

Section 8: What's In Your File – Good Documentation?



Good File Documentation – What Should Be Included and What Should Not

Imagine one of your customers' files projected up on a big screen in a court room for all to see. Would you feel comfortable that the file would provide a clear and understandable timeline of all of the interactions with the customer? Would it cover the Who, What, Why, When, and How? Documentation should provide a road map of

daily activities backed up by signed applications, checklists, and proposals identifying coverage that were accepted and rejected. Agents generally do not lose E&O cases because of too much documentation. Are all employees following standard documentation practices for all customers, all of the time? And when was the last time random files were reviewed for verification?

- ✓ File should include all communications with the customer including in-person discussions, phone calls, faxes, texts, and electronic communications
- ✓ Any discussion of coverages and exclusions should be documented, including whether they were accepted or rejected. Ideally customer signatures are obtained on forms acknowledging declinations
- ✓ E&O coverage checklists serve as solid documentation
- ✓ The prior year's E&O coverage checklist, sent to the customer at renewal to inquire if anything has changed, can then be used as documentation
- ✓ Written confirmation of insured's desired limits
- ✓ Note when policy was delivered to insured
- ✓ A transmittal letter included with the policy stating that all policies have conditions and exclusions which impact coverages, and it is the insured's responsibility to read the policy in detail and to contact the agency with any questions or requests for changes
- ✓ All endorsements issued should have an activity log identifying either the insured's request or the carrier's requirement. Documentation of addition of endorsement delivery is also very important.
- ✓ Documentation that any claims reported to the agency were immediately reported to the carrier
- ☛ Do not include comments about a claims (i.e.: attorney client privileged information), or the merits of the claims, or your opinion as to whether or not there is coverage
- ☛ Resist the urge to go to bat for your customer when a claim is denied by the carrier
- ✓ Documentation should be clear, concise, consistent, include what was done or discussed with specific dates and times, and able to be understood by all agency staff

- ✓ Daily activity logs, copies of change orders, premium adjustments, premium audits, applications, renewal applications, declaration pages, and access to all policy forms described on declaration page should be in the file
- ✓ Documentation should include unalterable date/time stamp
- ✖ Just the facts - personal asides and comments should not be included in the customer file
- ✓ The objective of good documentation is to recreate the transaction in complete detail of the step-by-step process used to serve the customer
- ✖ Do not put E&O claim information into the file of the customer involved
- ✓ Correspondence and conversations with the carriers should also be documented
- ✓ All staff should use the same system and procedures in documenting customer files
- ✓ Good documentation procedures will prove both that a specific event did or did not occur
- ✓ Documentation should state that the agent was asked to quote only the same coverage as prior policy upon renewal, if indeed this is the case
- ✓ Record of agency issued Certificates of Insurance should be kept and a copy sent to the insurance carrier(s)