

ERRORS & OMISSIONS

RISK MANAGEMENT ALERT

What and when am I supposed to document?

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Every E&O claim made has been impacted by the level of agency documentation in some way.

Use the opportunity to educate staff on what the expectations are for documentation. Document agency standards in writing for all employees to know, understand and follow to help avoid any confusion about those expectations.

Include items such as:

The “When” Issue. What is the expected time period for when telephone conversations should be documented in the agency system? Avoid statements like “as soon as practicable” because this could vary by agency staff member. Address the timeline for documenting meetings with customers, too. **Ideally, document and take care of the task at hand by documenting immediately following a conversation with the agency customer or prospect,** as details become less clear as other tasks and conversations take place during the day.

The “What” Issue. Issues include how coverage deletions should be handled, how and when to document when the customer declines a specific coverage, etc. The days of simply entering the discussion in the agency system are gone. **Those discussions must be memorialized in an email back to the customer and include the key information.** There have been situations where the customer, after suffering a loss, contradicts the information in the agency system. They may advise “I told you I wanted the coverage” when you heard the opposite.

The “How Much Detail is Needed” Issue. What is the expected level of documentation of a phone conversation? Include the actual name of the customer, as opposed to “insured,” as well as sufficient detail of the exact essence of the conversation. **The documentation should be such that another agency staff member could read the documentation, know exactly what was discussed, and any next steps or open items.**

The “Abbreviation” Issue. What abbreviations are acceptable and which words need to be spelled out? **Note the list of acceptable abbreviations. If there is no abbreviation for a specific issue, then fully spell the issue.**

The “Watch What You Say” Issue. A good rule for documentation: **“Don’t put anything in the system that a jury shouldn’t read.”**

For agencies with an audit process in place, adherence to documentation expectations should be carefully reviewed. For agencies without an audit process, at a minimum, someone in a management position should review file documentation to determine if the staff is meeting expectations. Auditing often (weekly, monthly) is a great way to reinforce positive behavior or conversely coach staff who are falling short of expectations. **Strong file documentation will reduce errors and, if an E&O claim is made, favorable documentation will help in the defense of your agency.**

This is too important to leave to chance. As the saying goes:

If it is not in the file, it didn’t happen.

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