policy along with how the endorsement will change the current insurance policy.



December 2014 – The Importance of Endorsements Cannot be Stressed Enough

It is crucial that you include all applicable endorsements in your proposal to your client when you are quoting business. All parties involved in the transaction should understand the nature and terms of any endorsements attached to a given policy. Review any newly added endorsements with your client. Upon completion of the meeting, summarize the discussion in writing and confirm whether your client accepted or declined the endorsement.

We welcome any feedback regarding past topics as well as suggestions for future lessons. Simply reply to the loss prevention email that you received and we will be happy to correspond with you. We appreciate your continued participation in the Farmers Sponsored Group E&O program and look forward to a great 2015. Keep in mind that if you ever wish to review past loss prevention lessons, the archive dating back to 2010 can be accessed free of charge for all Farmers Agents and District Managers by visiting:
www.calsurance.com/farmersmonthly

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