The Changing Culture of Blame

In association with Griffiths & Armour

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Today’s Agenda

#1 Changing claims environment for Professional Advisors – Why?

#2 Explore current trends and common causes of claims against Insurance Brokers

#3 Understand how to mitigate risks to your business

#4 Professional Indemnity – A changing market for Insurance Brokers

#5 Q&A

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Increasing frequency of claims against Professional Advisors

- Economic conditions
- Insurers claims behaviours
- Increasing litigiousness
- Lawyers seeking new income streams
- Publicity of court awards against advisors

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Griffiths & Armour’s top 6 common causes of claims against Insurance Brokers

1. Inadequate communication of salient terms & conditions
2. Lack of real understanding of client’s business
3. Late notification of potential claims
4. Non Disclosure
5. Failure to communicate changes at renewal
6. Inadequate advice on Business Interruption covers

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“No longer good enough to just be a good broker – you must be able to prove that you are….”
Risk Mitigation – Hints & Tips

1. Check your systems and processes
2. Effective file notes
3. Tailor communication to individual clients
4. Review your standard documentation - Keep it simple
5. How good is your insurance safety net?
6. Don’t make assumptions - Check, check & check again

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PI Claims – How’s your radar?

Every PI claim begins with a disappointed client

Spot the signs

Talk to your broker

When do you notify your insurer

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<tbody>
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<td>1</td>
<td>Reduced appetite, contraction of capital</td>
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<tr>
<td>2</td>
<td>Rates up; Excesses up</td>
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<td>3</td>
<td>Underwriters more demanding of evidence of good systems</td>
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<td>4</td>
<td>Claims activity – so what have you done about it?</td>
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<td>5</td>
<td>More Brokers reviewing their Limits of Indemnity</td>
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4 things to do tomorrow...

1. Check adequacy of your PI protection

2. Check quality of your file notes

3. Check your standard correspondence documentation

4. Read up on the Café de Lecq v Rossborough case in our Brokers Risk Management Publication

Call us to request a copy of our Risk Management Claims Publication: Managing your Professional Risk – Lessons to be Learned

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