

Use these Tips to Protect your Business & Avoid E&O Claims

Document, Document, Document!

- Review notes from meetings or phone conversations with your clients.
- Summarize main points and responsibilities.
- Send a follow up email or letter recapping conversations with clients.
- Always date your notes.
- Maintain a record of all phone calls.
- Make sure your staff knows how to take messages in a professional and accurate manner.

Listen to the Client

- Don't ask leading questions so that the response is simply what you want or need to hear to write a policy.
- Promptly handle problems or complaints.
- Summarize the client's needs. Confirm your summary with clients.

Don't Assume Anything

- When working with colleagues, confirm each person's responsibilities.
- Ask other partners for evidence of their E&O Insurance.
- Don't skip any questions or answer any questions your self when filling out forms for clients.
- Make sure you can deliver what you promise.

Don't Generalize

- Avoid saying common statements like, "This investment is just as good as the old one," or "Everyone covered by the old plan is covered by the new one."
- Avoid using phrases like, "For all your insurance needs."
- Be specific.

Stay in your Area of Expertise

- Know your products thoroughly.
- Have all proper licenses.
- Consult with experts on law, accounting, real estate, etc.
- If you choose to work with third parties, make sure to be diligent in their selection.

Do your Own Due Diligence

- Investigate the financial standing of any company whose products you are recommending.
- Check reputation of all third parties.

Standardize Policies & Procedures

- Set up a manual of all routinely followed procedures.
- Keep a manual on every employee's desk.
- Document, in writing, each employee's scope of authority.
- Develop checklists to ensure the timely completion of tasks.
- Set up and maintain a diary system.
- Set up a forms manual with instructions outlining when to use standard letters, memos, meeting reports, etc.
- Set up a procedure for handling checks.
- Devise a system to learn about complaints/comments so that you are aware of problems immediately.

Train your Staff

- Devise a training checklist for new employees.
- Document employee's file regarding completed training, including dates of training, subject matter, grades, etc.
- Hold staff meetings every one to two weeks. Have a written meeting agenda, keep minutes, and record attendees' names. Keep this information, and handouts, in your meeting file.
- Train employees on policies and procedures listed in manual, company products, and underwriting guidelines.
- Emphasize loss prevention.

Stay Current

- Designate one person to maintain files on changes in Federal and State laws that affect your business.
- Keep track of all staff license renewal dates.
- Subscribe to trade journals and maintain a library.
- Attend professional meetings regularly.
- Participate at professional conventions.

Think Defensively

- Maintain a defensive, professional attitude.
- Learn from other professionals such as doctors.
- Get a second opinion, have a witness present, etc.
- Prepare for possible court cases five years into the future.
- Carefully store files and phone records, maintain ex-employees' addresses and phone numbers for possible reference, etc.



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