

Insurance Agents and Brokers Get No Summer Vacation from Risk Management

PLUS Blog

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“Summertime, and the livin’s easy” – or so they say. While some businesses may assume a more relaxed pace in the summer months, it is important that insurance agents and brokers maintain their best practices and continue to service their customers in a diligent manner.

S Set expectations. While insurance procurement is a business, it is important not to oversell. An insurance agent should tell his or her customer if the coverage sought is beyond the scope of his or her experience or capabilities. It is better to excel in the area an insurance agent knows than try to be a “jack of all trades” and attempt to sell types of coverage that are unfamiliar to the agent.

U Understand your customers’ requests. Insurance agents should communicate openly and directly with customers to ensure synchrony in understanding the coverages sought and desired. When lawsuits arise, insurance customers often state that they deferred to their insurance agent in selecting coverage. If an insurance customer requests certain coverage, it is important to relay that request to the insurance carrier; if the request is denied by the carrier, that, too, should be communicated to the customer. That way, if the customer elects to proceed with coverage which deviates from that which was requested originally, the insurance

agent can demonstrate that such coverage was unavailable and efforts were made to secure the initially requested types or amounts of insurance.

M Memorialize communications. It is of critical importance to memorialize communications with customers, underwriters and wholesalers. In a busy day, it is impossible to recollect every conversation and memories may differ if litigation ensues. Contemporaneous recordings of communications minimizes misunderstandings and can assist in establishing that certain coverages were requested, offered or declined; policy terms and conditions were reviewed; and premium payment deadlines were provided. A good recordkeeping system is one of the most important tools in an insurance agent’s arsenal.

M Maintain records. Not only is it important to memorialize communications, but it is important to maintain these communications as well as other critical documents. Whether through an agency management system, emails, letters or – better yet – all of the above, insurance agents should keep records in an organized and accessible manner. The records of communications, signed policy applications, notices of cancellation and letters from carriers (for example) are only helpful if they can be located.

E Establish personal contact. In-person interactions garner trust and camaraderie. Where feasible, insurance agents should welcome the opportunity to connect with their customers on a personal level. In-person meetings enable insurance agents and customers to review new business insurance requests as well as maintain ongoing renewal business. An established rapport may deter formal claims and foster resolution without litigation. Just remember to document the interaction and any salient requests or representations after the meeting!

R Represent capabilities accurately. Advertising is an inevitable aspect of business, but insurance agents should avoid language that suggests expertise or offers risk management or advisory services. Agents should keep solicitations general, vague and subjective, and avoid overpromising in areas in which he or she lacks experience. ▣

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