

ERRORS & OMISSIONS

RISK MANAGEMENT ALERT

The Importance of Asking Your Clients if Their Exposures have Changed

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for Insurance Agents



USING A RENEWAL CHECKLIST / QUESTIONNAIRE OFFERS SEVERAL BENEFITS

- ▶ **This now puts the responsibility on the client to advise you of any changes.** For example, assume your renewal questionnaire asks the client if he or she has started a home business. You send the client the questionnaire, and he or she never gets back to you. The client then suffers a loss involving the home business and finds out he or she doesn't have the proper coverage. The client will then look to blame your agency. The questionnaire you sent asking about this exposure will be a key element of your agency's defense.
- ▶ **Your agency will write more business guaranteed!**
If you are looking to write more business, look for opportunities within your current book. There are numerous examples of agencies growing through a solid cross-selling program. For personal and commercial clients, there are exposures the client may have that he or she is not even thinking of. Examples include:
 - **Cyber.** This is definitely a commercial issue, and recent losses point to this being a personal lines issue, too. Claims involving identity theft, wire transfer fraud, ransomware (personal computers being hacked into), and cyberbullying are becoming more prevalent.
 - **Electronic scooters.** This type of transportation is being utilized, but do clients realize that their auto or homeowners policy will provide protection?
 - **Shared vehicles/shared homes/shared office space.** These are new exposures your clients may now be facing.
 - **Couples living together, but are not married.** Does the definition of "who is an insured" provide the necessary coverage?
 - **A gig economy is a growing trend.** This is an environment in which temporary positions are common and organizations contract with independent workers for short-term engagements.

These may be new exposures that your clients are dealing with, but with no knowledge as to whether they are properly covered. **Developing a renewal questionnaire and sending it (via paper or electronically) will provide the agency with new business opportunities while also shrinking the possibility that a client's claim is not properly covered. It is a win-win.**

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