

# LEARN THE 5 THINGS YOU NEED TO KNOW ABOUT YOUR PROFESSIONAL LIABILITY COVERAGE.

## **1. IS YOUR POLICY A “CLAIMS MADE” OR AN “OCCURRENCE” POLICY FORM?**

Most professional liability policies (E & O) are provided on a “claims made” basis. This means the policy in force when a claim is reported will be the policy that provides coverage, even if the loss occurred in a previous year. This is different from “occurrence” based coverage which finds coverage under the policy in force at the time the accident first occurred (regardless of when the claim was reported). You want to make sure you have coverage for your prior acts, retroactive to your initial date of insurance, so that any claim made against your company for occurrences in previous years will have coverage under your current policy.

## **2. NOT ALL POLICIES ARE THE SAME!**

You can get enhanced coverages on your policy through some carriers. There are specific add-ons that can mitigate premiums and broaden coverage. You need to talk to an experience insurance agent who knows which insurance companies provide these different types of

## **3. DOES YOUR DEFENSE COSTS COME OUT OF YOUR COVERAGE LIMIT?**

Your E & O policy provides coverage for your DEFENSE COSTS. This could be the most important aspect of your policy. Many claims are either settled or thrown out as fraudulent, but that is only after a thorough investigation is completed, resulting in thousands of dollars in attorney's fees. Some companies will give you the option to have unlimited defense costs.

## **4. MOST POLICIES DO NOT RENEW AUTOMATICALLY.**

You must initiate your renewal by completing applications and sending in payment. If you are looking for a comparative quote, it is good to start searching 1 to 2 months before your policy renews. This is also a good time to review your policy every year in case your operations have changed. Many policies also have what is called a “minimum earned premium endorsement” on the policy. This means that you once the policy is enacted, you are responsible for at least 25% of the premium, even if you cancel the policy the day after it renews!

## **5. WHAT SHOULD AN INSURANCE AGENT SPECIALIZING IN TITLE AGENTS BE ABLE TO DO?**

There are six main insurance companies providing Professional Liability for Title Agents. An insurance specialist should be available to name the companies and the difference between each coverage form they provide. Additionally, they should be able to shop your account with each and supply you with a summary of the premium and coverage offered along with answering any questions you have. Your options should be presented in a clear and concise manner.

As a title agent insurance specialist, I look to enhance the value of your policy by providing the broadest coverage available. I am available to help complete the application and to answer any questions you have. I have taken the time to read different forms of professional liability policies, and will be able to pick the best coverage for your company based on your needs and desires. Your agent should provide more for you than just a basic policy. Speak to me and find

Warm Regards,

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