

New Insurance Agency Checklist

Errors and Omissions Coverage also known as E & O or Professional Liability is a coverage that protects your company, your family, your agents and employees from financial harm from your licensed activities as an insurance agent. The professional services will be outlined in your policy along with the definition of a wrongful act. The application you complete outlines these activities for your E & O underwriter. If you are licensed for Property and Casualty and leave off your Life and Health activities as a licensed Life and Health agent, how is the E & O carrier knowing you need coverage? So please take the time to show or at least estimate what you may be writing in the next 12 months on this application.

CHECKLIST:

- E & O Carrier application, fully completed, currently signed and dated
- Fully completed, currently signed and dated supplements (if applicable)
- LIMITS OF LIABILITY
 - Minimum Limits for for most insurance contract are \$1,000,000 per claim and \$1,000,000 policy aggregate. Please verify if you need higher or lower limits by speaking with your Insurance Carrier.
 - Do you desire reviewing deductible options? ___ Yes ___ No *Standard Deductibles start at \$2,500 per claim for most policies. Greater deductibles with new agency start-ups do not change the premium significantly.
- AGENCY CHANGES
 - Are you buying a book of buisness from another agency? ___ Yes ___ No
If you check YES, please discuss with your broker.
 - Do you anticipate a change in ownership in the first year? ___ Yes ___ No
If you check YES, please review options for extended reporting period coverage
 - Are you going to add any locations in the first year? ___ Yes ___ No
 - Will you be changing or adding a new corporate name or DBA's that will be added to your E & O Coverage?
___ Yes ___ No If you are unsure, you will need to contact your E & O Agent to have the name added.
 - Is 10% or more of your business with Insurance Companies Rated B+ or less by A. M. Best? ___ Yes ___ No
Please go to www.ambest.com to check the financial rating of your Insurane Companies
 - Do you have any carrier contracts that require any additional nsureds be listed at this time? ___ Yes ___ No

FINALLY: Every year as a procedure in your office (whether it is just yourself; or your employees; or independent contractors) it is wise to verify if anyone knows of a situation that may result in a claim before your policy begms or renews. E & O policies are CLAIMS MADE AND REPORTED FORMS. Reporting an E & O matter after you renew may result in your E & O claim being denied if you were aware of a situation when you were in the renewal process.

- AGENCY NO KNOWN LOSS INFORMATION – As agency owner or principal, you are responsible for all possible E&O claims or awareness of incidents that could lead to an E&O claim. Please consult with all staff, owners, and independent contractors to determine if anyone is aware of any E&O potential claims or situations that could lead to a claim. It is important to report these situations and all claims before you renew or change carriers.