

> Dear Deborah,
 >
 > Thank you for giving us the extra time to finish the answers to the E&O
 > questions from some of your students. The answers are attached to this
 > email.

Subject: For Deborah K Moroy,AIC,IIA-----E&O QUESTIONS & ANSWERS by Dale Moore & Micheale Hale

----- Original Message -----
 From: "Dale Moore" <dale.moore@cplc.net>
 To: <Admin@claimsmenator.com>
 Cc: "Lee Helms" <lee.helms@cplc.net>; "Crystal Cunningham"
 <crystal.cunningham@cplc.net>
 Sent: Friday, February 29, 2008 6:09 PM

Dale Moore, CIC
 Director Client Services
 CPLIC, RRG & Carter Claims
 17742 Irvine Blvd., Ste 102
 Tustin, CA 92780
 Tel: 877-572-7542
 Fax: 714-731-4605

Cordially,
 for you.
 I am trying this again, and I am very sorry the first email was garbled.
 Please email me and let me know if this was came through readable.

Dear Deborah,
 =====
 ---- Dale Moore <dale.moore@cplc.net> wrote:

Thanks Dale,
 Unfortunately it is still garbled. Can you just copy and paste the Q & A into the body of an email then I can copy and paste it into the Claimsmenator Forums as well as getting a Blog -Part II up today? I'll send you the links to all as soon as I can get the answers not garbled. I know I could open the first Part I Q and A with no problem so not sure why this set is coming in so garbled? You could also just print and fax them if that is easier for you to 850-502-4449.

From: "Dimechimes Corporation" <dimechimes@cox.net>
 To: "Dale Moore" <dale.moore@cplc.net>
 Cc: "Crystal Cunningham" <crystal.cunningham@cplc.net>; "Lee Helms" <lee.helms@cplc.net>
 Sent: Thursday, March 06, 2008 5:19 AM
 Subject: Re: Fw: For Deborah K Moroy,AIC,IIA-----E&O QUESTIONS & ANSWERS by Dale Moore & Micheale Hale

Dale Moore
Deborah K. Moroy, AIC, IIA
THX. Dale

E&O Q & A'S For Claims Mentors

by Michael Hale & Dale Moore

1. What would an adjuster ask an adjusting firm for IF they are going to use their E&O for coverage? At minimum, I would think they should get the carrier appropriate information such as policy number and limits and contact information. How about coverage forms? Do you know if this is normally supplied by the adjusting firms? Knowing the policy number and the limits would be important at the time of loss, but of greater importance is knowing what is NOT COVERED under the current adjusting firms policy. Many adjusters depend on the word of the companies they work with, until the claim happens, and then the IA is at the mercy of the policy they hope will cover them. It would be much wiser to purchase your own E&O policy as primary coverage.
2. You mentioned the limits available. What do you recommend as a minimum for adjusters? There are companies offering limits as low as \$250,000 however, in most cases today, insurance companies are asking for limits of one million dollars, and are sometimes accepting limits of five hundred thousand. CPLIC insures for a minimum of \$500,000 in E&O coverage.
3. Is it hard for a new adjuster with no experience to be approved for E&O coverage? We can only speak specifically for CPLIC, in that we require either a minimum of 5 years of claim experience, or prior E&O coverage. We will look favorably at years of prior work experience in construction or insurance when an IA makes application to us for E&O protection.
4. What are some of the common reasons for claims. IE: mistakes of adjusters and/or adjusting firms that file claims under their policies? Adjusters have been sued for many reasons. However, in general, any action causing financial loss to an injured party specifically caused by the IA (not excluded on the E&O policy) is covered. EXAMPLE: When an IA loses documentation, or fails to make deadlines, or fails to properly prepare reports, to name a few.
5. Do attorney fees/court costs mentioned in your Q&A reduce the E&O limits to pay a claim? Most insurance companies pay the defense and court costs from the policy, thereby reducing policy limits. An ALA (Allocated Loss Adjustment Expenses) endorsement may be purchased to buy back some of these expenses, but in most cases it is less costly to raise your policy limits.

6. What are common exclusions on an E&O policy and typical reasons besides non-payment for cancellation of an E&O policy? Exclusions we see regularly are exclusions for claims resulting from Mold, and claims arising from actions of sub-contractors adjusting either directly or indirectly for you. CPLIC covers you for both of these exclusions subject to policy provisions. Policies are cancelled for adverse loss experience, lack of cooperation or Companies may withdraw from a particular line of business. CPLIC will not withdraw, since this is our only line of business.
7. Do needs differ for catastrophe adjusters who travel nationwide VS daily adjusters working claims in a fixed territory? E&O coverage needs are the same in the United States for both types of adjusters. The very important fact to remember is that some claim types bring higher inherent risk of claims with them, and sometimes the E&O policies exclude the exposures and perils you need covered the most. Own your own policy and know the exclusions!
8. Given the large number of adjusters named in lawsuits after Katrina, have you seen a large increase in E&O claims since 2005, creating a need for higher limits, and a definite higher priority for adjusters to carry their own individual E&O insurance policy? The number of E&O claims is fairly proportional to the number of CAT and other claims throughout any year. Yes, after a disaster as devastating as Katrina, the number of Cat CLAIMS rose significantly and so did the number of E&O claims. It is surprising how fast our telephone rings when an adjuster receives a summons, and then they want to buy E&O insurance!
9. If an adjuster does carry their own E&O policy and they are covered on an Adjusting firms E&O, what is a typical "other" insurance clause as to which policy would be primary? Here is the "Coverage Provided by Other Insurance" provision of the CPLIC policy: "Unless stated specifically that any Coverage provided by this policy is excess over other valid and collectible insurance, this Policy is intended to apply as primary insurance for you for covered Claims. Nothing in this paragraph shall prevent you or the company from seeking contribution or coverage from other potentially applicable insurance or any other indemnitor." CPLIC tries to always be primary, but most companies try to be excess. CPLIC wants to manage your claim to help you reduce expenses and settlements.

10. Should an adjuster work claims for multiple adjusting firms, and would that change their coverage needs? You don't need different coverages, but you do need your own coverage! Sometimes IA's are exposed to losses and are not insured when they work for multiple adjusting firms. Keeping track of various subcontractor agreements and coverage limitations can be scary, unless you have your own PEACE OF MIND. Please contact CPLJC here for a no obligation quote: <http://www.cplj.net> or email us here: dale.moore@cplj.net