

INSURANCE FOR ADJUSTERS

Whether it's required of you through a client contract, or whether it's part of a smart risk management solution, take a close look at the nine types of insurance below and make sure you are adequately protected against these reasonable exposures that arise on a daily basis for independent adjusters.

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Insurance for the Independent Adjuster

Being an independent adjuster can be a rewarding experience, both personally and professionally. Helping people during a time of need, to repair or rebuild their homes, cars, possessions - or sometimes themselves - is more than providing those individuals a professional service. It can also provide you a sense of personal pride and accomplishment. However, not everyone is always grateful for your involvement in the process. Occasionally the relationship can become contentious or even litigious.

The best intentions of all involved parties can still result in harmful consequences and risks of financial exposure to the independent adjuster, either through unforeseen events, oversights, negligence, misunderstandings or simple disagreements between two or more reasonably minded people. That's when you find yourself on the other side of the coin and realize that dealing with insurance companies, policies, and coverages can be more complicated than first thought. But it doesn't have to be a difficult process if you've taken proper steps to protect yourself and your business.

Read on to learn nine types of coverage for IAs..

Professional Liability (E&O Insurance)



Commonly referred to as Errors & Omissions or E&O insurance, this insurance protects you in the performance of your professional services. Mistakes in estimating, disputes on scope and price, failure to properly identify coverage, misleading statements, or a failure of communication with the insured or client carrier, can leave an independent adjuster exposed and at risk of claims or lawsuits from policyholders and insurers who have relied upon their professional service. E&O will cover the cost of providing you legal representation and also pay any damages for which you may ultimately be found liable.

Carrying E&O insurance isn't just a good idea, it's an absolute necessity for any independent adjuster.



General Liability



General liability insurance, or GL, is a needed supplement to E&O insurance. GL is typically quite affordable and covers you for most of the exposures that the E&O won't touch, namely third-party bodily injury and property damage claims.

If you step through a roof, drop a hammer on the homeowner's head (accidentally of course) or have a client slip and fall while on a premises used for your business, you'll be glad you were wise enough to purchase the GL insurance. Be careful though, the GL excludes damages arising out of a mistake made in your professional service (i.e. failure to inspect).

A smart move for any independent adjuster would be to confirm you have both professional liability and general liability insurance before accepting any assignments.

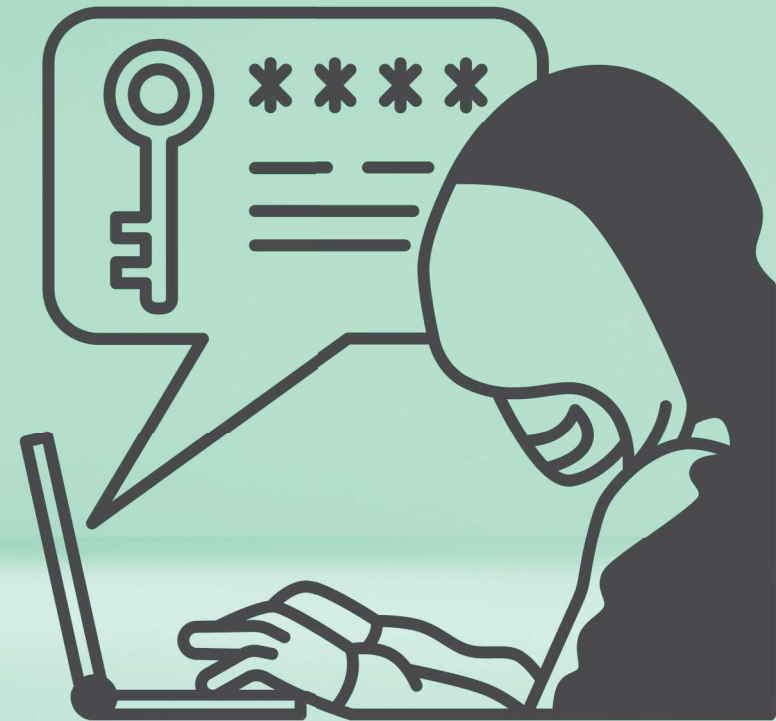
Cyber Liability

cost to report and notify the affected parties, should any client or customer data be compromised.

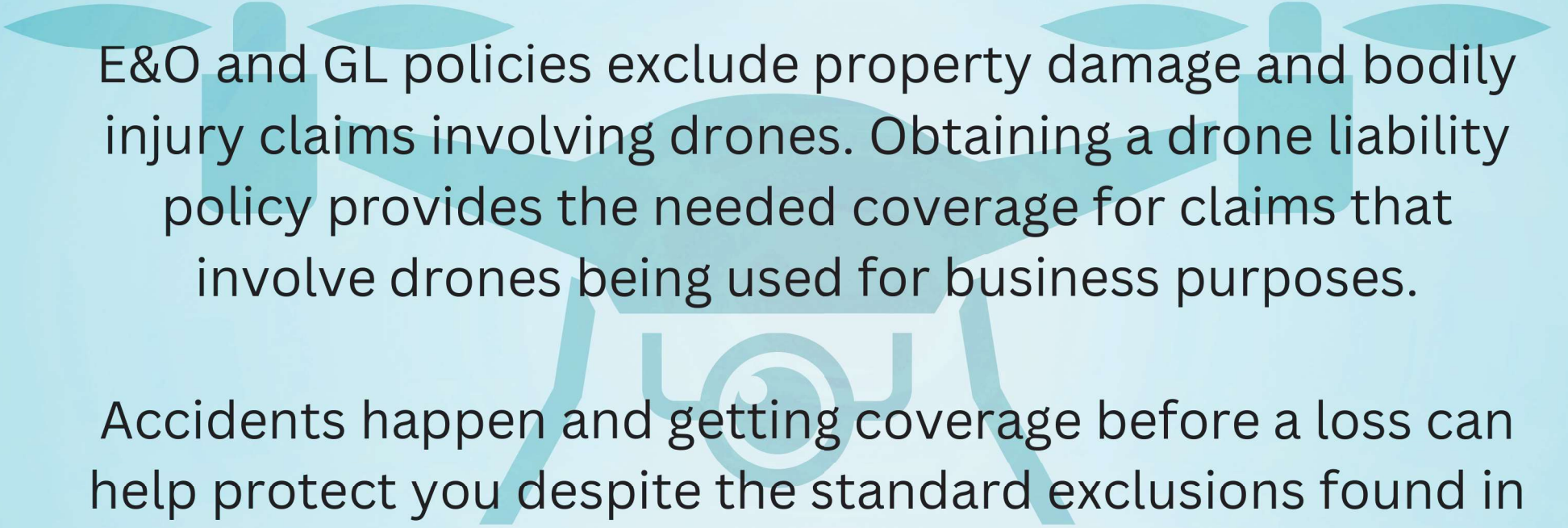
Cyber Liability coverage will help protect you in the event of a security event, either from third party liability claims when others information is compromised, or your own direct forensic costs to detect and block the intrusion. It also includes protections such as data recovery and business interruption caused by the security event or the

These policies remain imminently affordable compared to the cost of getting hacked. Many cyber policies also assist on the front end with vulnerability testing and providing resources to keep a security event from ever taking place.

Additionally, many clients will require that you carry a policy that will cover cyber/digital liability. For many small businesses, this coverage is the difference between staying in business and closing down in the event of a cyber attack.



Drone Liability



E&O and GL policies exclude property damage and bodily injury claims involving drones. Obtaining a drone liability policy provides the needed coverage for claims that involve drones being used for business purposes.

Accidents happen and getting coverage before a loss can help protect you despite the standard exclusions found in E&O and general liability policies.

Employment Practices Liability Insurance (EPLI)

Any businesses with employees needs EPLI coverage to protect them from claims related to the employment process.

Claims of disability, harassment, and inappropriate conduct can be unexpected and expensive (even when unfounded).

Keep your peace of mind while you grow your business and make sure you are covered by obtaining an EPLI policy.

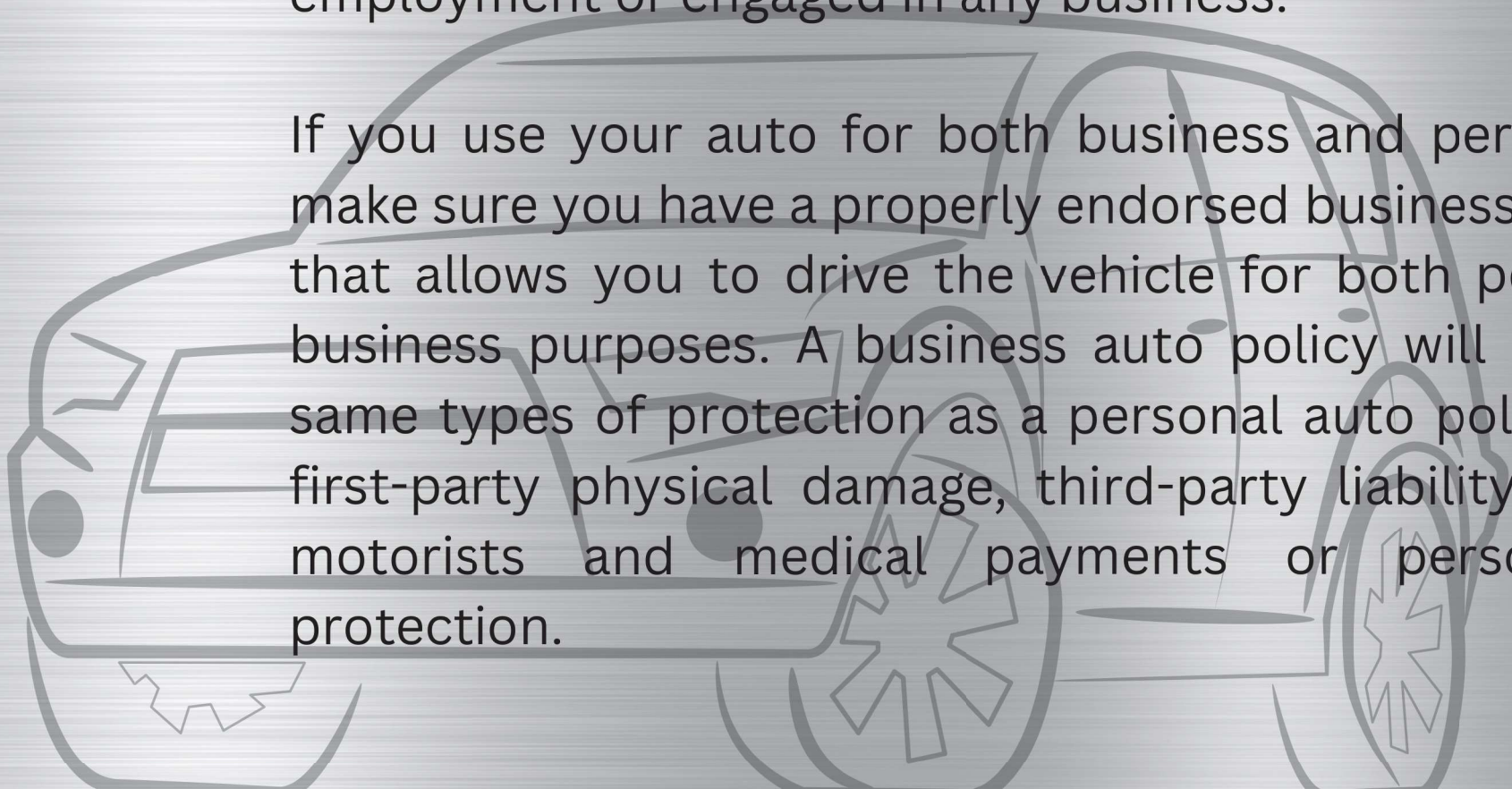


Business Auto

Protect your vehicle

Most personal auto policies exclude liability coverage for the business while you are in the “course and scope of employment or engaged in any business.”

If you use your auto for both business and personal tasks, make sure you have a properly endorsed business auto policy that allows you to drive the vehicle for both personal and business purposes. A business auto policy will provide the same types of protection as a personal auto policy, such as first-party physical damage, third-party liability, uninsured motorists and medical payments or personal injury protection.



PROTECT YOUR OFFICE

Commercial Property

Own or lease a working space outside your home?

Then you'll need one of these policies as well. Covers all your typical exposures that most claim adjusters are familiar, such as hail, fire and water, along with losses due to business interruption.

If you lease a space instead of own, you may still need this policy if the lease requires you to carry it, or at the very least, the partial cost of the building coverage may be included as part of your lease payment. Unlike the business auto policy, you may have some limited protection under your personal homeowners policy for business personal property if you operate out of a home office.

If you have any unique or highly valued business personal property, take a close look at your homeowner's policy to make sure you have no gaps in coverage.

Worker's Comp

Every jurisdiction has rules about when workers' compensation must be provided to employees of the business, usually with a threshold based on number of employees and the type of business. General liability insurance, while covering bodily injury to a third-party, won't protect you or your employees if they are injured on the job. Interesting twist on this one, watch the employee misclassification law carefully in your jurisdiction. Courts can be strict about what constitutes an independent contractor versus an employee, which may have wide impact on health insurance obligations, payroll taxes, and workers' compensation eligibility, among many other areas.



Business Owner's Policy

Protect your business

Often referred to as a “BOP” policy. This isn’t some new or different coverage other than the ones discussed above, but merely a conveniently packaged policy that combines several other standalone coverages that a typical business owner may need, such as general liability, commercial property and business interruption. The BOP policy does not cover professional liability, business auto or workers’ compensation, so that those coverages would need to be evaluated and purchased separately.



CLAIM PROFESSIONALS LIABILITY INSURANCE COMPANY

A RISK RETENTION GROUP

Insurance can be confusing and expensive.

Take the time up front to sort through the various exposures you may have, evaluate your risks, your financial situation and make an informed decision about what might be right for you. The upfront investment of time and money may save you many multiples of both on the back end.

If you have any questions about the types of coverages you may need - or what the coverage you already have applies to - contact us at CPLIC.net!