

LOSSPREVENTION LESSONS

May 2019

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Report Claims under the Proper Policy

A grocery store owner had several policies with his agent, including a commercial general liability policy and an EPLI policy, which had recently expired about 75 days earlier. The owner contacted his agent's office to report a claim. The Agency Producer answered the phone and took the necessary information to submit the claim to the carrier. An individual was bringing a claim against him for violations of the Americans with Disabilities Act because he had not been permitted inside the store with his licensed service dog. The producer took down all necessary information and submitted the claim to the CGL carrier. Unfortunately, the claim was denied by the carrier and the agent's office received notice of the denial about three weeks later.



The Agent reviewed the denial notice and quickly realized that the claim should have been reported under the EPLI policy. He immediately reported the matter under the EPLI policy, but the EPLI policy contained the following provision: "the underlying insured shall give, as soon as practicable, written notice of a claim first made against the underlying insured during the policy period, but in no event later than 90 days after the expiration of the policy". Unfortunately, the claim was just outside of the 90 day window by about a week. The claim was denied under the EPLI policy and the agent was forced to report the claim to his E&O carrier for handling.



It is vital to have established procedures setup in your office that relate to claim reporting. Furthermore, all staff members should be trained about how to respond to and report claims on behalf of a customer as needed. If in doubt about which policy a claim should be reported under, it's best to error on the side of caution and report the claim under all policies for which coverage could be triggered. This is a particularly important issue for claims made and reported policies or other policies with strict claim reporting requirements.



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