



Utica National  
Insurance Group®

# ERRORS & OMISSIONS

RISK MANAGEMENT ALERT

## Create a Strong E&O Culture Using 6 Key Components

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We KNOW  
for Insurance Agents



Your agency's goal should be to creating a strong E&O culture through constant and steady improvement in your E&O loss prevention approach. **These tips can help:**

1

**Be consistent.** Develop a procedure manual or identify 10 essential procedures to benefit your agency. Assign a segment of your staff to do this to foster greater buy-in.

2

**Review tasks regularly.** A large workload and not handling issues in a timely manner can increase the potential for E&O matters to develop. Review tasks with each staff member at least monthly and reassign tasks as needed.

3

**Report claims promptly.** A common issue relating to claims involves reporting to excess carriers. Develop a “Best Practices Guide” for the Claims staff. Keep in mind that agencies don't have the authority to approve or deny claims, carriers do.

4

**Document communications.** Document and retain every communication involving a client's insurance program in the client file. Memorialize discussions back to the client by written communication. This will benefit your agency if a problem develops and the client's version of the conversation differs from yours. *Remember, “If it's not in the file, it didn't happen.”*

5

**Use exposure analysis.** Most claims involve a client suffering an uninsured loss. Help them understand their exposures and offer insurance solutions. This helps reduce your E&O exposure and can result in growth for your agency. Include a section addressing “other coverages to consider including, but not limited to, the following” in your proposals.

6

**Check policies.** Many agencies assume policies issued by the carrier or from a wholesaler are correct. Don't. Develop a policy-checking process for new and renewal business, especially in the Commercial Lines segment, beyond “the premium is what was quoted.”

### Additional Articles

- [What and When am I Supposed to Document? >>](#)
- [Do Your Producers Know the Rules? >>](#)
- [Failure to Obtain/Maintain Proper Coverage >>](#)
- [When Using Wholesalers, You Don't Want to Assume >>](#)

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