



Risky Endorsements in Recent Insurance Policies

Introduction



Quote/Policy checking Best Practices

- How should you be looking at quotes and policies?
- What is your responsibility?



Scary Endorsements in Modern Policies

- A sample of some endorsements that keep me up at night



Roof coverage

- RCV
- ACV
- Roof Schedules



Best Practices - Quote and Policy Review

Standard of Care

"Duty to read"

How should you avoid expanding that LEGAL standard

The Quote

Look for key endorsements

Wholesalers and forms lists

The Policy

Comparison and delivery

How do you keep up with company changes?

Private Passenger Auto Coverage Quiz

Are they insured?



Chaz

Chaz is a friend

But maybe not your best friend

Chaz doesn't always make good decisions

But Chaz has been in your life since the 3rd grade

You haven't seen him in a few weeks, but today you let Chaz borrow your car because he needed to go pick up his new DJ equipment

Chaz is going to make it big as a DJ -- You'll see

Laura

Laura is your step-daughter

Laura is going to run this country some day

Laura just graduated from high school

She leaves for college in a few months -- she will of course be studying insurance because she's a genius

Laura has her own car on your insurance policy

To make some money for probably not beer at college, Laura has been driving for Uber





Frank

Frank is your father-in-law

You and Frank don't have much in common

Frank had a bit of "a wobble"
and he's been living with you

It was supposed to be for just a week or
two -- until he got back on his feet. He
told you that eight months ago...

Frank asked if he could borrow your car
today. He needs to go to a job interview,
and his didn't start this morning

You really want Frank to get this job

Part IV - Damage To A Vehicle

The following exclusion is added:

To a covered auto while being operated by a driver who, at the time of the loss, was not listed on your declarations page and who was residing in your household as a permanent resident or as a temporary guest.

This exclusion does not apply to the following situations:

1. The driver operating the covered auto started residing in your household as a permanent resident or as a temporary guest no more than 185 days prior to the loss;
2. The driver operating the covered auto became a licensed driver no more than 185 days prior to the loss. For purposes of this exclusion, a licensed driver, includes a driver with an instructional or temporary permit, an out of state license, or any other permit or license that authorizes a person to operate a vehicle in any state;
3. At the time of the loss, the driver operating the covered auto was insured by another policy of insurance that provides automobile liability insurance coverage for that driver's use of your covered auto;
4. At the time of the loss, the driver was operating the covered auto to obtain emergency medical treatment for a passenger in the covered auto; or
5. At the time of the loss, the driver was operating the covered auto because all other licensed drivers in the covered auto were intoxicated, and the driver was not intoxicated. Coverage applies only if someone reports the loss to the police or civil authority within 24 hours or as soon as practicable after the loss occurred. This exclusion applies to collision coverage only.

Scary
endorsement!



You

You are a young agent!

You know in your heart that you will be soon be the next winner of America's Got Talent

As a certifiable insurance genius, you'd never leave yourself with coverage gaps (right?)

Your alternator went out, but you weren't worried because your policy has rental reimbursement

You've been in your rental now, though, for almost 4 months and the garage still can't find the right part

General Definitions

The definition of "Rental auto" and "Temporary substitute auto" are deleted and replaced by the following:

- 11. "Rental auto" means an auto, not owned or leased by you or a relative, which is:
 - a. rented by you or a relative from a rental agency for a period of 90 days or less; or
 - b. provided by an auto business to you or a relative for the purpose of demonstrating or test-driving the auto for a period of 24 hours or less.
- 14. "Temporary substitute auto" means an auto, not owned or leased by you, or a relative, that is being operated by you or a relative and is not provided, furnished, or available to you or a relative on a regular basis. Its use must be with the permission, express or implied, of the owner.

All other terms, limits and provisions of this policy remain unchanged.

Scary
endorsement!



If we have to
give our keys
we learn?
to someone?

Give them to
Chaz...

Property Endorsements



Anti-Public Adjuster Endorsement

- What is it?
- Why do carriers want it?
- What's the risk?
- Louisiana limitations



Roof Coverage Endorsements

- Variety of roof coverage endorsements
 - RCV
 - ACV
 - Roof Schedule
- Why is this happening?
- What are Best Practices?

Explaining the difference between RCV and ACV

Key Points



How is a valuation done in the first place?



What is depreciation?



How will this apply in a practical claim scenario?

Break into groups

Discuss your elevator pitch explaining the differences

Somebody get ready to present to the class!