Swiss Re
Corporate Solutions

BIG i
PROFESSIONAL LIABILITY.



STEPS TO AVOID AN ERRORS & OMISSIONS CLAIM WHEN WRITING PROPERTY POLICIES

AVOIDING ERRORS & OMISSIONS WITH COMMERCIAL PROPERTY

Commercial property fire claims have consistently been the most severe claims in our insurance agents errors & omissions (E&O) program for the past 20 years. Almost half of the 15 worst claims in the last 10 years of Swiss Re Corporate Solutions history were commercial fire claims ranging from $2 million to $7 million in losses.



Almost half of the 15 worst claims in the last 10 years of Swiss Re history were commercial fire claims ranging from $2 million to $7 million in losses.

Common Property Loss Scenarios

APPLICATION PROCESS
The agent completes an application for their client misstating the existence of fire alarms, fire suppression systems, or other high risk features (such as kitchens).

INADEQUATE LIMITS
The property is not properly valued and inadequately insured. Structures that should be insured are not included on the schedule.

UMBRELLA POLICIES
Failure to accurately notify the umbrella carrier of property. Umbrella policies often require separate notification of the addition of buildings and structures.

INDEPENDENTAGENT.COM/EO

HOW TO TAKE CARE OF YOUR CLIENTS AND AVOID BECOMING A STATISTIC

- **Never let customers sign blank applications.**
- **Never make assumptions and complete a customer's application.**
- **Encourage realistic coverage limits.** Explain inflation, supply chain impacts and rebuilding costs post catastrophe. Even if your insured is a sophisticated buyer, always explain the difference between actual cash value and replacement cost policy terms.
- **Always offer higher limits.** Document rejection of higher limits.
- **Use a coverage checklist to review potential exposures with customers.** Sample coverage checklists are available at EOGuardian.com.
- **Know your markets and available coverage offered by umbrella/excess carriers and their schedule and notification requirements.**
- **Always keep proper file documentation.** Failure to document can be a critical gap when defending an E&O claim.
- **Confirm policy delivery—even if hand-delivered.** Make sure you deliver the policy to the person authorized by the owner or risk manager to receive the policy.
- **Audit your files periodically to ensure accurate information and any needed property valuations updates.**

Prevent an E&O Claim By Proper Agency Risk Management

Fire claims are not just about flames—they ignite scrutiny into every aspect of an agent's professional conduct. By embedding risk management into daily operations and client interactions, agencies can reduce exposure, protect their reputation, and uphold their duty of care.

In the professional liability landscape, few claim types are as financially and reputationally damaging as those stemming from fire losses. For insurance agents, especially those placing commercial property coverage, fire-related claims can expose gaps in documentation, coverage adequacy, and client communication, which can trigger litigation and liability.

Questions? Contact your dedicated E&O risk manager at eo@iiaba.net.

Copyright © 2025, Big I Advantage®, Inc., and Swiss Re Corporate Solutions. All rights reserved. No part of this material may be used or reproduced in any manner without prior written permission from Big I Advantage®. For permission or further information, contact Agency E&O Risk Manager, 127 South Peyton Street, Alexandria, VA 22314, or email at eo@iiaba.net.