

Documentation Best Practices for Insurance Agents

This article was adapted from the “With Friends Like These, Who Needs Enemies?” by Blake Sando, Esq.

Your file is the best asset in defending you against claims of professional liability. Your insurance company and any legal counsel retained will ask to see your file in the event of a claim or litigation—and a well-documented file can make all the difference in your defense.

What Should be Documented in Each Client File

In short, your client file should document what was discussed with, provided to, and decided by your client, including:

Coverage-Related Issues

- Where and in what states the client currently conducts or intends to conduct business
- Email and correspondence between you and your client, as well as between you and the insurance carrier
- Signed applications
- Written proposals
- Written policies
- Policy documents and transmittal emails

Matters That May Arise During the Policy Period

- Receipt confirmation of any matters, incidents, or claims reported to the insurance carrier
- Any notices of non-payment from the insurance carrier

Risks of Inadequate Documentation

In the event of a dispute, you and your client may have different recollections of what happened, so it is essential to confirm in writing discussions with and decisions made by the client, with particular attention to the following:

- Policy limits sought
- Exclusions in coverage disclosed
- What risks are covered under a standard policy and what risks require additional premium
- Availability of better (more expensive) coverage
- Consequences of non-payment of the policy premium

Lack of documentation in these areas can give rise to or exacerbate professional liability claims.



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Additional Resources

For claims scenarios that illustrate the pitfalls of poor documentation read *“Insurance Agents E&O Claim Scenarios”*
<https://www.berkleysp.com/wp-content/uploads/2022/10/Berkley-Service-Professionals-Insurance-Agents-EO-Claim-Scenarios-22-201-REV-10.2022-FW.pdf?x96035>

For the full article *“With Friends Like These, Who Needs Enemies?”* by Blake Sando, Esq. read
<https://www.berkleysp.com/wp-content/uploads/2021/11/Berkley-SP-With-Friends-Like-These-Who-Needs-Enemies-Blake-Sando-REV-2021.11.15.pdf?x96035>



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Practice management recommendations should be carefully reviewed and adapted for the situation including any particular project requirements, standards and protocols established by the company.

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