Insurance & Risk Management

Top 10 Issues / Concerns

Presented By: Henry Cifuentes
Hays Companies of Washington, D.C.
# 10 – Additional Insured

- Adding, additional person or entity to your policy
- Additional premium
- Case-by-case basis
- Special wording - endorsement
- Insured vs. Insured exclusion
- Client requirement
# 9 – Insurance Requirements

- Know your client’s insurance requirements before bidding on a contract
- Most medium and large corporations will have specific insurance requirements
- May be excessive
- Negotiate the insurance requirements if possible
# 8 – Tail Coverage

- ERP – Extended Reporting Period
- Optional time period purchased to report a claim once the policy has expired
- Common in most “claims-made” policy forms
- Often recommended if you are retiring
- Work must have occurred within retro-date and expiration date of the final policy
# 7 – Retroactive Date

- Interchangeable with “prior-acts date”
- Specific date on the policy in which any wrongful act that occurs prior to this date is not covered under the policy.
- Additional premium
- Lapse in coverage = lost retro-date coverage
- Maintain your Retro Date if switching carriers
# 6 – Mold Issue/Exclusion

- One of the top issues in the past 5 years
- Claims – frequency and severity
- Often coverage is excluded
- Additional premium
- Residential vs. Commercial
- Current insurance market
# 5 – Other Important Exclusion

- Bodily Injury Exclusion
- Pollution Liability Exclusion
- Property Damage Exclusion
- Additional premium to remove an exclusion, if it’s an option
- Read all exclusions in the policy and any endorsements
# 4 – Claims Made form vs. Occurrence form

- Claims Made- coverage triggered by a claim being made during the policy period or any extended reporting period. Act or Omission that gives rise to claim must have occurred on or after the policy retroactive date and before the policy expiration date.

- Most Errors and Omissions policy are written on a “Claims Made” basis – industry standard.
# 4 – Claims Made Form vs. Occurrence Form

- Occurrence Form – The trigger of insurance coverage is the occurrence of an incident, not the claim; the claim can be made anytime during or after the policy period.
- Much more costly compared to Claims Made forms
- Common with General Liability Insurance
# 3 – E&O Insurance & General Liability Insurance

- **E&O** – Insurance form protects the insured against liability for committing an error or omission in their performance or professional duties.

- **General Liability** – Covers claims involving advertising injury, personal (libel & slander) injury, bodily injury (e.g. slip & fall). Some policies allow insured to add coverage for property (business equipment) on a scheduled basis.
# 2 – Selecting an Insurance Broker

- Thousands of brokers
- Experience
- Knowledge & understanding of industry
- Value-added services (financing option, etc.)
- Maintain open and constant communication
- Request references
- Accessibility / Responsiveness
# 1 - Contract

- Most often cited document in court (e.g. breach of contract claims)
- Special attention to any Insurance Requirements / Indemnity Clauses
- Keep it current
- Consider it a risk management tool
- Maintain your own contract – drafted and reviewed by a qualified / experienced attorney