

## E&O Pointers

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Every significant change in the insurance industry brings with it landmines that can trip an agent up. As the mold melodrama unfolds, a prudent agent will evaluate the potential E&O exposures.

Here are some E&O pointers to consider:

- **Respond to Water Claims Promptly**  
If you take the first report on a water damage claim, make certain the insured takes the necessary steps to remove the water and prevent the formation of mold. Many mold claims can be avoided with prompt action.
- **Report All Water-Damage Claims**  
Today, many insurance companies want to know about water damage, even if it is under the deductible. It gives the adjuster the opportunity to make certain the water has been mitigated properly and the chance to look for preexisting mold.
- **Complete Front-Line Underwriting**  
An agent is the front-line underwriter of an insurance company. If your companies incorporate additional underwriting requirements, follow them to the letter.
- **Handle Policy Revisions Appropriately**  
When your companies institute policy changes to deal with the issue of mold, make certain everyone in the agency is aware of the changes and is equipped to explain them in a language any customer will understand. Be certain to disclose any reductions in coverage on your new business and renewal proposals.

Work with your insurance carriers to stay informed on this important issue. As things change, make adjustments in the way you do business. And, make certain that everyone in the agency is apprised of developments in this area of emerging exposure.