

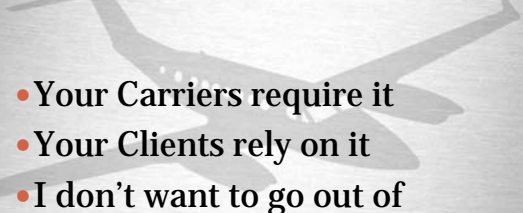

**Aviation Insurance Agent's
Errors & Omissions Liability**

**JOHN HOWARD
SILVER EAGLE AGENCY**



E&O Insurance – A Necessary Evil?

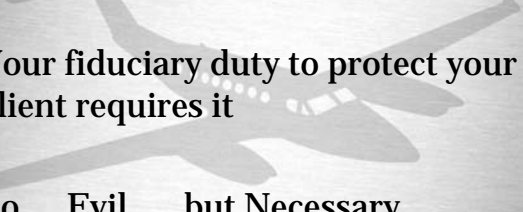

- **Your Carriers require it**
- **Your Clients rely on it**
- **I don't want to go out of business**



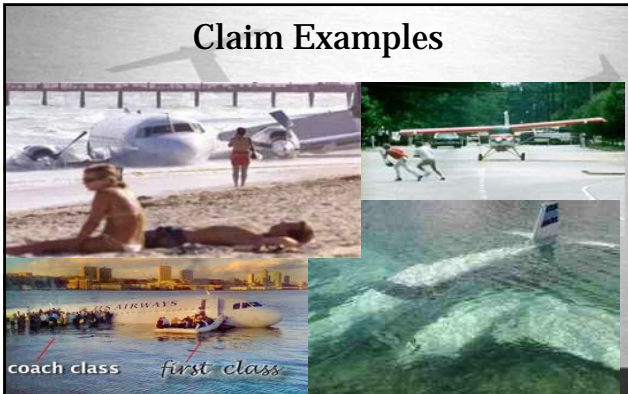
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E&O Insurance – A Necessary Evil?

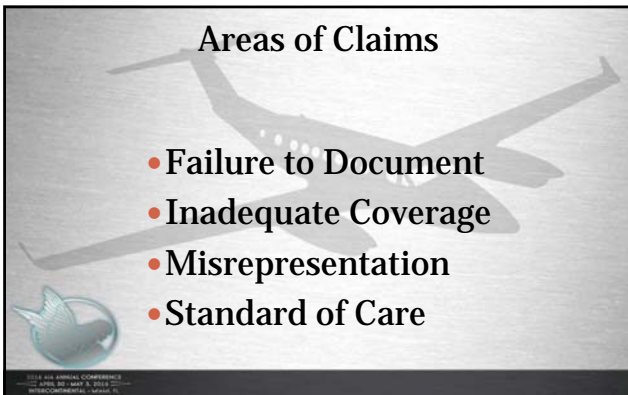
- **Your fiduciary duty to protect your client requires it**
- **So.....Evil.....but Necessary**



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Areas of Claims

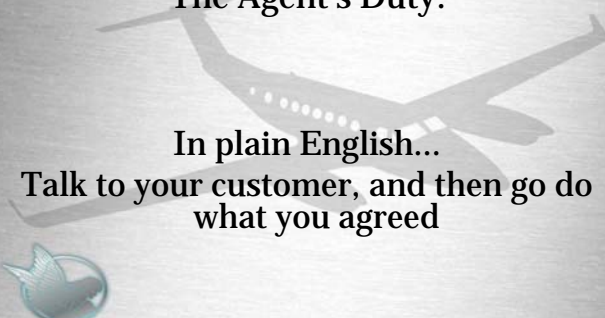
- **Lack of lots of things**
 - Attention
 - Knowledge
 - Concern
 - Action
 - Control



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The Agent's Duty:

In plain English...
Talk to your customer, and then go do what you agreed



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The Agent's Duty:

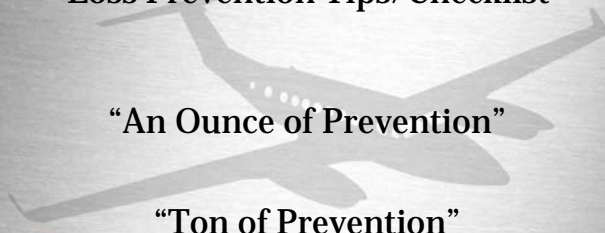
and if you can't do what you agreed...

TELL THE CLIENT!!!




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Loss Prevention Tips/Checklist



“An Ounce of Prevention”


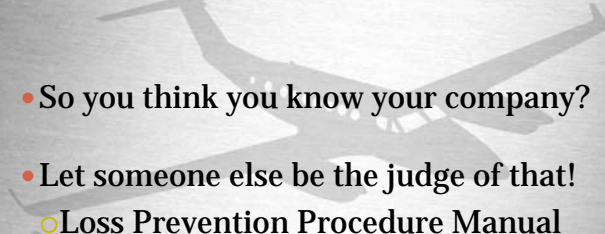
“Ton of Prevention”



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Procedural Audit

- So you think you know your company?
- Let someone else be the judge of that!
 - Loss Prevention Procedure Manual
 - Procedural Audit



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Procedural Audit

- Three levels of Audit
 - Self Audit and Scoring
 - Self Audit with Third Party Review and Recommendations
 - Third Party onsite audit with written Report and Recommendation.



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TIPS

- Standardized Procedures/Checklists
- Training
 - Continued Education Mandatory
 - Especially Ethics training
 - Formal Training plan for new staff
 - Insurance 101 classes for all non-licensed staff
 - Detailed Job Descriptions
- Communication

CHECKLISTS

- For New Business:
 - Insured wants “Exact Same Coverage” - Really??
 - Review “old” policy and endorsements
 - Pilots
 - Geographical Restrictions
 - Find the gaps
 - Find the E&O made by the prior agent
 - Protect yourself from assuming prior agents E&O claim

CHECKLISTS

- Renewal Business
 - Client just wants to renew as per last year, but...
 - Endorsements in past year
 - Changes on renewal application
 - New carrier options
 - New coverage options
 - The “If only you’d told me I would have bought it” options

Last Checklist

- DOCUMENT
- DOCUMENT
- DOCUMENT
- Whoever wins the “Battle of the Documents” is usually the winner.

Thoughts on Documenting

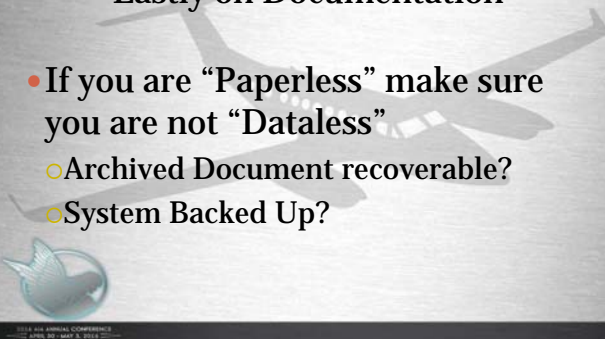
- Paperless is fine if you have a “Truly” Paperless Data Base
- Email only if you add email to client’s file
- Think trial exhibit:
 - Typed, not handwritten
 - Spelling/Grammar
 - Business Formality
 - Date EVERYTHING

More on Documentation

- In Files, use a note sheet, or write on file jacket.
- Avoid notes on scraps of paper, little sticky notes
- Identify with whom you spoke
- Avoid ambiguous abbreviations
- Avoid using shorthand
- Write neatly, or type

Lastly on Documentation

- If you are “Paperless” make sure you are not “Dataless”
 - Archived Document recoverable?
 - System Backed Up?



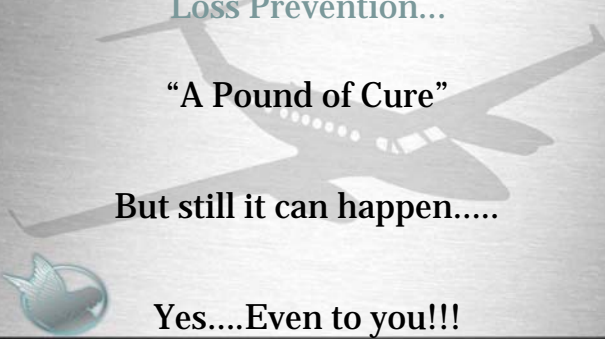
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Loss Prevention...

“A Pound of Cure”

But still it can happen.....

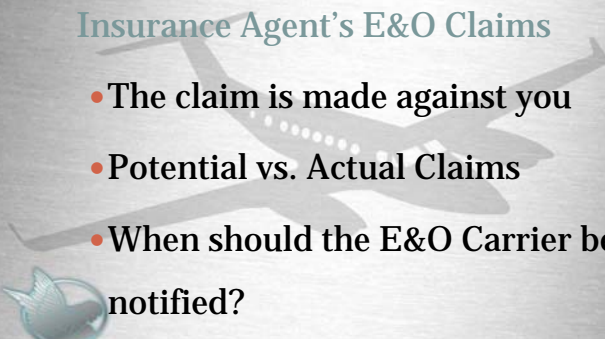
Yes....Even to you!!!



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Insurance Agent’s E&O Claims

- The claim is made against you
- Potential vs. Actual Claims
- When should the E&O Carrier be notified?



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Reporting Potential E&O Claims

- Most Agent's E&O policies permit reporting "Potential" or "Incident" Claims
 - Report if you really think suit is coming
 - Early Reporting of real problems can avoid suits
 - Incident reporting should not effect your renewal -
- Talk with your carrier



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Reporting E&O Claims

- Report Suits Immediately
- Immediately Means TODAY!
- Work with carrier to assign defense counsel
- Don't discuss with anyone else
- Locate ALL files relating to that customer and start copying
- Don't discuss with anyone else



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CLAIM HANDLING FOR CLIENTS

How to handle your clients' claims

Executive summary:

DON'T DO IT!!!




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THE CLAIMS PROCESS AND YOU

1. Obtain initial information
2. Make Report to company
 - Fax
 - Accord
 - Telephone
 - Email
3. Send insured a follow-up letter
4. Stay out of the process


DOCUMENT!!!



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Acknowledgement/Follow-up Letter

- Confirm Report of Claim (include copy of report form sent to company)
- Advise insured that company will be in contact
- Advise insured to not discuss claim with anyone other than company's adjuster
- Advise insured you and your staff are not involved



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Summary

- Failure to Document
- Inadequate Coverage
- Misrepresentation
- Standard of Care
- Lack of lots of things
 - Attention
 - Knowledge
 - Concern
 - Action
 - Control



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Summary

- Procedural Audit
- Standardize Procedures
- Documentation
- Training
- Documentation
- Communication
- Documentation



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Summary

And in closing.....

Handling your clients claims?


DON'T DO IT!!!



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Questions???????

- Questions for John Howard
- John@SilverEagleAgency.com



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