

# ERRORS & OMISSIONS

## RISK MANAGEMENT ALERT

### Communicating with Your Customers at Renewal is Critical

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We KNOW  
for Insurance Agents



**Most E&O claims involve a client’s uninsured exposure, with renewals generating far more errors-and-omissions (E&O) claims than new business.**

Strengthen your agency’s defense if a client alleges they were not properly insured by taking the following approach before renewal. You might write more insurance, too.

- **Don’t let policies renew “as is.”**
- **Reach out to clients** via a review or checklist to ask about exposure changes.
- **Develop and send clients an exposure form/questionnaire.** Include a cover letter explaining the purpose.
- **Include a list of coverage options for clients to consider.** Most agencies don’t have the time to meet with every client, so this is vital with Personal Lines clients and small Commercial Lines clients. Most agency management systems can handle this task.
- **Send the form/questionnaire to each client 90 days in advance of the renewal date of a key coverage,** such as Commercial Package Policy, Homeowners, or Personal Auto.
- **Send the form/questionnaire every year.** You don’t need to follow up with clients who don’t respond – instead, include language stating that if the form is not returned, “the coverage will be renewed based on information previously provided.” Your agency file should reflect that this mailing was done and you should act promptly on returned questionnaires.

**Please note:** Agencies using service centers should not send the form/questionnaire to those clients as the mailing could impact the hold-harmless provision in the service center contract.

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