



E&O Risk Management Newsletter

Issue 3, March 2024

We KNOW
for Insurance Agents



E&O

In this newsletter:

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- ➔ 5 Ways to Help Reduce Your E&O Exposure from Flood Liability
- ➔ No-Cost Zywave Courses Available for Policyholders

Consider These “Best Practices” when Navigating the Hard Market

Agencies around the country are reporting a wide range of issues due to the hard market –including increased premiums, reduced capacity, restrictive policy terms, and stricter underwriting from the carriers.

How an agency deals with the hard market affects their bottom line. Here are several “best practices” to note:

AGENCY STAFF

- **Counsel your staff on how to deal with clients** that may be experiencing large rate increases or coverage reductions.

MORE RESTRICTIVE POLICY TERMS

- **Communicate to your insureds that they may see changes to coverage and should review their renewal terms carefully.** Tell insureds you can assist them with securing alternate terms if you have alternative markets available.
- **Communicate in writing to your clients about what their upcoming renewals will look like and what they can expect in the way of pricing and coverage terms.** It’s better to be general than specific. Explain that they should expect changes, review renewal terms carefully, and reach out to you if they want to discuss the changes or pursue terms through other markets. If you note specific changes to an account, it’s possible to miss something which subsequently becomes an E&O claim.
- **Note any coverage changes to clients in writing when providing the quote if you are presenting the renewal terms.**
- **Keep in mind that while admitted carriers will generally need to give notice when they are reducing coverage,** surplus lines carriers are not required to do so. You might find a new exclusion or coverage change when you receive the renewal proposal, leaving you with little time to secure alternatives. Be proactive about asking your wholesalers/surplus lines carriers what type of policy coverages to expect on renewals. Do not assume they will point out any changes to terms on the renewal quote – review these carefully for changes. (Find additional information in our [December 2023 R&O Risk Management newsletter](#).)

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MORE RESTRICTIVE POLICY TERMS

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The hard market affects virtually every agency. The better prepared your agency is for all of the issues you will face will determine to what degree your agency is affected.

5 Ways to Help Reduce Your E&O Exposure from Flood Liability

1. Make sure your staff are well educated on flood coverage and the market options available.
2. Always offer flood coverage to your clients.
3. Be clear that a separate application must be submitted for each property to be covered.
4. Document your files. Discussions surrounding flood insurance should be noted in your agency management system and memorialized back to the client. Get the client's declination in writing if they do not want to purchase flood insurance.
5. Keep in mind that the maximum limits available in the National Flood Insurance Program (NFIP) may not be sufficient for higher-value properties. Be clear with clients about the limitations and the possible need to offer to obtain excess flood insurance.

No-Cost Zywave Courses Available for Policyholders

E&O policyholders with the Utica National companies get access – at no additional cost – to Zywave Learning, a learning management system (LMS) enabling them to easily train and onboard employees.

Course titles include:

- Workplace Ethics for Employees
- Communication Skills Training for Employees
- How to Hire the Best Employees
- HR Compliance for Managers
- Data Privacy & Information Security
- Social Media Responsibility for Employees

... and many more!

Signing Up is Easy!

E&O policyholders should call 315-235-4700 to get started.

Find out more:

[Course Catalog](#)

[Flyer](#)

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